

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**AMENDMENT NO. 2
TO
FORM S-1
REGISTRATION STATEMENT**

*Under
The Securities Act of 1933*

Frontier Group Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

4512
(Primary Standard Industrial
Classification Code Number)

46-3681866
(I.R.S. Employer
Identification Number)

Frontier Center One
7001 Tower Road
Denver, CO 80249
(720) 374-4200

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Barry L. Biffle
President and Chief Executive Officer
Frontier Group Holdings, Inc.
Frontier Center One
7001 Tower Road
Denver, CO 80249
(720) 374-4200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Anthony J. Richmond, Esq.
Brian D. Paulson, Esq.
Latham & Watkins LLP
140 Scott Drive
Menlo Park, CA 94025
Telephone: (650) 328-4600
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Howard M. Diamond
General Counsel & Secretary
Frontier Group Holdings, Inc.
Frontier Center One
7001 Tower Road
Denver, CO 80249
Telephone: (720) 374-4200

Alan F. Denenberg
Davis Polk & Wardwell LLP
1600 El Camino Real
Menlo Park, CA 94025
Telephone: (650) 752-2000
Facsimile: (650) 752-2115

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This Amendment No. 2 to Form S-1 Registration Statement (Registration No. 333-217078) of Frontier Group Holdings, Inc. is being filed solely to include updated exhibits to the Registration Statement. Accordingly, Part I, the form of prospectus, has been omitted from this filing.

PART II

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses, other than underwriting discounts, payable in connection with the sale and distribution of the securities being registered. All amounts are estimated except the SEC registration fee and the FINRA filing fee. All the expenses below will be paid by Frontier Group Holdings, Inc.

| <u>Item</u> | <u>Amount</u> |
|-----------------------------------|---------------|
| SEC Registration fee | \$ 11,590 |
| FINRA filing fee | 15,500 |
| Initial listing fee | * |
| Legal fees and expenses | * |
| Accounting fees and expenses | * |
| Printing and engraving expenses | * |
| Transfer Agent and Registrar fees | * |
| Blue Sky fees and expenses | * |
| Miscellaneous fees and expenses | * |
| Total | \$ * |

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers

Frontier Group Holdings, Inc., Inc. is a Delaware corporation. Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act of 1933, as amended. Our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering compels indemnification of our directors and officers and permits indemnification of our employees and other agents, in each case to the maximum extent permitted by the Delaware General Corporation Law, and our amended and restated bylaws to be in effect immediately prior to the consummation of this offering provide for indemnification of our directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law. In addition, we have entered into indemnification agreements with our directors, officers and some employees containing provisions which are in some respects broader than the specific indemnification provisions contained in the Delaware General Corporation Law. The indemnification agreements may require us, among other things, to indemnify our directors against certain liabilities that may arise by reason of their status or service as directors and to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified. Reference is also made to Section 8 of the underwriting agreement to be filed as Exhibit 1.1 hereto, which provides for indemnification by the underwriter of our officers and directors against certain liabilities.

Item 15. Recent Sales of Unregistered Securities

During the last three years, we granted equity awards for an aggregate of 402,621 shares of our common stock to employees and directors under our 2014 Equity Incentive Plan, which includes 123,249 shares that were subsequently forfeited and 16,516 shares that were subsequently repurchased.

The sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided

under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us.

There were no underwriters employed in connection with any of the transactions set forth in Item 15.

Item 16. Exhibits and Financial Statements

See the Exhibit Index beginning on page II-5, which follows the signature pages hereof and is incorporated herein by reference.

Item 17. Undertakings

The undersigned registrant hereby undertakes that:

(1) for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective;

(2) for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) the undersigned will provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 14, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|--|--------------|--------------|
| * _____ Patricia Salas Pineda | Director | May 23, 2017 |
| * _____ John R. Wilson | Director | May 23, 2017 |

By: /s/ Barry L. Biffle
Barry L. Biffle
Attorney-in-Fact

EXHIBIT INDEX

| <u>Exhibit Number</u> | <u>Exhibit Description</u> | <u>Incorporated by Reference</u> | | | <u>Filed Herewith</u> |
|---------------------------|--|----------------------------------|-------------|---------------|---------------------------|
| | | <u>Form</u> | <u>Date</u> | <u>Number</u> | |
| 1.1* | Form of Underwriting Agreement. | | | | |
| 3.1(a) | Amended and Restated Certificate of Incorporation, currently in effect. | S-1 | 3/31/2017 | 3.1(a) | |
| 3.1(b) | Certificate of Amendment of the Amended and Restated Certificate of Incorporation. | S-1 | 3/31/2017 | 3.1(b) | |
| 3.2* | Form of Amended and Restated Certificate of Incorporation, to be in effect immediately prior to the consummation of this offering. | | | | |
| 3.3 | Amended and Restated Bylaws, currently in effect. | S-1 | 3/31/2017 | 3.3 | |
| 3.4* | Form of Amended and Restated Bylaws, to be in effect immediately prior to the consummation of this offering. | | | | |
| 4.1 | Reference is made to exhibits 3.1 through 3.4. | | | | |
| 4.2* | Form of Common Stock Certificate. | | | | |
| 4.3* | Registration Rights Agreement, to be in effect immediately prior to the consummation of this offering, by and among Frontier Group Holdings, Inc. and Indigo Frontier Holdings Company, LLC. | | | | |
| 5.1* | Opinion of Latham & Watkins LLP. | | | | |
| 10.1(a)† | Airport Use and Lease Agreement, dated as of January 1, 2012, by and between Frontier Airlines, Inc. and the City and County of Denver. | S-1 | 5/9/2017 | 10.1(a) | |
| 10.1(b)† | First Amendment to the Airport Use and Lease Agreement, dated as of July 1, 2015, by and between Frontier Airlines, Inc. and the City and County of Denver. | S-1 | 5/9/2017 | 10.1(b) | |
| 10.1(c)† | Second Amendment to the Airport Use and Lease Agreement, dated as of December 22, 2016, by and between Frontier Airlines, Inc. and the City and County of Denver. | S-1 | 5/9/2017 | 10.1(c) | |
| 10.1(d)† | Letter of Agreement, dated as of May 5, 2015, by and between Frontier Airlines, Inc. and the City and County of Denver. | S-1 | 5/9/2017 | 10.1(d) | |
| 10.2(a)# | 2014 Equity Incentive Plan. | S-1 | 3/31/2017 | 10.2(a) | |
| 10.2(b)# | Form of Stock Option Grant Notice and Stock Option Agreement under the 2014 Equity Incentive Annual Plan. | S-1 | 3/31/2017 | 10.2(b) | |
| 10.2(c)# | Form of Stock Purchase Right Grant Notice and Restricted Stock Purchase Agreement for Non-Employee Directors. | S-1 | 3/31/2017 | 10.2(c) | |
| 10.3(a)# | 2017 Equity Incentive Award Plan. | S-1 | 5/9/2017 | 10.3(a) | |
| 10.3(b)*# | Form of Stock Option Grant Notice and Stock Option Agreement under the 2017 Equity Incentive Annual Plan. | | | | |

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|---------------------------|---|-------------|----------------------------------|---------------|---------------------------|
| | | | <u>Date</u> | <u>Number</u> | |
| 10.3(c)*# | Form of Restricted Stock Award Agreement and Restricted Stock Unit Award Grant Notice under the 2017 Equity Incentive Annual Plan. | | | | |
| 10.4# | Form of Indemnification Agreement for directors and officers. | S-1 | 3/31/2017 | 10.4 | |
| 10.5# | Employment Agreement, dated as of March 15, 2016, by and between Frontier Airlines, Inc. and Barry L. Biffle. | S-1 | 3/31/2017 | 10.5 | |
| 10.6# | Amended and Restated Employment Agreement, dated as of April 13, 2017, by and between Frontier Airlines, Inc. and James G. Dempsey. | S-1 | 5/9/2017 | 10.6 | |
| 10.7# | Employment Letter, dated as of February 23, 2015, by and between Frontier Airlines, Inc. and James E. Nides. | S-1 | 3/31/2017 | 10.7 | |
| 10.8# | Employment Letter, dated as of June 30, 2014, by and between Frontier Airlines, Inc. and Howard M. Diamond. | S-1 | 3/31/2017 | 10.8 | |
| 10.9# | Employment Letter, dated as of September 2, 2015, by and between Frontier Airlines, Inc. and Mark C. Mitchell. | S-1 | 3/31/2017 | 10.9 | |
| 10.10(a)# | Employment Agreement, dated as of June 25, 2012, by and between Frontier Airlines, Inc. and Daniel M. Shurz. | S-1 | 3/31/2017 | 10.10(a) | |
| 10.10(b)# | Amendment to Employment Agreement, dated as of September 13, 2013, by and between Frontier Airlines, Inc. and Daniel M. Shurz. | S-1 | 3/31/2017 | 10.10(b) | |
| 10.11*# | Non-Employee Director Compensation Program. | | | | |
| 10.12# | Amended and Restated Phantom Equity Investment Agreement, dated as of December 3, 2013, by and among, Frontier Airlines, Inc., Falcon Acquisition Group, Inc. and FAPAIInvest, LLC. | S-1 | 3/31/2017 | 10.12 | |
| 10.13# | Professional Services Agreement, dated December 3, 2013, by and among Indigo Partners LLC, Frontier Airlines Holdings, Inc. and Frontier Airlines, Inc. | S-1 | 3/31/2017 | 10.13 | |
| 10.14# | Subscription Agreement, dated as of December 3, 2013, by and between, Falcon Acquisition Group, Inc. and Indigo Frontier Holdings Company, LLC. | S-1 | 3/31/2017 | 10.14 | |
| 10.15(a)† | Airbus A320 Family Aircraft Purchase Agreement, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc. | | | | X |
| 10.15(b)† | Letter Agreement No. 1, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc. | | | | X |
| 10.15(c)† | Letter Agreement No. 2, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc. | | | | X |

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|---------------------------|--|-------------|----------------------------------|---------------|---------------------------|
| | | | <u>Date</u> | <u>Number</u> | |
| 10.15(d)† | Letter Agreement No. 3, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc. | | | | X |
| 10.15(e)† | Letter Agreement No. 4, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc. | | | | X |
| 10.15(f)† | Letter Agreement No. 5, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc. | | | | X |
| 10.15(g)† | Letter Agreement No. 6A, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc. | | | | X |
| 10.15(h)† | Letter Agreement No. 6B, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc. | | | | X |
| 10.15(i)† | Letter Agreement No. 7, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc. | | | | X |
| 10.15(j)† | Letter Agreement No. 8, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc. | | | | X |
| 10.15(k)† | Letter Agreement No. 9, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc. | | | | X |
| 10.15(l)† | Amendment No. 1 to Airbus A320 Family Aircraft Purchase Agreement, dated as of January 10, 2013, by and between Airbus S.A.S. and Republic Airways Holdings Inc. | | | | X |
| 10.15(m)† | Amendment No. 2 to Airbus A320 Family Aircraft Purchase Agreement, dated as of December 3, 2013, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.15(n)† | Amendment No. 3 to Airbus A320 Family Aircraft Purchase Agreement, dated as of September 30, 2011, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.16(a)† | Airbus A321 Aircraft Purchase Agreement, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.16(b)† | Letter Agreement No. 1, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.16(c)† | Letter Agreement No. 2, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |

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|---------------------------|---|-------------|----------------------------------|---------------|---------------------------|
| | | | <u>Date</u> | <u>Number</u> | |
| 10.16(d)† | Letter Agreement No. 3, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.16(e)† | Letter Agreement No. 4, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.16(f)† | Letter Agreement No. 5, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.16(g)† | Letter Agreement No. 6A, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.16(h)† | Letter Agreement No. 6B, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.16(i)† | Letter Agreement No. 7, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.16(j)† | Letter Agreement No. 8, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.16(k)† | Letter Agreement No. 9, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.16(l)† | Amendment No. 1 to Airbus A321 Aircraft Purchase Agreement, dated as of May 18, 2015, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.16(m)† | Amendment No. 2 to Airbus A321 Aircraft Purchase Agreement, dated as of May 18, 2015, by and between Airbus S.A.S. and Frontier Airlines, Inc. | | | | X |
| 10.17(a)† | Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of March 12, 2003, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank. | S-1 | 5/9/2017 | 10.17(a) | |
| 10.17(b)† | First Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of March 12, 2003, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank. | S-1 | 5/9/2017 | 10.17(b) | |
| 10.17(c)† | Second Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of April 1, 2005, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank. | S-1 | 5/9/2017 | 10.17(c) | |
| 10.17(d)† | Third Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of March 27, 2006, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank. | S-1 | 5/9/2017 | 10.17(d) | |
| 10.17(e)† | Fourth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of May 8, 2007, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank. | S-1 | 5/9/2017 | 10.17(e) | |

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| | | | <u>Date</u> | <u>Number</u> | |
| 10.17(f)† | Fifth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of May 25, 2007, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank. | S-1 | 5/9/2017 | 10.17(f) | |
| 10.17(g)† | Sixth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of September 9, 2009, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank. | S-1 | 5/9/2017 | 10.17(g) | |
| 10.17(h)† | Seventh Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of July 23, 2010, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank. | S-1 | 5/9/2017 | 10.17(h) | |
| 10.17(i)† | Eighth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of October 29, 2010, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank. | S-1 | 5/9/2017 | 10.17(i) | |
| 10.17(j)† | Ninth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of November 5, 2013, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank. | S-1 | 5/9/2017 | 10.17(j) | |
| 10.17(k)† | Tenth Amendment to the Frontier Airlines, Inc. Credit Card Agreement, dated as of June 18, 2015, by and between Frontier Airlines, Inc. and Barclays Bank, formerly known as Jupiter Bank. | S-1 | 5/9/2017 | 10.17(k) | |
| 10.18(a)† | General Terms Agreement No. 6-13616, dated as of June 30, 2000, by and between Frontier Airlines, Inc., CFM International, Inc. and Societe Nationale D'Etude et de Construction de Monteurs d'Aviation. | S-1 | 5/9/2017 | 10.18(a) | |
| 10.18(b)† | Letter Agreement No. 1, dated as of June 30, 2000, by and between Frontier Airlines, Inc. and CFM International, Inc. | S-1 | 5/9/2017 | 10.18(b) | |
| 10.18(c)† | Letter Agreement No. 2, dated as of November 20, 2002, by and between Frontier Airlines, Inc. and CFM International, Inc. | S-1 | 5/9/2017 | 10.18(c) | |
| 10.18(d)† | Letter Agreement No. 3, dated as of August 1, 2003, by and between Frontier Airlines, Inc. and CFM International, Inc. | S-1 | 5/9/2017 | 10.18(d) | |
| 10.18(e)† | Letter Agreement No. 4, dated as of March 26, 2004, by and between Frontier Airlines, Inc. and CFM International, Inc. | S-1 | 5/9/2017 | 10.18(e) | |
| 10.18(f)† | Letter Agreement No. 5, dated as of April 11, 2006, by and between Frontier Airlines, Inc. and CFM International, Inc. | S-1 | 5/9/2017 | 10.18(f) | |
| 10.18(g)† | Amendment No. 1 to GTA 6-13616, dated as of June 6, 2009, by and between Frontier Airlines, Inc. and CFM International, Inc. | S-1 | 5/9/2017 | 10.18(g) | |

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| | | | <u>Date</u> | <u>Number</u> | |
| 10.18(h)† | Letter Agreement No. 7, dated as of October 25, 2011, by and between Frontier Airlines, Inc. and CFM International, Inc. | S-1 | 5/9/2017 | 10.18(h) | |
| 10.18(i)† | Letter Agreement No. 8, dated as of December 23, 2014, by and between Frontier Airlines, Inc. and CFM International, Inc. | S-1 | 5/9/2017 | 10.18(i) | |
| 10.19(a)† | General Terms Agreement No. CFM-1 1-2576101711, dated as of October 17, 2011, by and between Frontier Airlines, Inc. and CFM International, Inc. | S-1 | 5/9/2017 | 10.19(a) | |
| 10.19(b)† | Letter Agreement No. 1 to General Terms Agreement No. CFM-1 1-2576101711, dated as of October 26, 2011, by and between Frontier Airlines, Inc. and CFM International, Inc. | S-1 | 5/9/2017 | 10.19(b) | |
| 10.19(c)† | Amendment No. 1 to Letter Agreement No. 1, dated as of December 23, 2014, by and between Frontier Airlines, Inc. and CFM International, Inc. | S-1 | 5/9/2017 | 10.19(c) | |
| 10.20(a)† | Agreement on Technical Services for A320 Family Aircraft, dated as of November 5, 2014, by and between Frontier Airlines, Inc. and Lufthansa Technik AG. | S-1 | 5/9/2017 | 10.20(a) | |
| 10.20(b)† | Total Component Support Attachment, dated as of November 5, 2014, by and between Frontier Airlines, Inc. and Lufthansa Technik AG. | S-1 | 5/9/2017 | 10.20(b) | |
| 10.20(c)† | Attachment on Aircraft Production Inspection, dated as of April 30, 2015, by and between Frontier Airlines, Inc. and Lufthansa Technik AG. | S-1 | 5/9/2017 | 10.20(c) | |
| 10.21† | Purchase Terms Agreement (Material-Single Event), dated as of November 5, 2014, by and between Frontier Airlines, Inc. and Lufthansa Technik AG. | S-1 | 5/9/2017 | 10.21 | |
| 10.22(a)† | Navitaire Hosted Services Agreement, dated as of June 20, 2014, by and between Frontier Airlines, Inc. and Navitaire LLC. | S-1 | 5/9/2017 | 10.22(a) | |
| 10.22(b)† | Amendment No. 1 to Navitaire Hosted Services Agreement, dated as of March 1, 2015, by and between Frontier Airlines, Inc. and Navitaire LLC. | S-1 | 5/9/2017 | 10.22(b) | |
| 10.22(c)† | Amendment No. 2 to Navitaire Hosted Services Agreement, dated as of April 10, 2015, by and between Frontier Airlines, Inc. and Navitaire LLC. | S-1 | 5/9/2017 | 10.22(c) | |
| 10.22(d)† | Amendment No. 3 to Navitaire Hosted Services Agreement, dated as of January 1, 2016, by and between Frontier Airlines, Inc. and Navitaire LLC. | S-1 | 5/9/2017 | 10.22(d) | |

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|---------------------------|---|-------------|----------------------------------|---------------|---------------------------|
| | | | <u>Date</u> | <u>Number</u> | |
| 10.23† | Second Amended and Restated Credit Agreement, dated as of December 16, 2016, by and among Vertical Horizons, Ltd., Citibank, N.A., Citigroup Global Markets, Inc., Bank of Utah and each lender identified on Schedule I thereto. | | | | X |
| 10.24† | Second Amended and Restated Mortgage and Security Agreement, dated as of December 16, 2016, by and among Vertical Horizons, Ltd., Citibank, N.A. and Bank of Utah. | | | | X |
| 10.25 | Second Amended and Restated Guarantee, dated as of December 16, 2016, by Frontier Airlines, Inc. in favor of Bank of Utah. | | | | X |
| 10.26† | Second Amended and Restated Guarantee, dated as of December 16, 2016, by Frontier Airlines Holdings, Inc. in favor of Bank of Utah. | | | | X |
| 10.27(a)† | Step-In Agreement, dated as of December 23, 2014, by and among Vertical Horizons, Ltd., Bank of Utah and Airbus S.A.S. | | | | X |
| 10.27(b)† | Letter Agreement to the Step-In Agreement and the Assigned A321 Purchase Agreement, dated as of May 18, 2015, by and among Vertical Horizons, Ltd., Frontier Airlines, Inc., Bank of Utah and Airbus S.A.S. | | | | X |
| 10.27(c)† | Amendment Agreement to Step-In Agreement and the Assigned Purchase Agreements, dated as of August 11, 2015, by and among Vertical Horizons, Ltd., Bank of Utah and Airbus S.A.S. | | | | X |
| 10.27(d)† | Amendment Agreement No. 3 to Step-In Agreement and the Assigned Purchase Agreements, dated as of December 16, 2016, by and among Vertical Horizons, Ltd., Bank of Utah and Airbus S.A.S. | | | | X |
| 10.28(a)† | Purchase Agreements Assignment and Assumption Agreement, dated as of December 23, 2014, by and among Vertical Horizons, Ltd., Frontier Airlines, Inc. and Airbus S.A.S. | | | | X |
| 10.28(b)† | Amendment Agreement to Assignment and Assumption Agreement, dated as of August 11, 2015, by and among Vertical Horizons, Ltd., Frontier Airlines, Inc. and Airbus S.A.S. | | | | X |
| 10.28(c)† | Amendment Agreement No. 3 to Assignment and Assumption Agreement, dated as of December 16, 2016, by and among Vertical Horizons, Ltd., Frontier Airlines, Inc. and Airbus S.A.S. | | | | X |

| <u>Exhibit Number</u> | <u>Exhibit Description</u> | <u>Form</u> | <u>Incorporated by Reference</u> | | <u>Filed Herewith</u> |
|-----------------------|---|-------------|----------------------------------|---------------|-----------------------|
| | | | <u>Date</u> | <u>Number</u> | |
| 10.29† | Second Amended and Restated CFMI Engine Benefits Agreement, dated as of December 16, 2016, by and among Vertical Horizons, Ltd., CFM International, Inc., Bank of Utah and Frontier Airlines, Inc. | | | | X |
| 10.30(a)† | Amended and Restated Signatory Agreement (U.S. Visa and MasterCard Transactions), dated as of November 5, 2013, by and among Frontier Airlines Holdings Inc., Frontier Airlines, Inc. and U.S. Bank National Association. | | | | X |
| 10.30(b)† | First Omnibus Amendment to Signatory Agreements, dated as of March 1, 2016, by and among Frontier Airlines Holdings, Inc., Frontier Airlines, Inc. and U.S. Bank National Association. | | | | X |
| 14.1* | Code of Ethics | | | | |
| 21.1 | List of subsidiaries | S-1 | 3/31/2017 | 21.1 | |
| 23.1 | Consent of independent registered public accounting firm. | S-1 | 5/9/2017 | 23.1 | |
| 23.2* | Consent of Latham & Watkins LLP (included in Exhibit 5.1). | | | | |
| 24.1 | Power of Attorney. Reference is made to the signature page to the Registration Statement. | S-1 | 3/31/2017 | 24.1 | |

* To be filed by amendment.

Indicates management contract or compensatory plan.

† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment and this exhibit has been filed separately with the SEC.

AIRBUS

A320 FAMILY AIRCRAFT

PURCHASE AGREEMENT

BETWEEN

AIRBUS S.A.S.

as Seller

AND

REPUBLIC AIRWAYS HOLDINGS INC.

as Buyer

CONTENTS

| | | |
|------|--------------------------------------|----|
| 0 – | DEFINITIONS | 2 |
| 1 – | SALE AND PURCHASE | 9 |
| 2 – | SPECIFICATION | 9 |
| 3 – | PRICE | 12 |
| 4 – | PRICE REVISION | 15 |
| 5 – | PAYMENT TERMS | 16 |
| 6 – | MANUFACTURE PROCEDURE – INSPECTION | 20 |
| 7 – | CERTIFICATION | 21 |
| 8 – | TECHNICAL ACCEPTANCE | 23 |
| 9 – | DELIVERY | 25 |
| 10 – | EXCUSABLE DELAY AND TOTAL LOSS | 29 |
| 11 – | INEXCUSABLE DELAY | 31 |
| 12 – | WARRANTIES AND SERVICE LIFE POLICY | 32 |
| 13 – | PATENT AND COPYRIGHT INDEMNITY | 48 |
| 14 – | TECHNICAL DATA AND SOFTWARE SERVICES | 51 |
| 15 – | SELLER REPRESENTATIVE SERVICES | 59 |
| 16 – | TRAINING SUPPORT AND SERVICES | 62 |
| 17 – | EQUIPMENT SUPPLIER PRODUCT SUPPORT | 72 |
| 18 – | BUYER FURNISHED EQUIPMENT | 74 |
| 19 – | INDEMNITIES AND INSURANCE | 79 |
| 20 – | TERMINATION | 82 |
| 21 – | ASSIGNMENTS AND TRANSFERS | 85 |
| 22 – | MISCELLANEOUS PROVISIONS | 87 |

| EXHIBITS | TITLES |
|-----------------|---|
| Exhibit A-1 | A320 STANDARD SPECIFICATION Appendix 1 to Exhibit A-1 A320 AIRCRAFT SPECIFICATION CHANGE NOTICES |
| Exhibit A-2 | A319 STANDARD SPECIFICATION Appendix 1 to Exhibit A-2 A319 AIRCRAFT SPECIFICATION CHANGE NOTICES |
| Exhibit B-1 | FORM OF SPECIFICATION CHANGE NOTICE |
| Exhibit B-2 | FORM OF MANUFACTURER'S SPECIFICATION CHANGE NOTICE |
| Exhibit C | PART 1 SELLER PRICE REVISION FORMULA PART 2 CFM INTERNATIONAL PRICE REVISION FORMULA CPI 186.92 |
| Exhibit D | FORM OF CERTIFICATE OF ACCEPTANCE |
| Exhibit E | FORM OF BILL OF SALE |
| Exhibit F | SERVICE LIFE POLICY – LIST OF ITEMS |
| Exhibit G | TECHNICAL DATA INDEX |
| Exhibit H | MATERIAL SUPPLY AND SERVICES |

A320 FAMILY AIRCRAFT PURCHASE AGREEMENT

This A320 Family Aircraft Purchase Agreement (“**Agreement**”) is dated as of September 30, 2011

BETWEEN:

AIRBUS S.A.S., a *société par actions simplifiée*, created and existing under French law having its registered office at 1 Rond-Point Maurice Bellonte, 31707 Blagnac-Cedex, France and registered with the Toulouse Registre du Commerce under number RCS Toulouse 383 474 814 (the “**Seller**”),

and

REPUBLIC AIRWAYS HOLDINGS INC., a corporation organized and existing under the laws of the State of Delaware, United States of America, having its principal corporate offices located at 8909 Purdue Road, Suite 300, Indianapolis, Indiana 46268, United States of America (the “**Buyer**”).

WHEREAS subject to the terms and conditions of this Agreement, the Seller desires to sell the Aircraft to the Buyer and the Buyer desires to purchase the Aircraft from the Seller.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

DEFINITIONS

For all purposes of this Agreement (defined below), except as otherwise expressly provided, the following terms will have the following meanings:

A319 Aircraft – any or all of the A319-100 aircraft for which the delivery schedule as of the date hereof is set forth in Clause 9.1 to be sold by the Seller and purchased by the Buyer pursuant to this Agreement, including the A319 Airframe and all components, equipment, parts and accessories installed in or on such A319 Airframe and the A319 Propulsion System, as applicable, installed thereon upon delivery.

A319 Airframe – any A319 Aircraft, excluding the A319 Propulsion System therefor.

A319 Propulsion System – as defined in Clause 2.3.

A319 Specification – the A319 Standard Specification as amended by all applicable SCNs.

A319 Standard Specification – the A319 standard specification document number *****, a copy of which is annexed as Exhibit A-2 to the Agreement.

A320 Aircraft – any or all of the A320-200 aircraft for which the delivery schedule as of the date hereof is set forth in Clause 9.1 to be sold by the Seller and purchased by the Buyer pursuant to this Agreement, including the A320 Airframe and all components, equipment, parts and accessories installed in or on such A320 Airframe and the A320 Propulsion System, as applicable, installed thereon upon delivery.

A320 Airframe – any A320 Aircraft, excluding the A320 Propulsion System therefor.

A320 Propulsion System – as defined in Clause 2.3.

A320 Specification – the A320 Standard Specification as amended by all applicable SCNs.

A320 Standard Specification – the A320 standard specification document number *****, a copy of which is annexed hereto as Exhibit A-1.

AACS – Airbus Americas Customer Services, Inc., a corporation organized and existing under the laws of Delaware, having its principal offices at 198 Van Buren Street, Suite 300, Herndon, VA 20170, or any successor thereto.

Affiliate – with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person or entity.

Agreement – this Airbus A320 family aircraft purchase agreement, including all exhibits and appendixes attached hereto, as the same may be amended or modified and in effect from time to time.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

AirbusWorld – as defined in Clause 14.10.1.

Aircraft – as applicable, any or all of the A319 Aircraft and any or all of the A320 Aircraft.

Aircraft Training Services – all flight support services including but not limited to any and all training courses, flight training, flight assistance, line training, line assistance and more generally all flights of any kind performed by the Seller, its agents, employees or subcontractors, and maintenance support, maintenance training (including Practical Training), training support of any kind performed on aircraft and provided to the Buyer pursuant to this Agreement.

Airframe – as applicable, the A319 Airframe or the A320 Airframe.

AirN@v Family – as defined in Clause 14.9.1.

Approved BFE Supplier – as defined in Clause 18.1.2.

AOG – as defined in Clause 15.1.4.

ATA Specification – recommended specifications developed by the Air Transport Association of America reflecting consensus in the commercial aviation industry on accepted means of communicating information, conducting business, performing operations and adhering to accepted practices.

Attestation – as defined in Clause 16.3.3.

Aviation Authority – when used with respect to any jurisdiction, the government entity that, under the laws of such jurisdiction, has control over civil aviation or the registration, airworthiness or operation of civil aircraft in such jurisdiction.

Balance of the Final Price – as defined in Clause 5.4.

Base Flight Training – as defined in Clause 16.6.2.1.

Base Period – as defined in Clause 3.1.1.3.

Base Price – for any Aircraft, Airframe, SCNs or Propulsion System, as defined in Clause 3.1.

BFE Data – as defined in Clause 14.3.2.1.

BFE Engineering Definition – as defined in Clause 18.1.3.

BFE Supplier – as defined in Clause 18.1.1.

Bill of Sale – as defined in Clause 9.2.2.

Business Day – with respect to any action to be taken hereunder, a day other than a Saturday, Sunday or other day designated as a holiday in the jurisdiction in which such action is required to be taken.

Buyer Furnished Equipment or BFE – as defined in Clause 18.1.1.

Buyer’s Inspector(s) – as defined in Clause 6.2.1.

CDF Date – as defined in Clause 2.4.2.

CDR – as defined in Clause 18.1.5(iii)(b).

Certificate – as defined in Clause 16.3.3.

Certificate of Acceptance – as defined in Clause 8.3.

Change in Law – as defined in Clause 7.3.1.

COC Data – as defined in Clause 14.8.

Confidential Information – as defined in Clause 22.11.

Contractual Definition Freeze or CDF – as defined in Clause 2.4.2.

Customization Milestones Chart – as defined in Clause 2.4.1.

DDU or Delivery Duty Unpaid – is the term Delivery Duty Unpaid as defined by publication n° 560 of the International Chamber of Commerce, published in January 2000.

Declaration of Design and Performance or DDP – the documentation provided by an equipment manufacturer guaranteeing that the corresponding equipment meets the requirements of the Specification, the interface documentation and all the relevant certification requirements.

Delivery – with respect to any Aircraft, the transfer of title to such Aircraft from the Seller to the Buyer in accordance with Clause 9.

Delivery Date – the date on which Delivery occurs.

Delivery Location – the facilities of the Seller at the location of final assembly of the Aircraft.

Delivery Period – as defined in Clause 11.1.

Development Changes – as defined in Clause 2.2.2.

EASA – the European Aviation Safety Agency or any successor thereto.

End-User License Agreement for Airbus Software – as defined in Clause 14.9.4.

Excusable Delay – as defined in Clause 10.1.

Export Certificate of Airworthiness – an export certificate of airworthiness issued by the Aviation Authority of the Delivery Location for export of an Aircraft to the United States.

FAA – the U.S. Federal Aviation Administration, or any successor thereto.

FAI – as defined in Clause 18.1.5 (iv).

Failure – as defined in Clause 12.2.1(ii).

Final Price – as defined in Clause 3.2.

First Quarter or 1Q – means the 3-month period of January, February and March.

Fleet Serial Numbers – as defined in Clause 14.2.1.

Fourth Quarter or 4Q – means the 3-month period of October, November and December.

Goods and Services – any goods, excluding Aircraft, and services that may be purchased by the Buyer from the Seller or its designee.

GTC – as defined in Clause 14.10.3.

Indemnitee – as defined in Clause 19.3.

Indemnitor – as defined in Clause 19.3.

Inexcusable Delay – as defined in Clause 11.1.

Inhouse Warranty – as defined in Clause 12.1.7.1.

Inhouse Warranty Labor Rate – as defined in Clause 12.1.7.5(ii).

Inspection – as defined in Clause 6.2.1.

Instructor(s) – as defined in Clause 16.3.3.

Interface Problem – as defined in Clause 12.4.1.

Irrevocable SCN – an SCN which is irrevocably part of the A319 Specification or the A320 Specification, as expressly set forth in Appendix 1 to Exhibit A-1 and Appendix 1 to Exhibit A-2, as applicable.

Item – as defined in Clause 12.2.1(i).

LIBOR – means, for any period, the rate per annum equal to the quotation that appears on the LIBOR01 page of the Reuters screen (or such other page as may replace the LIBOR01 page) or if such service is not available, the British Bankers’ Association LIBOR rates on Bloomberg (or such other service or services as may be nominated by the British Bankers’ Association for the purpose of displaying London interbank offered rates for U.S. dollar deposits) as of 11:00 a.m., London time, two (2) Business Days prior to the beginning of such period as the rate for twelve-month U.S. dollar deposits to be delivered on the first day of each period.

Losses – as defined in Clause 19.1.

Major BFE – as defined in Clause 18.1.5(iii).

Manufacture Facilities – means the various manufacture facilities of the Seller, its Affiliates or any subcontractor, where the Airframe or its parts are manufactured or assembled.

Manufacturer Specification Change Notice or MSCN – as defined in Clause 2.2.2.1.

NEO Aircraft – means an Aircraft incorporating the New Engine Option.

New Engine Option or NEO – as defined in Clause 2.1.

Option Catalogs – as defined in Clause 2.4.1.

Other Agreement – as defined in Clause 5.12.1.

Other Indebtedness – as defined in Clause 20.5(iv).

Paris Convention – as defined in Clause 13.1.1(ii)(b).

PDR – as defined in Clause 18.1.5(iii)(a).

PEP – as defined in Clause 14.13.1.

Practical Training – as defined in Clause 16.8.2.

Predelivery Payment – any of the payments determined in accordance with Clause 5.3.

Predelivery Payment Reference Price – as defined in Clause 5.3.2.

Propulsion System – either or both, as the context requires, of the A319 Propulsion System and the A320 Propulsion System.

Propulsion System Manufacturer – means the manufacturer of the Propulsion System as set out in Clause 2.3.

Propulsion System Price Revision Formula – the applicable Propulsion System price revision formula set forth in Part 2 of Exhibit C.

Propulsion System Reference Price – the applicable Propulsion System reference price set forth in Part 2 of Exhibit C.

Quarter – means any or, depending on the context, all of the First Quarter, Second Quarter, Third Quarter and Fourth Quarter.

Ready for Delivery – means the time when the Technical Acceptance Process has been completed in accordance with Clause 8 and all technical conditions required for the issuance of the Export Certificate of Airworthiness have been satisfied.

Relevant Amounts – as defined in Clause 5.12.1(ii).

Revision Service Period – as defined in Clause 14.5.

Scheduled Delivery Month – as defined in Clause 9.1.

Scheduled Delivery Quarter – as defined in Clause 9.1.

SEC – as defined in Clause 20.5(i).

Second Quarter or 2Q – means the 3-month period of April, May and June.

Seller Price Revision Formula – the Seller price revision formula set forth in Part 1 of Exhibit C.

Seller Representative – as defined in Clause 15.1.1.

Seller's Customer Services Catalog – as defined in Clause 16.3.1.

Seller's Training Center(s) – as defined in Clause 16.2.1.

Service Life Policy – as described in Clause 12.2.

Sharklets – means a new large wingtip device, currently under development by the Seller, designed to enhance the eco-efficiency and payload range performance of the A320 family aircraft and which are part of the New Engine Option and corresponding Irrevocable SCNs.

SI – as defined in Clause 18.1.5(v).

Software Services – as defined in Clause 14.1.

Specification – as applicable, the A319 Specification or the A320 Specification.

Specification Change Notice or SCN – as defined in Clause 2.2.1.

Standard Specification – the A319 Standard Specification or the A320 Standard Specification, as applicable.

Successor – as defined in Clause 21.4.

Supplier – as defined in Clause 12.3.1.1.

Supplier Part – as defined in Clause 12.3.1.2.

Supplier Product Support Agreements – as defined in Clause 12.3.1.3.

Taxes – as defined in Clause 5.5.

Technical Acceptance Flight – as defined in Clause 8.1.2(iv).

Technical Acceptance Process – as defined in Clause 8.1.1.

Technical Data – as defined in Clause 14.1.

Termination – as defined in Clause 20.2.1(i)(d).

Termination Event – as defined in Clause 20.1.

Third Party – as defined in Clause 14.15.2.

Third Party Entity – as defined in Clause 12.8.

Third Quarter or 3Q – means the 3-month period of July, August and September.

Total Loss – as defined in Clause 10.4.

Training Conference – as defined in Clause 16.1.3.

Type Certificate – as defined in Clause 7.1.

VAT – as defined in Clause 5.5.1.

Warranted Part – as defined in Clause 12.1.1.1.

Warranty Claim – as defined in Clause 12.1.5.

Warranty Period – as defined in Clause 12.1.3.

The definition of a singular in this Clause 0 will apply to the plural of the same word.

Except where otherwise indicated, references in this Agreement to an exhibit, schedule, article, section, subsection or clause refer to the appropriate exhibit or schedule to, or article, section, subsection or clause in this Agreement.

Each agreement defined in this Clause 0 will include all appendices, exhibits and schedules thereto. If the prior written consent of any person is required hereunder for an amendment, restatement, supplement or other modification to any such agreement and the

consent of each such person is obtained, references in this Agreement to such agreement shall be to such agreement as so amended, restated, supplemented or modified.

References in this Agreement to any statute will be to such statute as amended or modified and in effect at the time any such reference is operative.

The term "including" when used in this Agreement means "including without limitation" except when used in the computation of time periods.

Technical and trade terms not otherwise defined herein will have the meanings assigned to them as generally accepted in the aircraft manufacturing industry.

1 – SALE AND PURCHASE

The Seller will sell and deliver to the Buyer, and the Buyer will purchase and take delivery of 80 (eighty) NEO Aircraft, consisting of 20 (twenty) A319 Aircraft and 60 (sixty) A320 Aircraft from the Seller, subject to the terms and conditions contained in this Agreement.

2 – SPECIFICATION

2.1 Aircraft Specification

2.1.1 The A320 Aircraft will be manufactured in accordance with the A320 Standard Specification, as modified or varied prior to the date of this Agreement by the Specification Change Notices listed in Appendix 1 to Exhibit A-1 which includes the Irrevocable SCNs.

The A319 Aircraft will be manufactured in accordance with the A319 Standard Specification, as modified or varied prior to the date of this Agreement by the Specification Change Notices listed in Appendix 1 to Exhibit A-2 which includes the Irrevocable SCNs.

2.1.2 New Engine Option

2.1.2.1 The Seller is currently developing a new engine option (the "**New Engine Option**" or "**NEO**"), applicable to the Aircraft. The specification of the NEO Aircraft shall be derived from the current Standard Specification and based on the new Propulsion Systems, as set forth in Clause 2.3 below, and Sharklets, combined with the required airframe structural adaptations, as well as Aircraft systems and software adaptations required to operate such NEO Aircraft. The foregoing is currently reflected in the Irrevocable SCNs listed in Appendix 1 to Exhibits A-1 and Appendix 1 to Exhibit A-2, the implementation of which is hereby irrevocably accepted by the Buyer.

2.1.2.2 The New Engine Option shall modify the design weights of the Standard Specification as follows:

2.2 Specification Amendment

The parties understand and agree that the Specification may be further amended following signature of this Agreement in accordance with the terms of this Clause 2.

2.2.1 Specification Change Notice

The Specification may be amended by written agreement between the parties in a notice, substantially in the form set out in Exhibit B-1 (each, a “**Specification Change Notice**” or “**SCN**”) and will set out the SCN’s Aircraft embodiment rank and will also set forth, in detail, the particular change to be made to the Specification and the effect, if any, of such change on design, performance, weight, Delivery Date of the Aircraft affected thereby and on the text of the Specification. An SCN may result in an adjustment to the Base Price of the Aircraft, which adjustment, if any, will be specified in the SCN.

2.2.2 Development Changes

The Specification may also be amended to incorporate changes deemed necessary by the Seller to improve the Aircraft, prevent delay or ensure compliance with this Agreement (“**Development Changes**”), as set forth in this Clause 2.

2.2.2.1 Manufacturer Specification Changes Notices

- (i) The Specification may be amended by the Seller through a Manufacturer Specification Change Notice (“**MSCN**”), which will be substantially in the form set out in Exhibit B-2 hereto, or by other appropriate means, and will set out the MSCN’s Aircraft embodiment rank as well as, in detail, the particular change to be made to the Specification and the effect, if any, of such change on performance, weight, Base Price of the Aircraft, Delivery Date of the Aircraft affected thereby and interchangeability or replaceability requirements under the Specification.
- (ii) Except when the MSCN is necessitated by an Aviation Authority directive or by equipment obsolescence, in which case the MSCN will be accomplished without requiring the Buyer’s consent, if the MSCN adversely affects the performance, weight, Base Price, Delivery Date of the Aircraft affected thereby or the interchangeability or replaceability requirements under the Specification,

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

the Seller will notify the Buyer of a reasonable period of time during which the Buyer must accept or reject such MSCN. If the Buyer does not notify the Seller of the rejection of the MSCN within such period, the MSCN will be deemed accepted by the Buyer and the corresponding modification will be accomplished.

2.2.2.2 If the Seller revises the Specification to incorporate Development Changes which have no adverse effect on any of the elements identified in Clause 2.2.2.1, such Development Change will be performed by the Seller without the Buyer's consent.

In such cases, the Seller will provide to the Buyer the details of all changes in an adapted format and on a regular basis.

2.2.2.3 The Seller may at its discretion notify Seller from time to time that certain items, which are currently BFE in the Specification, shall be deemed to be seller-furnished equipment ("SFE") and the parties agree that, upon such notice, such BFE items shall thereafter be excluded from the provisions of Clauses 2.2.2.1 (ii) and 2.2.2.2 above and shall be considered instead SFE and thereafter chargeable to the Buyer.

2.3 Propulsion System

2.3.1 Each A320 Airframe will be equipped with a set of two (2) CFM International LEAP-X1A26 engines (such set, an "A320 Propulsion System").

Each A319 Airframe will be equipped with a set of two (2) CFM International LEAP-X1A24 engines (such set, an "A319 Propulsion System").

2.4 Milestones

2.4.1 Customization Milestones Chart

Within a reasonable period following signature of this Agreement, the Seller will provide the Buyer with a customization milestones chart (the "Customization Milestones Chart"), setting out how far in advance of the Scheduled Delivery Month of the Aircraft an SCN must be executed in order to integrate into the Specification any items requested by the Buyer from the Seller's catalogues of Specification change options (the "Option Catalogs").

2.4.2 Contractual Definition Freeze

The Customization Milestone Chart will in particular specify the date(s) by which the contractual definition of the Aircraft must be finalized and all SCNs need to have been executed by the Buyer (the "Contractual Definition Freeze" or "CDF") in order to enable their incorporation into the manufacturing of the Aircraft and Delivery of the Aircraft in the Scheduled Delivery Month. Each such date will be referred to as a "CDF Date".

3 – **PRICE**

3.1 Base Price of the Aircraft

The Base Price of the Aircraft is the sum of:

- (i) the Base Price of the Airframe and
- (ii) the Base Price of the Propulsion System.

3.1.1 Base Price of the A320 Airframe

3.1.1.1 In respect of the A320 Aircraft, the Base Price of the A320 Airframe is the sum of the following base prices:

- (i) *****
- (ii) ***** and
- (iii) *****

3.1.1.2 The Base Price of the A320 Airframe has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in ***** (the “**Base Period**”).

3.1.2 Base Price of the A320 Propulsion System

3.1.2.1 The Base Price of a set of two (2) CFM International LEAP-X engines (the “LEAP- X1A26 Engines”) is:

*****.

Said Base Price has been established in accordance with the delivery conditions prevailing in ***** and has been calculated from the reference price indicated by CFM International and set forth in Part 2 of Exhibit C.

3.1.3 Base Price of the A319 Airframe

In respect of A319 Aircraft, the Base Price of the A319 Airframe is the sum of the following base prices:

- (i) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(ii) ***** and

(iii) *****

3.1.3.1 The Base Price of the A319 Airframe has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in ***** (the “**Base Period**”).

3.1.4 Base Price of the A319 Propulsion System

3.1.4.1 The Base Price of a set of two (2) CFM International CFM LEAP-X1A24 model engines for the A319 Aircraft (the “LEAP-X1A24 Engines”) is the sum of:

(i) *****

Said Base Price has been established in accordance with the delivery conditions prevailing in ***** and has been calculated from the reference price indicated by CFM International and set forth in Part 2 of Exhibit C.

3.2 Final Price of the Aircraft

The “**Final Price**” of each Aircraft will be the sum of:

- (i) the Base Price of the Airframe, as adjusted to the applicable Delivery Date of such Aircraft in accordance with Clause 4.1;
- (ii) the aggregate of all increases or decreases to the Base Price of the Airframe as agreed in any Specification Change Notice or part thereof applicable to the Airframe subsequent to the date of this Agreement as adjusted to the Delivery Date of such Aircraft in accordance with Clause 4.1;
- (iii) the Propulsion System Reference Price as adjusted to the Delivery Date of in accordance with Clause 4.2;
- (iv) the aggregate of all increases or decreases to the Propulsion System Reference Price as agreed in any Specification Change Notice or part thereof applicable to the Propulsion System subsequent to the date of this Agreement as adjusted to the Delivery Date in accordance with Clause 4.2; and

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

-
- (v) any other amount resulting from any other provisions of this Agreement relating to the Aircraft and/or any other written agreement between the Buyer and the Seller relating to the Aircraft.

4 – PRICE REVISION

4.1 Seller Price Revision Formula

The Base Prices of the Airframe and of the SCNs relating to the Airframe are subject to revision up to and including the Delivery Date in accordance with the Seller Price Revision Formula.

4.2 Propulsion System Price Revision

4.2.1 The Propulsion System Reference Price and SCNs relating to the Propulsion System are subject to revision up to and including the Delivery Date in accordance with the Propulsion System Price Revision Formula.

4.2.2 The Reference Price of the Propulsion System, the prices of the related equipment and the Propulsion System Price Revision Formula are based on information received from the Propulsions Systems Manufacturer and are subject to amendment by the Propulsion System Manufacturer at any time prior to Delivery. If the Propulsion System Manufacturer makes any such amendment, the amendment will be deemed to be incorporated into this Agreement and the Reference Price of the Propulsion System, the prices of the related equipment and the Propulsion System Price Revision Formula will be adjusted accordingly. The Seller agrees to notify the Buyer promptly upon receiving notice of any such amendment from the Propulsion System Manufacturer.

5 – PAYMENT TERMS

5.1 Seller’s Account

The Buyer will pay, from bank accounts within the United States, the Predelivery Payments, the Balance of the Final Price and any other amount due hereunder at the relevant times required by the Agreement and in immediately available funds in United States dollars to:

Beneficiary Name: *****

Account Identification: *****

with:

SWIFT: *****

ABA: *****

or to such other account as may be designated by the Seller in written notice to Buyer at least two Business Days prior to the date such payment is due.

5.2 *****

5.3 Predelivery Payments

5.3.1 Predelivery Payments are nonrefundable (although amounts equal to Predelivery Payments may be paid to the Buyer pursuant to Clause 10 or 11) and will be paid by the Buyer to the Seller for the Aircraft.

5.3.2 The Predelivery Payment Reference Price for an Aircraft to be delivered in calendar year T is determined in accordance with the following formula:

5.3.3 Predelivery Payments will be paid according to the following schedule:

| <u>Payment Date</u> | | <u>Percentage of Predelivery Payment Reference Price</u> |
|---------------------|-------|--|
| ***** | ***** | ***** |
| | ***** | |
| ***** | ***** | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

TOTAL PAYMENT PRIOR TO DELIVERY

In the event of the above schedule resulting in any Predelivery Payment falling due prior to the date of signature of the Agreement, such Predelivery Payments shall be made upon signature of this Agreement.

5.3.4 ***** The Seller will be under no obligation to segregate any Predelivery Payment, or any amount equal thereto, from the Seller's funds generally.

5.3.5 *****

(i) *****

(ii) *****

(iii) *****

5.4 Payment of Balance of the Final Price of the Aircraft

Before the Delivery Date or concurrent with the Delivery of each Aircraft, the Buyer will pay to the Seller the Final Price of such Aircraft less an amount equal to the Predelivery Payments received for such Aircraft by the Seller (the "**Balance of the Final Price**").

The Seller's receipt of the full amount of all Predelivery Payments and of the Balance of the Final Price of such Aircraft, and any amounts due under Clause 5.8, are a condition precedent to the Seller's obligation to deliver such Aircraft to the Buyer.

5.5 Taxes

5.5.1 *****

5.5.2 *****

5.5.3 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

“**Taxes**” means any present or future stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority or any political subdivision or taxing authority thereof or therein.

5.6 Application of Payments

5.7 Setoff Payments

Notwithstanding anything to the contrary contained herein, the Seller may set-off any matured obligation owed by the Buyer or any of its Affiliates to the Seller or any of its Affiliates against any obligation (whether or not matured) owed by the Seller or any of its Affiliates to the Buyer or any of its Affiliates, regardless of the place of payment or currency.

5.8 Overdue Payments

5.8.1 If any payment due to the Seller from the Buyer is not received by the Seller on the date or dates due, the Seller will have the right to claim from the Buyer, and the Buyer will *****

5.8.2 If any Predelivery Payment is not received by the date on which it is due, the Seller, in addition to any other rights and remedies available to it, will be under no obligation to deliver any Aircraft remaining to be delivered under this Agreement within such Aircraft’s Scheduled Delivery Month(s). Upon receipt of the full amount of all such overdue Predelivery Payments, together with interest on such Predelivery Payments in accordance with Clause 5.8.1, the Seller will provide the Buyer with new Scheduled Delivery Months for the affected Aircraft, subject to the Seller’s commercial and industrial constraints.

5.9 Proprietary Interest

Notwithstanding any provision of law to the contrary, the Buyer will not, by virtue of anything contained in this Agreement (including, without limitation, any Predelivery Payments hereunder, or any designation or identification by the Seller of a particular aircraft as an Aircraft to which any of the provisions of this Agreement refers) acquire any proprietary, insurable or other interest whatsoever in any Aircraft before Delivery of and payment for such Aircraft, as provided in this Agreement.

5.10 Payment in Full

The Buyer’s obligation to make payments to the Seller hereunder will not be affected by and will be determined without regard to any setoff, counterclaim, recoupment, defense or other right that the Buyer may have against the Seller or any other person and all such payments will be made without deduction or withholding of any kind. The Buyer will ensure that the sums received by the Seller under this Agreement will

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be equal to the full amounts expressed to be due to the Seller hereunder, without deduction or withholding on account of and free from any and all taxes, levies, imposts, duties or charges of whatever nature, except that if the Buyer is compelled by law to make any such deduction or withholding the Buyer will pay such additional amounts to the Seller as may be necessary so that the net amount received by the Seller after such deduction or withholding will equal the amounts that would have been received in the absence of such deduction or withholding.

5.11 Other Charges

Unless expressly stipulated otherwise, any charges due under this Agreement other than those set out in Clauses 5.3 and 5.8 will be paid by the Buyer at the same time as payment of the Balance of the Final Price or, if invoiced, within ***** after the invoice date.

5.12 *****

5.12.1 *****

(i) *****

(ii) *****

5.12.2 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

6 – MANUFACTURE PROCEDURE – INSPECTION

6.1 Manufacture Procedures

The Airframe will be manufactured in accordance with the requirements of the laws of the jurisdiction of incorporation of the Seller or of its relevant Affiliate as enforced by the Aviation Authority of such jurisdiction.

6.2 Inspection

6.2.1 The Buyer or its duly authorized representatives (the “**Buyer’s Inspector(s)**”) will be entitled to inspect the manufacture of the Airframe and all materials and parts obtained by the Seller for the manufacture of the Airframe (the “**Inspection**”) on the following terms and conditions;

- (i) any Inspection will be conducted pursuant to the Seller’s system of inspection and the relevant Airbus Procedures, as developed under the supervision of the relevant Aviation Authority and generally applicable to commercial airline customers of Seller for A320 family aircraft;
- (ii) the Buyer’s Inspector(s) will have access to such relevant technical documentation solely to the extent reasonably necessary for the purpose of the Inspection;
- (iii) any Inspection and any related discussions with the Seller and other relevant personnel by the Buyer’s Inspector(s) will be at reasonable times during business hours and will take place in the presence of the relevant inspection department personnel of the Seller;
- (iv) the Inspections will be performed in a manner not to unduly delay or hinder the manufacture or assembly of the Aircraft or the performance of this Agreement by the Seller or any other work in progress at the Manufacture Facilities.

6.2.2 Location of Inspections

The Buyer’s Inspector(s) will be entitled to conduct any such Inspection at the relevant Manufacture Facility of the Seller or the Affiliates and where possible at the Manufacture Facilities of the sub-contractors provided that if access to any part of the Manufacture Facilities where the Airframe manufacture is in progress or materials or parts are stored are restricted for security or confidentiality reasons, the Seller will be allowed reasonable time to make the relevant items available elsewhere.

6.3 Seller’s Service for Buyer’s Inspector(s)

For the purpose of the Inspections with respect to an Aircraft, and starting from a mutually agreed date until the Delivery Date of such Aircraft, the Seller will furnish without additional charge suitable space and office equipment in or conveniently located with respect to the Delivery Location for the use of a reasonable number of Buyer’s Inspector(s).

7 – **CERTIFICATION**

Except as set forth in this Clause 7, the Seller will not be required to obtain any certificate or approval with respect to the Aircraft.

7.1 Type Certification

The Seller will obtain or cause to be obtained (i) a type certificate under EASA procedures for joint certification in the transport category and (ii) an FAA type certificate (the “**Type Certificate**”) to allow the issuance of the Export Certificate of Airworthiness.

7.2 Export Certificate of Airworthiness

Subject to the provisions of Clause 7.3, each Aircraft will be delivered to the Buyer with an Export Certificate of Airworthiness issued by EASA in a condition enabling the Buyer to obtain at the time of Delivery a Standard Airworthiness Certificate issued pursuant to Part 21 of the US Federal Aviation Regulations and a Certificate of Sanitary Construction issued by the U.S. Public Health Service of the Food and Drug Administration. However, the Seller will have no obligation to make and will not be responsible for any costs of alterations or modifications to such Aircraft to enable such Aircraft to meet FAA or U.S. Department of Transportation requirements for specific operation on the Buyer’s routes, whether before, at or after Delivery of any Aircraft.

If the FAA requires additional or modified data before the issuance of the Export Certificate of Airworthiness, the Seller will provide such data or implement the required modification to the data, in either case, at the Buyer’s cost.

7.3 Specification Changes before Aircraft Ready for Delivery

7.3.1 If, any time before the date on which an Aircraft is Ready for Delivery, any law, rule or regulation is enacted, promulgated, becomes effective and/or an interpretation of any law, rule or regulation is issued by the EASA that requires any change to the Specification for the purposes of obtaining the Export Certificate of Airworthiness (a “**Change in Law**”), the Seller will make the required modification and the parties hereto will sign an SCN pursuant to Clause 2.2.1.

7.3.2 The Seller will as far as practicable, but at its sole discretion and without prejudice to Clause 7.3.3(ii), take into account the information available to it concerning any proposed law, rule or regulation or interpretation that could become a Change in Law, in order to minimize the costs of changes to the Specification as a result of such proposed law, regulation or interpretation becoming effective before the applicable Aircraft is Ready for Delivery.

7.3.3 The cost of implementing the required modifications referred to in Clause 7.3.1 will be:

(i) ***** and

(ii) *****

7.3.4 Notwithstanding the provisions of Clause 7.3.3, if a Change in Law relates to an item of BFE or to the Propulsion System the costs related thereto will ***** and the Seller will have no obligation with respect thereto.

7.4 Specification Changes after Aircraft Ready For Delivery

Nothing in Clause 7.3 will require the Seller to make any changes or modifications to, or to make any payments or take any other action with respect to, any Aircraft that is Ready for Delivery before the compliance date of any law or regulation referred to in Clause 7.3. Any such changes or modifications made to an Aircraft after it is Ready for Delivery will be at the *****.

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8 – TECHNICAL ACCEPTANCE

8.1 Technical Acceptance Process

8.1.1 Prior to Delivery, the Aircraft will undergo a technical acceptance process developed by the Seller (the “**Technical Acceptance Process**”). Completion of the Technical Acceptance Process will demonstrate the satisfactory functioning of the Aircraft and will be deemed to demonstrate compliance with the Specification. Should it be established that the Aircraft does not comply with the Technical Acceptance Process requirements, the Seller will without hindrance from the Buyer be entitled to carry out any necessary changes and, as soon as practicable thereafter, resubmit the Aircraft to such further Technical Acceptance Process as is necessary to demonstrate the elimination of the noncompliance.

8.1.2 The Technical Acceptance Process will:

- (i) commence on a date notified by the Seller to the Buyer not later than ***** notice prior thereto,
- (ii) take place at the Delivery Location,
- (iii) be carried out by the personnel of the Seller, and
- (iv) include a technical acceptance flight that will ***** (the “**Technical Acceptance Flight**”), and

8.2 Buyer’s Attendance

8.2.1 The Buyer is entitled to elect to attend the Technical Acceptance Process.

8.2.2 If the Buyer elects to attend the Technical Acceptance Process, the Buyer:

- (i) will comply with the reasonable requirements of the Seller, with the intention of completing the Technical Acceptance Process within ***** after its commencement, and
- (ii) may have a maximum of ***** of its representatives (no more than ***** of whom will have access to the cockpit at any one time) accompany the Seller’s representatives on the Technical Acceptance Flight, during which the Buyer’s representatives will comply with the instructions of the Seller’s representatives.

8.2.3 If the Buyer does not attend or fails to cooperate in the Technical Acceptance Process, the Seller will be entitled to complete the Technical Acceptance Process and the Buyer will be deemed to have accepted that the Technical Acceptance Process has been satisfactorily completed, in all respects.

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8.3 Certificate of Acceptance

Upon successful completion of the Technical Acceptance Process, the Buyer will, on or before the Delivery Date, sign and deliver to the Seller a certificate of acceptance in respect of the Aircraft in the form of Exhibit D (the "**Certificate of Acceptance**").

8.4 Finality of Acceptance

The Buyer's signature of the Certificate of Acceptance for the Aircraft will constitute waiver by the Buyer of any right it may have, under the Uniform Commercial Code as adopted by the State of New York or otherwise, to revoke acceptance of the Aircraft for any reason, whether known or unknown to the Buyer at the time of acceptance.

8.5 Aircraft Utilization

The Seller will, *****, be entitled to use the Aircraft prior to Delivery as may be necessary to obtain the certificates required under Clause 7. Such use will not limit the Buyer's obligation to accept Delivery of the Aircraft hereunder.

The Seller will be authorized to use the Aircraft for ***** for any other purpose without the specific agreement of the Buyer.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

9 – DELIVERY

9.1 Delivery Schedule

Subject to Clauses 2, 7, 8 10 and 18:

the Seller will have the Aircraft listed in the table below Ready for Delivery at the Delivery Location within the following months (each a “Scheduled Delivery Month”) or quarters (each a “Scheduled Delivery Quarter”):

| <u>Aircraft Rank</u> | | <u>Quarter</u> | <u>Scheduled Delivery</u> | <u>Year</u> |
|----------------------|---------------|----------------|---------------------------|-------------|
| 1 | A320 Aircraft | ***** | | ***** |
| 2 | A320 Aircraft | ***** | | ***** |
| 3 | A320 Aircraft | ***** | | ***** |
| 4 | A320 Aircraft | ***** | | ***** |
| 5 | A320 Aircraft | ***** | | ***** |
| 6 | A320 Aircraft | ***** | | ***** |
| 7 | A320 Aircraft | ***** | | ***** |
| 8 | A320 Aircraft | ***** | | ***** |
| 9 | A320 Aircraft | ***** | | ***** |
| 10 | A320 Aircraft | ***** | | ***** |
| 11 | A320 Aircraft | ***** | | ***** |
| 12 | A320 Aircraft | ***** | | ***** |
| 13 | A320 Aircraft | ***** | | ***** |
| 14 | A320 Aircraft | ***** | | ***** |
| 15 | A320 Aircraft | ***** | | ***** |
| 16 | A320 Aircraft | ***** | | ***** |
| 17 | A320 Aircraft | ***** | | ***** |
| 18 | A320 Aircraft | ***** | | ***** |
| 19 | A320 Aircraft | ***** | | ***** |
| 20 | A320 Aircraft | ***** | | ***** |
| 21 | A320 Aircraft | ***** | | ***** |
| 22 | A320 Aircraft | ***** | | ***** |
| 23 | A320 Aircraft | ***** | | ***** |
| 24 | A320 Aircraft | ***** | | ***** |
| 25 | A320 Aircraft | ***** | | ***** |
| 26 | A320 Aircraft | ***** | | ***** |
| 27 | A320 Aircraft | ***** | | ***** |
| 28 | A320 Aircraft | ***** | | ***** |
| 29 | A320 Aircraft | ***** | | ***** |

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| <u>Aircraft Rank</u> | | <u>Scheduled Delivery</u> | |
|----------------------|---------------|---------------------------|-------|
| 30 | A320 Aircraft | ***** | ***** |
| 31 | A320 Aircraft | ***** | ***** |
| 32 | A320 Aircraft | ***** | ***** |
| 33 | A320 Aircraft | ***** | ***** |
| 34 | A320 Aircraft | ***** | ***** |
| 35 | A320 Aircraft | ***** | ***** |
| 36 | A320 Aircraft | ***** | ***** |
| 37 | A320 Aircraft | ***** | ***** |
| 38 | A320 Aircraft | ***** | ***** |
| 39 | A320 Aircraft | ***** | ***** |
| 40 | A320 Aircraft | ***** | ***** |
| 41 | A320 Aircraft | ***** | ***** |
| 42 | A320 Aircraft | ***** | ***** |
| 43 | A320 Aircraft | ***** | ***** |
| 44 | A320 Aircraft | ***** | ***** |
| 45 | A320 Aircraft | ***** | ***** |
| 46 | A320 Aircraft | ***** | ***** |
| 47 | A320 Aircraft | ***** | ***** |
| 48 | A320 Aircraft | ***** | ***** |
| 49 | A320 Aircraft | ***** | ***** |
| 50 | A320 Aircraft | ***** | ***** |
| 51 | A320 Aircraft | ***** | ***** |
| 52 | A320 Aircraft | ***** | ***** |
| 53 | A320 Aircraft | ***** | ***** |
| 54 | A320 Aircraft | ***** | ***** |
| 55 | A320 Aircraft | ***** | ***** |
| 56 | A320 Aircraft | ***** | ***** |
| 57 | A320 Aircraft | ***** | ***** |
| 58 | A320 Aircraft | ***** | ***** |
| 59 | A320 Aircraft | ***** | ***** |
| 60 | A320 Aircraft | ***** | ***** |
| 61 | A320 Aircraft | ***** | ***** |
| 62 | A320 Aircraft | ***** | ***** |
| 63 | A319 Aircraft | ***** | ***** |
| 64 | A319 Aircraft | ***** | ***** |
| 65 | A319 Aircraft | ***** | ***** |
| 66 | A319 Aircraft | ***** | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

| <u>Aircraft Rank</u> | | <u>Scheduled Delivery</u> | |
|----------------------|---------------|---------------------------|-------|
| 67 | A319 Aircraft | ***** | ***** |
| 68 | A319 Aircraft | ***** | ***** |
| 69 | A319 Aircraft | ***** | ***** |
| 70 | A319 Aircraft | ***** | ***** |
| 71 | A319 Aircraft | ***** | ***** |
| 72 | A319 Aircraft | ***** | ***** |
| 73 | A319 Aircraft | ***** | ***** |
| 74 | A319 Aircraft | ***** | ***** |
| 75 | A319 Aircraft | ***** | ***** |
| 76 | A319 Aircraft | ***** | ***** |
| 77 | A319 Aircraft | ***** | ***** |
| 78 | A319 Aircraft | ***** | ***** |
| 79 | A319 Aircraft | ***** | ***** |
| 80 | A319 Aircraft | ***** | ***** |

The Seller will give the Buyer the Scheduled Delivery Month of each Aircraft ***** before the first day of the Scheduled Delivery Quarter of the respective Aircraft. The Seller will give the Buyer at least ***** written notice of the anticipated date on which the Aircraft will be Ready for Delivery. Thereafter, the Seller will notify the Buyer of any change to such dates.

9.2 Delivery Process

9.2.1 The Buyer will, when the Aircraft is Ready for Delivery, pay the Balance of the Final Price, take Delivery of the Aircraft and remove the Aircraft from the Delivery Location.

9.2.2 The Seller will deliver and transfer title to the Aircraft to the Buyer free and clear of all encumbrances (except for any liens or encumbrances created by or on behalf of the Buyer) provided that the Balance of the Final Price of such Aircraft has been paid by the Buyer pursuant to Clause 5.4 and that the Certificate of Acceptance has been signed and delivered to the Seller pursuant to Clause 8.3. The Seller will provide the Buyer with a bill of sale in the form of Exhibit E (the “**Bill of Sale**”) and such other documentation confirming transfer of title and receipt of the Final Price of the Aircraft as may reasonably be requested by the Buyer. Title to, property in and risk of loss of or damage to the Aircraft will transfer to the Buyer contemporaneously with the delivery by the Seller to the Buyer of such Bill of Sale.

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- 9.2.3 If the Buyer fails to (i) deliver the signed Certificate of Acceptance with respect to an Aircraft to the Seller when required pursuant to Clause 8.3, or (ii) pay the Balance of the Final Price of such Aircraft to the Seller and take Delivery of the Aircraft, then the Buyer will be deemed to have rejected Delivery wrongfully when such Aircraft was duly tendered to the Buyer hereunder. If such a deemed rejection arises, then in addition to the remedies of Clause 5.8.1, (a) the Seller will retain title to such Aircraft and (b) the Buyer will indemnify and hold the Seller harmless against any and all costs (including but not limited to any parking, storage, and insurance costs) and consequences resulting from the Buyer's rejection (including but not limited to risk of loss of or damage to such Aircraft), it being understood that the Seller will be under no duty to the Buyer to store, park, insure or otherwise protect such Aircraft. These rights of the Seller will be in addition to the Seller's other rights and remedies in this Agreement.
- 9.2.4 If the Buyer fails to remove the Aircraft from the Delivery Location, then, without prejudice to the Seller's other rights and remedies under this Agreement or at law, the provisions of Clause 9.2.3 (b) shall apply.
- 9.3 Flyaway
- 9.3.1 The Buyer and the Seller will cooperate to obtain any licenses that may be required by the Aviation Authority of the Delivery Location for the purpose of exporting the Aircraft.
- 9.3.2 All expenses of, or connected with, flying the Aircraft from the Delivery Location after Delivery will be borne by the Buyer. The Buyer will make direct arrangements with the supplying companies for the fuel and oil required for all post-Delivery flights.

10 – EXCUSABLE DELAY AND TOTAL LOSS

10.1 Scope of Excusable Delay

Neither the Seller nor any Affiliate of the Seller, will be responsible for or be deemed to be in default on account of delays in delivery of the Aircraft or failure to deliver or otherwise in the performance of this Agreement or any part hereof due to causes beyond the Seller's, or any Affiliate's control or not occasioned by the Seller's, fault or negligence ("Excusable Delay"), including, but not limited to: *****.

10.2 Consequences of Excusable Delay

If an Excusable Delay occurs:

- (i) the Seller will notify the Buyer of such Excusable Delay as soon as practicable after becoming aware of the same;
- (ii) the Seller will not be responsible for any damages arising from or in connection with such Excusable Delay suffered or incurred by the Buyer;
- (iii) the Seller will not be deemed to be in default in the performance of its obligations hereunder as a result of such Excusable Delay;
- (iv) the Seller will as soon as practicable after the removal of the cause of such delay resume performance of its obligations under this Agreement and in particular will notify the Buyer of the revised Scheduled Delivery Month.

10.3 Termination on Excusable Delay

10.3.1 If any Delivery is delayed as a result of an Excusable Delay for a period of more than ***** after the last day of the Scheduled Delivery Month, then either party may terminate this Agreement with respect to the affected Aircraft, by giving written notice to the other party ***** after the *****. However, the Buyer will not be entitled to terminate this Agreement pursuant to this Clause 10.3.1 if the Excusable Delay is caused directly or indirectly by the action or inaction of the Buyer.

10.3.2 If the Seller advises the Buyer in its notice of a revised Scheduled Delivery Month pursuant to Clause 10.2.1(iv) that there will be a delay in Delivery of an Aircraft of more than ***** of the Scheduled Delivery Month, then either party may terminate this Agreement with respect to the affected Aircraft. Termination will be made by giving written notice to the other party ***** after the Buyer's receipt of the notice of a revised Scheduled Delivery Month.

10.3.3 If this Agreement is not terminated under the terms of Clause 10.3.1 or 10.3.2, then the Seller will be entitled to reschedule Delivery. The Seller will notify the Buyer of the new Scheduled Delivery Month after the ***** referred to in Clause 10.3.1 or 10.3.2, and this new Scheduled Delivery Month will be deemed to be an amendment to the applicable Scheduled Delivery Month in Clause 9.1.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

10.4 Total Loss, Destruction or Damage

If, prior to Delivery, any Aircraft is lost or destroyed or in the reasonable opinion of the Seller is damaged beyond economic repair (“Total Loss”), the Seller will notify the Buyer to this effect within ***** of such occurrence. The Seller will include in said notification (or as soon after the issue of the notice as such information becomes available to the Seller) the earliest date consistent with the Seller’s other commitments and production capabilities that an aircraft to replace the Aircraft may be delivered to the Buyer, and the Scheduled Delivery Month will be extended as specified in the Seller’s notice to accommodate the delivery of the replacement aircraft; provided, however, that if the Scheduled Delivery Month is extended to a month that is later than ***** after the last day of the original Scheduled Delivery Month then this Agreement will terminate with respect to said Aircraft unless:

- (i) the Buyer notifies the Seller within ***** month of the date of receipt of the Seller’s notice that it desires the Seller to provide a replacement aircraft during the month quoted in the Seller’s notice; and
- (ii) the parties execute an amendment to this Agreement recording the change in the Scheduled Delivery Month.

Nothing herein will require the Seller to manufacture and deliver a replacement aircraft if such manufacture would require the reactivation of its production line for the model or series of aircraft that includes the Aircraft.

10.5 Termination Rights Exclusive

If this Agreement is terminated as provided for under the terms of Clauses 10.3 or 10.4, such termination will discharge all obligations and liabilities of the parties hereunder with respect to such affected Aircraft and undelivered material, services, data or other items applicable thereto and to be furnished under the Agreement.

10.6 Remedies

THIS CLAUSE 10 SETS FORTH THE SOLE AND EXCLUSIVE REMEDY OF THE BUYER FOR DELAYS IN DELIVERY OR FAILURE TO DELIVER, OTHER THAN SUCH DELAYS AS ARE COVERED BY CLAUSE 11, AND THE BUYER HEREBY WAIVES ALL RIGHTS TO WHICH IT WOULD OTHERWISE BE ENTITLED IN RESPECT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY RIGHTS TO INCIDENTAL AND CONSEQUENTIAL DAMAGES OR SPECIFIC PERFORMANCE. THE BUYER WILL NOT BE ENTITLED TO CLAIM THE REMEDIES AND RECEIVE THE BENEFITS PROVIDED IN THIS CLAUSE 10 WHERE THE DELAY REFERRED TO IN THIS CLAUSE 10 IS CAUSED BY THE NEGLIGENCE OR FAULT OF THE BUYER OR ITS REPRESENTATIVES.

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11 – INEXCUSABLE DELAY

11.1 *****

11.2 Renegotiation

If, as a result of an Inexcusable Delay, the Delivery does not occur within ***** of the Delivery Period the Buyer will have the right, exercisable by written notice to the Seller given between *****, to require from the Seller a renegotiation of the Scheduled Delivery Month for the affected Aircraft. Unless otherwise agreed between the Seller and the Buyer during such renegotiation, the said renegotiation will not prejudice the Buyer's right to receive liquidated damages in accordance with Clause 11.1.

11.3 Termination

If, as a result of an Inexcusable Delay, the Delivery does not occur within ***** of the Delivery Period and the parties have not renegotiated the Delivery Date pursuant to Clause 11.2, then both parties will have the right exercisable by written notice to the other party, given between *****, to terminate this Agreement in respect of the affected Aircraft. In the event of termination, *****.

11.4 Remedies

THIS CLAUSE 11 SETS FORTH THE SOLE AND EXCLUSIVE REMEDY OF THE BUYER FOR DELAYS IN DELIVERY OR FAILURE TO DELIVER, OTHER THAN SUCH DELAYS AS ARE COVERED BY CLAUSE 10, AND THE BUYER HEREBY WAIVES ALL RIGHTS TO WHICH IT WOULD OTHERWISE BE ENTITLED IN RESPECT THEREOF, INCLUDING WITHOUT LIMITATION ANY RIGHTS TO INCIDENTAL AND CONSEQUENTIAL DAMAGES OR SPECIFIC PERFORMANCE. THE BUYER WILL NOT BE ENTITLED TO CLAIM THE REMEDIES AND RECEIVE THE BENEFITS PROVIDED IN THIS CLAUSE 11 WHERE THE DELAY REFERRED TO IN THIS CLAUSE 11 IS CAUSED BY THE NEGLIGENCE OR FAULT OF THE BUYER OR ITS REPRESENTATIVES.

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12 – WARRANTIES AND SERVICE LIFE POLICY

This Clause covers the terms and conditions of the warranty and service life policy.

12.1 Standard Warranty

12.1.1 Nature of Warranty

12.1.1.1 For the purpose of this Agreement the term “**Warranted Part**” will mean any Seller proprietary component, equipment, accessory or part, which is installed on an Aircraft at Delivery thereof and

- (i) which is manufactured to the detailed design of the Seller or a subcontractor of the Seller and
- (ii) which bears a part number of the Seller at the time of such Delivery.

12.1.1.2 Subject to the conditions and limitations as hereinafter provided for and except as provided for in Clause 12.1.2, the Seller warrants to the Buyer that each Aircraft and each Warranted Part will at Delivery to the Buyer be free from defects:

- (i) in material;
- (ii) in workmanship, including without limitation processes of manufacture;
- (iii) in design (including without limitation the selection of materials) having regard to the state of the art at the date of such design; and
- (iv) arising from failure to conform to the Specification, except to those portions of the Specification relating to performance or where it is expressly stated that they are estimates or approximations or design aims.

12.1.2 Exclusions

The warranties set forth in Clause 12.1.1 will not apply to Buyer Furnished Equipment, nor to the Propulsion System, nor to any component, equipment, accessory or part installed on the Aircraft at Delivery that is not a Warranted Part except that:

- (i) any defect in the Seller’s workmanship in respect of the installation of such items in the Aircraft, including any failure by the Seller to conform to the installation instructions of the manufacturers of such items, that invalidates any applicable warranty from such manufacturers, will constitute a defect in workmanship for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1.2(ii); and

- (ii) any defect inherent in the Seller's design of the installation, in consideration of the state of the art at the date of such design, which impairs the use of such items, will constitute a defect in design for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1.2(iii).

12.1.3 Warranty Period

The warranties set forth in Clauses 12.1.1 and 12.1.2 will be limited to those defects that become apparent within ***** of the affected Aircraft (the "Warranty Period").

12.1.4 Limitations of Warranty

12.1.4.1 The Buyer's remedy and the Seller's obligation and liability under Clauses 12.1.1 and 12.1.2 are limited to, at the Seller's expense and option, the repair, replacement or correction of any Warranted Part which is defective (or to the supply of modification kits, rectifying the defect), together with a credit to the Buyer's account with the Seller of an amount equal to the mutually agreed direct labor costs expended in performing the removal and reinstallation thereof on the Aircraft at the labor rate defined in Clause 12.1.7.5.

The Seller may alternatively furnish to the Buyer's account with the Seller a credit equal to the price at which the Buyer is then entitled to purchase a replacement for the defective Warranted Part.

12.1.4.2 In the event of a defect covered by Clauses 12.1.1.2(iii), 12.1.1.2(iv) and 12.1.2(ii) becoming apparent within the Warranty Period, the Seller shall also, if so requested by the Buyer in writing, correct such defect in any Aircraft which has not yet been delivered to the Buyer, *****

(i) *****

(ii) *****

12.1.4.3 Cost of Inspection

In addition to the remedies set forth in Clauses 12.1.4.1 and 12.1.4.2, the Seller will reimburse the direct labor costs incurred by the Buyer in performing inspections of the Aircraft to determine whether or not a defect exists in any Warranted Part within the Warranty Period subject to the following conditions:

- (i) such inspections are recommended by a Seller Service Bulletin to be performed within the Warranty Period;
- (ii) the reimbursement will not apply for any inspections performed as an alternative to accomplishing corrective action as recommended by the Seller prior to the date of such inspection;

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (iii) the labor rate for the reimbursement will be the Inhouse Warranty Labor Rate; and
- (iv) the manhours used to determine such reimbursement will not exceed the Seller's estimate of the manhours required for such inspections.

12.1.5 Warranty Claim Requirements

The Buyer's remedy and the Seller's obligation and liability under this Clause 12.1 with respect to any warranty claim submitted by the Buyer (each a "**Warranty Claim**") are subject to the following conditions:

- (i) the defect having become apparent within the Warranty Period;
- (ii) the Buyer having filed a warranty claim within ***** of discovering the defect;
- (iii) *****
- (iv) the Seller having received a Warranty Claim complying with the provisions of Clause 12.1.6 below.

12.1.6 Warranty Administration

The warranties set forth in Clause 12.1 will be administered as hereinafter provided for:

12.1.6.1 Claim Determination

Determination as to whether any claimed defect in any Warranted Part is a valid Warranty Claim will be made by the Seller and will be based upon the claim details, reports from the Seller's Representatives, historical data logs, inspections, tests, findings during repair, defect analysis and other relevant documents.

12.1.6.2 Transportation Costs

The cost of transporting a Warranted Part claimed to be defective to the facilities designated by the Seller and for the return therefrom of a repaired or replaced Warranted Part will be *****.

12.1.6.3 Return of an Aircraft

If the Buyer and the Seller mutually agree, prior to such return, that it is necessary to return an Aircraft to the Seller for consideration of a Warranty Claim, the Seller *****. The Buyer will make reasonable efforts to minimize the duration of the corresponding flights.

12.1.6.4 On Aircraft Work by the Seller

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the Seller determines that a defect subject to this Clause 12.1 justifies the dispatch by the Seller of a working team to repair or correct such defect through the embodiment of one or several Seller's Service Bulletins at the Buyer's facilities, or if the Seller accepts the return of an Aircraft to perform or have performed such repair or correction, then the *****.

The condition which has to be fulfilled for on-Aircraft work by the Seller is that, in the reasonable opinion of the Seller, the work necessitates the technical expertise of the Seller as manufacturer of the Aircraft.

If said condition is fulfilled and if the Seller is requested to perform the work, the Seller and the Buyer will agree on a schedule and place for the work to be performed.

12.1.6.5 Warranty Claim Substantiation

Each Warranty Claim filed by the Buyer under this Clause 12.1 will contain at least the following data:

- (i) description of defect and any action taken, if any,
- (ii) date incident and/or removal date,
- (iii) description of Warranted Part claimed to be defective,
- (iv) part number,
- (v) serial number (if applicable),
- (vi) position on Aircraft,
- (vii) total flying hours or calendar time, as applicable, at the date of defect appearance,
- (viii) time since last shop visit at the date of defect appearance,
- (ix) Manufacturer Serial Number of the Aircraft and/or its registration,
- (x) Aircraft total flying hours and/or number of landings at the date of defect appearance,
- (xi) Warranty Claim number,
- (xii) date of Warranty Claim,
- (xiii) Delivery Date of Aircraft or Warranted Part to the Buyer,

Warranty Claims are to be addressed as follows:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

AIRBUS
CUSTOMER SERVICES DIRECTORATE
WARRANTY ADMINISTRATION
Rond Point Maurice Bellonte
B.P. 33
F 31707 BLAGNAC CEDEX
FRANCE

12.1.6.6 Replacements

Replaced components, equipment, accessories or parts will become the Seller's property.

Title to and risk of loss of any Aircraft, component, accessory, equipment or part and returned by the Buyer to the Seller will at all times remain with the Buyer, except that:

- (i) when the Seller has possession of a returned Aircraft, component, accessory, equipment or part to which the Buyer has title, the Seller will have such responsibility therefor as is chargeable by law to a bailee for hire, but the Seller will not be liable for loss of use; and
- (ii) title to and risk of loss of a returned component, accessory, equipment or part will pass to the Seller upon shipment by the Seller to the Buyer of any item furnished by the Seller to the Buyer as a replacement therefor.

Upon the Seller's shipment to the Buyer of any replacement component, accessory, equipment or part provided by the Seller pursuant to this Clause 12.1, title to and risk of loss of such replacement component, accessory, equipment or part will pass to the Buyer.

12.1.6.7 Rejection

The Seller will provide reasonable written substantiation in case of rejection of a Warranty Claim. In such event the Buyer will refund to the Seller reasonable inspection and test charges incurred in connection therewith.

12.1.6.8 Inspection

The Seller will have the right to inspect the affected Aircraft, documents and other records relating thereto in the event of any Warranty Claim under this Clause 12.1.

12.1.7 Inhouse Warranty

12.1.7.1 Seller's Authorization

The Seller hereby authorizes the Buyer to repair Warranted Parts (“**Inhouse Warranty**”) subject to the terms of this Clause 12.1.7.

12.1.7.2 Conditions for Seller's Authorization

The Buyer will be entitled to repair such Warranted Parts:

- (i) provided the Buyer notifies the Seller Representative of its intention to perform Inhouse Warranty repairs before any such repairs are started where the estimated cost of such repair is in excess of *****. The Buyer's notification will include sufficient detail regarding the defect, estimated labor hours and material to allow the Seller to ascertain the reasonableness of the estimate. The Seller agrees to use all reasonable efforts to ensure a prompt response and will not unreasonably withhold authorization;
- (ii) if adequate facilities and qualified personnel are available to the Buyer;
- (iii) if repairs are performed in accordance with the Seller's Technical Data or written instructions; and
- (iv) only to the extent specified by the Seller, or, in the absence of such specification, to the extent reasonably necessary to correct the defect, in accordance with the standards set forth in Clause 12.1.10.

12.1.7.3 Seller's Rights

The Seller will have the right to require the return of any Warranted Part, or any part removed therefrom, which is claimed to be defective if, in the judgment of the Seller, the nature of the claimed defect requires technical investigation. Such return will be subject to the provisions of Clause 12.1.6.2. Furthermore, the Seller will have the right to have a Seller representative present during the disassembly, inspection and testing of any Warranted Part claimed to be defective, subject to such presence being practical and not unduly delaying the repair.

12.1.7.4 Inhouse Warranty Claim Substantiation

Claims for Inhouse Warranty credit will be filed within the time period set forth in 12.1.5 (ii) and will contain the same information as that required for Warranty Claims under Clause 12.1.6.5 and in addition will include:

- (i) a report of technical findings with respect to the defect;
- (ii) for parts required to remedy the defect:
 - part numbers,

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- serial numbers (if applicable),
- parts description,
- quantity of parts,
- unit price of parts,
- related Seller's or third party's invoices (if applicable),
- total price of parts,

(iii) detailed number of labor hours;

(iv) Inhouse Warranty Labor Rate;

(v) total claim value.

12.1.7.5 *****

The Buyer's sole remedy and the Seller's sole obligation and liability with respect to Inhouse Warranty Claims will be ***** determined as set forth below:

(i) *****

(ii) *****

The Inhouse Warranty Labor Rate is *****. For the purposes of this Clause 12.1.7.5 only, *****, defined in the Seller's Price Revision Formula set forth in Exhibit C to the Agreement.

(iii) *****

12.1.7.6 Limitation

The Buyer will in *****.

12.1.7.7 Scrapped Material

The Buyer will retain any defective Warranted Part beyond economic repair and any defective part removed from a Warranted Part during repair for a period of either ***** of the Seller's request to that effect.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Notwithstanding the foregoing, the Buyer may scrap any such defective parts, which are beyond economic repair and not required for technical evaluation locally, with the agreement of the Seller Representative(s).

Scrapped Warranted Parts will be evidenced by a record of scrapped material certified by an authorized representative of the Buyer and will be kept in the Buyer's file for a least the duration of the applicable Warranty Period.

12.1.8 Standard Warranty in case of Pooling or Leasing Arrangements

Without prejudice to Clause 21.1, the warranties provided for in this Clause 12.1 for any Warranted Part will accrue to the benefit of any airline in revenue service, other than the Buyer, if the Warranted Part enters into the possession of any such airline as a result of a pooling or leasing agreement between such airline and the Buyer, in accordance with the terms and subject to the limitations and exclusions of the foregoing warranties and to the extent permitted by any applicable law or regulations.

12.1.9 Warranty for Corrected, Replaced or Repaired Warranted Parts

Whenever any Warranted Part, which contains a defect for which the Seller is liable under Clause 12.1, has been corrected, replaced or repaired pursuant to the terms of this Clause 12.1, *****.

If a defect is attributable to a defective repair or replacement by the Buyer, a Warranty Claim with respect to such defect will be rejected, notwithstanding any subsequent correction or repair, and will immediately terminate the remaining warranties under this Clause 12.1 in respect of the affected Warranted Part.

12.1.10 Accepted Industry Standard Practices Normal Wear and Tear

The Buyer's rights under this Clause 12.1 are subject to the Aircraft and each component, equipment, accessory and part thereof being maintained, overhauled, repaired and operated in accordance with accepted industry standard practices, all Technical Data and any other instructions issued by the Seller, the Suppliers and the Propulsion System Manufacturer and all applicable rules, regulations and directives of the relevant Aviation Authorities.

The Seller's liability under this Clause 12.1 will not extend to normal wear and tear nor to:

- (i) any Aircraft or component, equipment, accessory or part thereof, which has been repaired, altered or modified after Delivery, except by the Seller or in a manner approved by the Seller;

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (ii) any Aircraft or component, equipment, accessory or part thereof, which has been operated in a damaged state; or
- (iii) any component, equipment, accessory and part from which the trademark, name, part or serial number or other identification marks have been removed.

12.1.11 DISCLAIMER OF SELLER LIABILITY

THE SELLER WILL NOT BE LIABLE FOR, AND THE BUYER WILL INDEMNIFY THE SELLER AGAINST, THE CLAIMS OF ANY THIRD PARTIES FOR LOSSES DUE TO ANY DEFECT, NONCONFORMANCE OR PROBLEM OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH ANY REPAIR OF WARRANTED PARTS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12.1 OR ANY OTHER ACTIONS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12, WHETHER SUCH CLAIM IS ASSERTED IN CONTRACT OR IN TORT, OR IS PREMISED ON ALLEGED, ACTUAL, IMPUTED, ORDINARY OR INTENTIONAL ACTS OR OMISSIONS OF THE BUYER OR THE SELLER.

12.2 Seller Service Life Policy

In addition to the warranties set forth in Clause 12.1, the Seller further agrees that should a Failure occur in any Item (as these terms are defined herein below) that has not suffered from an extrinsic force, then, subject to the general conditions and limitations set forth in Clause 12.2.4, the provisions of this Clause 12.2 will apply.

For the purposes of this Clause 12.2:

- (i) **“Item”** means any item listed in Exhibit F;
- (ii) **“Failure”** means a breakage or defect that can reasonably be expected to occur on a fleetwide basis and which materially impairs the utility of the Item.

12.2.1 Periods and Seller’s Undertakings

Subject to the general conditions and limitations set forth in Clause 12.2.4, the Seller agrees that if a Failure occurs in an Item before the Aircraft in which such Item was originally installed has completed thirty thousand (30,000) flying hours or twenty thousand (20,000) flight cycles or within twelve (12) years after the Delivery of said Aircraft, whichever will first occur, the Seller will, at its discretion and as promptly as practicable and with the Seller’s financial participation as hereinafter provided, either:

- (i) design and furnish to the Buyer a correction for such Item with a Failure and provide any parts required for such correction (including Seller designed standard parts but excluding industry standard parts), or
- (ii) replace such Item.

12.2.2 Seller's Participation in the Costs

Subject to the general conditions and limitations set forth in Clause 12.2.4, any part or Item that the Seller is required to furnish to the Buyer under this Service Life Policy in connection with the correction or replacement of an Item will be furnished to the Buyer ***** therefor, ***** determined in accordance with the following formula:

- (i) *****
- (ii) *****
- (iii) *****

12.2.3 General Conditions and Limitations

12.2.3.1 The undertakings set forth in this Clause 12.2 will be valid after the period of the Seller's warranty applicable to an Item under Clause 12.1.

12.2.3.2 The Buyer's remedies and the Seller's obligations and liabilities under this Service Life Policy are subject to the prior compliance by the Buyer with the following conditions:

- (i) the Buyer will maintain log books and other historical records with respect to each Item, adequate to enable the Seller to determine whether the alleged Failure is covered by this Service Life Policy and, if so, to define the portion of the costs to be borne by the Seller in accordance with Clause 12.2.3;
- (ii) the Buyer will keep the Seller informed of any significant incidents relating to an Aircraft, howsoever occurring or recorded;
- (iii) the Buyer will comply with the conditions of Clause 12.1.10;
- (iv) the Buyer will implement specific structural inspection programs for monitoring purposes as may be established from time to time by the Seller. Such programs will be as compatible as possible with the Buyer's operational requirements and will be carried out at the Buyer's expense. Reports relating thereto will be regularly furnished to the Seller;
- (v) the Buyer will report any breakage or defect in a Item in writing to the Seller within ***** after such breakage or defect becomes apparent, whether or not said breakage or defect can reasonably be expected to occur in any other aircraft, and the Buyer will have provided to the Seller sufficient detail on the breakage or defect to enable the Seller, acting reasonably, to determine whether said breakage or defect is subject to this Service Life Policy.

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- 12.2.3.3 Except as otherwise provided for in this Clause 12.2, any claim under this Service Life Policy will be administered as provided for in, and will be subject to the terms and conditions of, Clause 12.1.6.
- 12.2.3.4 In the event of the Seller having issued a modification applicable to an Aircraft, the purpose of which is to avoid a Failure, the Seller may elect to supply the necessary modification kit ***** established by the Seller. If such a kit is so offered to the Buyer, then, to the extent of such Failure and any Failures that could ensue therefrom, the validity of the Seller's commitment under this Clause 12.2 will be subject to the Buyer incorporating such modification in the relevant Aircraft, as promulgated by the Seller and in accordance with the Seller's instructions, within a reasonable time.
- 12.2.3.5 THIS SERVICE LIFE POLICY IS NEITHER A WARRANTY, PERFORMANCE GUARANTEE, NOR AN AGREEMENT TO MODIFY ANY AIRCRAFT OR AIRFRAME COMPONENTS TO CONFORM TO NEW DEVELOPMENTS OCCURRING IN THE STATE OF AIRFRAME DESIGN AND MANUFACTURING ART. THE SELLER'S OBLIGATION UNDER THIS CLAUSE 12.2 IS TO MAKE ONLY THOSE CORRECTIONS TO THE ITEMS OR FURNISH REPLACEMENTS THEREFOR AS PROVIDED FOR IN THIS CLAUSE 12.2. THE BUYER'S SOLE REMEDY AND RELIEF FOR THE NON-PERFORMANCE OF ANY OBLIGATION OR LIABILITY OF THE SELLER ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY WILL BE IN A CREDIT FOR GOODS AND SERVICES (NOT INCLUDING AIRCRAFT), LIMITED TO THE AMOUNT THE BUYER REASONABLY EXPENDS IN PROCURING A CORRECTION OR REPLACEMENT FOR ANY ITEM THAT IS THE SUBJECT OF A FAILURE COVERED BY THIS SERVICE LIFE POLICY AND TO WHICH SUCH NON-PERFORMANCE IS RELATED, LESS THE AMOUNT THAT THE BUYER OTHERWISE WOULD HAVE BEEN REQUIRED TO PAY UNDER THIS CLAUSE 12.2 IN RESPECT OF SUCH CORRECTED OR REPLACEMENT ITEM. WITHOUT LIMITING THE EXCLUSIVITY OF WARRANTIES AND GENERAL LIMITATIONS OF LIABILITY PROVISIONS SET FORTH IN CLAUSE 12.5, THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL CLAIMS TO ANY FURTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES, ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY.
- 12.3 Supplier Warranties and Service Life Policies
- Prior to or at Delivery of the first Aircraft, the Seller will provide the Buyer, in accordance with the provisions of Clause 17, with the warranties and, where applicable, service life policies that the Seller has obtained for Supplier Parts pursuant to the Supplier Product Support Agreements.
- 12.3.1 Definitions
- 12.3.1.1 **"Supplier"** means any supplier of Supplier Parts.
- ***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 12.3.1.2 “**Supplier Part**” means any component, equipment, accessory or part installed in an Aircraft at the time of Delivery thereof and for which there exists a Supplier Product Support Agreement. For the sake of clarity, Propulsion System and Buyer Furnished Equipment and other equipment selected by the Buyer to be supplied by suppliers with whom the Seller has no existing enforceable warranty agreements are not Supplier Parts.
- 12.3.1.3 “**Supplier Product Support Agreements**” means agreements between the Seller and Suppliers, as described in Clause 17.1.2, containing enforceable and transferable warranties and, in the case of landing gear suppliers, service life policies for selected structural landing gear elements.
- 12.3.2 Supplier’s Default
- 12.3.2.1 In the event of any Supplier, under any standard warranty obtained by the Seller pursuant to Clause 12.3.1, ***** (ii) the Buyer submitting in reasonable time to the Seller reasonable evidence that such default has occurred, then Clause 12.1 will apply to the extent (a) the same would have been applicable had such Supplier Part been a Warranted Part, and (b) the Seller can reasonably perform said Supplier’s obligations, except that the Supplier’s warranty period as indicated in the Supplier Product Support Agreement will apply.
- 12.3.2.2 In the event of any Supplier, under any Supplier Service Life Policy obtained by the Seller pursuant to Clause 12.3.1,***** (ii) the Buyer submitting in reasonable time to the Seller reasonable evidence that such default has occurred, then Clause 12.2 will apply to the extent (a) the same would have been applicable had such Supplier Item been listed in Exhibit F, Seller Service Life Policy, and (b) the Seller can reasonably perform said Supplier’s obligations, except that the Supplier’s Service Life Policy period as indicated in the Supplier Product Support Agreement will apply.
- 12.3.2.3 At the Seller’s request, the Buyer will assign to the Seller, and the Seller will be subrogated to, all of the Buyer’s rights against the relevant Supplier with respect to and arising by reason of such default and will provide reasonable assistance to enable the Seller to enforce the rights so assigned.
- 12.4 Interface Commitment
- 12.4.1 Interface Problem
- If the Buyer experiences any technical problem in the operation of an Aircraft or its systems due to a malfunction, the cause of which, after due and reasonable investigation, is not readily identifiable by the Buyer but which the Buyer reasonably believes to be attributable to the design characteristics of one or more components of the Aircraft (“**Interface Problem**”), the Seller will, if so requested by the Buyer, and without additional charge to the Buyer except for transportation of the Seller’s or its designee’s personnel to the Buyer’s facilities, promptly conduct or have conducted an

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

investigation and analysis of such problem to determine, if possible, the cause or causes of the problem and to recommend such corrective action as may be feasible. The Buyer will furnish to the Seller all data and information in the Buyer's possession relevant to the Interface Problem and will cooperate with the Seller in the conduct of the Seller's investigations and such tests as may be required.

At the conclusion of such investigation, the Seller will promptly advise the Buyer in writing of the Seller's opinion as to the cause or causes of the Interface Problem and the Seller's recommendations as to corrective action.

12.4.2 Seller's Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of a Warranted Part, the Seller will, if so requested by the Buyer and pursuant to the terms and conditions of Clause 12.1, correct the design of such Warranted Part to the extent of the Seller's obligation as defined in Clause 12.1.

12.4.3 Supplier's Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of any Supplier Part, the Seller will, if so requested by the Buyer, reasonably assist the Buyer in processing any warranty claim the Buyer may have against the Supplier.

12.4.4 Joint Responsibility

If the Seller determines that the Interface Problem is attributable partially to the design of a Warranted Part and partially to the design of any Supplier Part, the Seller will, if so requested by the Buyer, seek a solution to the Interface Problem through cooperative efforts of the Seller and any Supplier involved.

The Seller will promptly advise the Buyer of such corrective action as may be proposed by the Seller and any such Supplier. Such proposal will be consistent with any then existing obligations of the Seller hereunder and of any such Supplier towards the Buyer. Such corrective action, unless reasonably rejected by the Buyer, will constitute full satisfaction of any claim the Buyer may have against either the Seller or any such Supplier with respect to such Interface Problem.

12.4.5 General

12.4.5.1 All requests under this Clause 12.4 will be directed to both the Seller and the affected Supplier.

12.4.5.2 Except as specifically set forth in this Clause 12.4, this Clause will not be deemed to impose on the Seller any obligations not expressly set forth elsewhere in this Agreement.

12.4.5.3 All reports, recommendations, data and other documents furnished by the Seller to the Buyer pursuant to this Clause 12.4 will be deemed to be delivered under this Agreement and will be subject to the terms, covenants and conditions set forth in this Clause 12 and in Clause 22.11.

12.5 Exclusivity of Warranties

THIS CLAUSE 12 SETS FORTH THE EXCLUSIVE WARRANTIES, EXCLUSIVE LIABILITIES AND EXCLUSIVE OBLIGATIONS OF THE SELLER, AND THE EXCLUSIVE REMEDIES AVAILABLE TO THE BUYER, WHETHER UNDER THIS AGREEMENT OR OTHERWISE, ARISING FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA OR SERVICE DELIVERED BY THE SELLER UNDER THIS AGREEMENT.

THE BUYER RECOGNIZES THAT THE RIGHTS, WARRANTIES AND REMEDIES IN THIS CLAUSE 12 ARE ADEQUATE AND SUFFICIENT TO PROTECT THE BUYER FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN THE GOODS AND SERVICES SUPPLIED UNDER THIS AGREEMENT. THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES OF THE SELLER AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, WHETHER EXPRESS OR IMPLIED BY CONTRACT, TORT, OR STATUTORY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMITY OR DEFECT OR PROBLEM OF ANY KIND IN ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA OR SERVICE DELIVERED BY THE SELLER UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO:

- (I) ANY IMPLIED WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR ANY GENERAL OR PARTICULAR PURPOSE;
- (II) ANY IMPLIED OR EXPRESS WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE;
- (III) ANY RIGHT, CLAIM OR REMEDY FOR BREACH OF CONTRACT;
- (IV) ANY RIGHT, CLAIM OR REMEDY FOR TORT, UNDER ANY THEORY OF LIABILITY, HOWEVER ALLEGED, INCLUDING, BUT NOT LIMITED TO, ACTIONS AND/OR CLAIMS FOR NEGLIGENCE, GROSS NEGLIGENCE, INTENTIONAL ACTS, WILLFUL DISREGARD, IMPLIED WARRANTY, PRODUCT LIABILITY, STRICT LIABILITY OR FAILURE TO WARN;
- (V) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER STATE OR FEDERAL STATUTE;

- (VI) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER ANY REGULATIONS OR STANDARDS IMPOSED BY ANY INTERNATIONAL, NATIONAL, STATE OR LOCAL STATUTE OR AGENCY;
- (VII) ANY RIGHT, CLAIM OR REMEDY TO RECOVER OR BE COMPENSATED FOR:
 - (A) LOSS OF USE OR REPLACEMENT OF ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THIS AGREEMENT;
 - (B) LOSS OF, OR DAMAGE OF ANY KIND TO, ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THIS AGREEMENT;
 - (C) LOSS OF PROFITS AND/OR REVENUES;
 - (D) ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGE.

THE WARRANTIES AND SERVICE LIFE POLICY PROVIDED BY THIS AGREEMENT WILL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY THE SELLER AND THE BUYER. IN THE EVENT THAT ANY PROVISION OF THIS CLAUSE 12 SHOULD FOR ANY REASON BE HELD UNLAWFUL, OR OTHERWISE UNENFORCEABLE, THE REMAINDER OF THIS CLAUSE 12 WILL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSES OF THIS CLAUSE 12.5, THE "SELLER" SHALL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS, SUBCONTRACTORS, AND AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

12.6

Duplicate Remedies

The remedies provided to the Buyer under Clause 12.1 and Clause 12.2 as to any defect in respect of the Aircraft or any part thereof are mutually exclusive and not cumulative. The Buyer will be entitled to the remedy that provides the maximum benefit to it, as the Buyer may elect, pursuant to the terms and conditions of this Clause 12 for any particular defect for which remedies are provided under this Clause 12; provided, however, that the Buyer will not be entitled to elect a remedy under both Clause 12.1 and Clause 12.2 for the same defect. The Buyer's rights and remedies herein for the nonperformance of any obligations or liabilities of the Seller arising under these warranties will be in monetary damages limited to the amount the Buyer expends in procuring a correction or replacement for any covered part subject to a defect or nonperformance covered by this Clause 12, and the Buyer will not have any right to require specific performance by the Seller.

12.7 Negotiated Agreement

The Buyer specifically recognizes that:

- (i) the Specification has been agreed upon after careful consideration by the Buyer using its judgment as a professional operator of aircraft used in public transportation and as such is a professional within the same industry as the Seller;
- (ii) this Agreement, and in particular this Clause 12, has been the subject of discussion and negotiation and is fully understood by the Buyer; and
- (iii) the price of the Aircraft and the other mutual agreements of the Buyer set forth in this Agreement were arrived at in consideration of, inter alia, the provisions of this Clause 12, specifically including the waiver, release and renunciation by the Buyer set forth in Clause 12.5.

12.8 Disclosure to Third Party Entity

In the event of the Buyer intending to designate a third party entity (a “**Third Party Entity**”) to administer this Clause 12, the Buyer will notify the Seller of such intention prior to any disclosure of this Clause to the selected Third Party Entity and will cause such Third Party Entity to enter into a confidentiality agreement and or any other relevant documentation with the Seller solely for the purpose of administrating this Clause 12.

12.9 Transferability

Without prejudice to Clause 21.1, the Buyer’s rights under this Clause 12 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller’s prior written consent, which will not be unreasonably withheld.

Any transfer in violation of this Clause 12.9 will, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 12 and any and all other warranties that might arise under or be implied in law.

13 – PATENT AND COPYRIGHT INDEMNITY

13.1 Indemnity

13.1.1.1 Subject to the provisions of Clause 13.2.3, the Seller will indemnify the Buyer from and against any damages, costs and/or expenses including legal costs (excluding damages, costs, expenses, loss of profits and other liabilities in respect of or resulting from loss of use of the Aircraft) resulting from any infringement or claim of infringement by the Airframe (or any part or software installed therein at Delivery) of:

(i) any British, French, German, Spanish or U.S. patent;

and

(ii) any patent issued under the laws of any other country in which the Buyer may lawfully operate the Aircraft, provided that:

(a) from the time of design of such Airframe, accessory, equipment and/or part and until infringement claims are resolved, such country and the flag country of the Aircraft are each a party to the Chicago Convention on International Civil Aviation of December 7, 1944, and are each fully entitled to all benefits of Article 27 thereof,

or in the alternative,

(b) from such time of design and until infringement claims are resolved, such country and the flag country of the Aircraft are each a party to the International Convention for the Protection of Industrial Property of March 20, 1883 (“Paris Convention”);

and

(iii) in respect of computer software installed on the Aircraft, any copyright, provided that the Seller’s obligation to indemnify will be limited to infringements in countries which, at the time of infringement, are members of The Berne Union and recognize computer software as a “work” under the Berne Convention.

13.1.2 Clause 13.1.1 will not apply to

(i) Buyer Furnished Equipment or Propulsion System; or

(ii) parts not the subject of a Supplier Product Support Agreement; or

(iii) software not developed or created by the Seller.

13.1.3 In the event that the Buyer, due to circumstances contemplated in Clause 13.1.1, is prevented from using the Aircraft (whether by a valid judgment of a court of

competent jurisdiction or by a settlement arrived at between claimant, Seller and Buyer), the Seller will at its discretion and expense either:

- (i) procure for the Buyer the right to use the Aircraft to the Buyer; or
- (ii) replace the infringing part of the Aircraft as soon as possible with a non-infringing substitute complying in all other respects with the requirements of this Agreement.

13.2 Administration of Patent and Copyright Indemnity Claims

13.2.1 If the Buyer receives a written claim or a suit is threatened or commenced against the Buyer for infringement of a patent or copyright referred to in Clause 13.1, the Buyer will:

- (i) forthwith notify the Seller giving particulars thereof;
- (ii) furnish to the Seller all data, papers and records within the Buyer's control or possession relating to such patent or claim;
- (iii) refrain from admitting any liability or making any payment or assuming any expenses, damages, costs or royalties or otherwise acting in a manner prejudicial to the defense or denial of such suit or claim provided always that nothing in this sub-Clause (iii) will prevent the Buyer from paying such sums as may be required in order to obtain the release of the Aircraft, provided such payment is accompanied by a denial of liability and is made without prejudice;
- (iv) fully co-operate with, and render all such assistance to, the Seller as may be pertinent to the defense or denial of the suit or claim;
- (v) act in such a way as to mitigate damages, costs and expenses and / or reduce the amount of royalties which may be payable.

13.2.2 The Seller will be entitled either in its own name or on behalf of the Buyer to conduct negotiations with the party or parties alleging infringement and may assume and conduct the defense or settlement of any suit or claim in the manner which, in the Seller's opinion, it deems proper.

13.2.3 The Seller's liability hereunder will be conditional upon the strict and timely compliance by the Buyer with the terms of this Clause and is in lieu of any other liability to the Buyer express or implied which the Seller might incur at law as a result of any infringement or claim of infringement of any patent or copyright.

THE INDEMNITY PROVIDED IN THIS CLAUSE 13 AND THE OBLIGATIONS AND LIABILITIES OF THE SELLER UNDER THIS CLAUSE 13 ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER INDEMNITIES, WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES ON THE PART OF THE SELLER AND RIGHTS,

CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY ARISING FROM OR WITH RESPECT TO LOSS OF USE OR REVENUE OR CONSEQUENTIAL DAMAGES), WITH RESPECT TO ANY ACTUAL OR ALLEGED PATENT INFRINGEMENT OR THE LIKE BY ANY AIRFRAME, PART OR SOFTWARE INSTALLED THEREIN AT DELIVERY, OR THE USE OR SALE THEREOF, PROVIDED THAT, IN THE EVENT THAT ANY OF THE AFORESAID PROVISIONS SHOULD FOR ANY REASON BE HELD UNLAWFUL OR OTHERWISE INEFFECTIVE, THE REMAINDER OF THIS CLAUSE WILL REMAIN IN FULL FORCE AND EFFECT. THIS INDEMNITY AGAINST PATENT AND COPYRIGHT INFRINGEMENTS WILL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY THE SELLER AND THE BUYER.

14 – TECHNICAL DATA AND SOFTWARE SERVICES

14.1 Scope

This Clause 14 covers the terms and conditions for the supply of technical data (hereinafter “**Technical Data**”) and software services described hereunder (hereinafter “**Software Services**”) to support the Aircraft operation.

14.1.1 The Technical Data will be supplied in the English language using the aeronautical terminology in common use.

14.1.2 Range, form, type, format, quantity and delivery schedule of the Technical Data to be provided under this Agreement are outlined in Exhibit G hereto.

14.2 Aircraft Identification for Technical Data

14.2.1 For those Technical Data that are customized to the Buyer’s Aircraft, the Buyer agrees to the allocation of fleet serial numbers (“**Fleet Serial Numbers**”) in the form of block of numbers selected in the range from 001 to 999.

14.2.2 The sequence will not be interrupted unless two (2) different Propulsion Systems or two (2) different models of Aircraft are selected.

14.2.3 The Buyer will indicate to the Seller the Fleet Serial Number allocated to each Aircraft corresponding to the delivery schedule set forth in Clause 9.1 no later than ***** before the Scheduled Delivery Month of the first Aircraft. Neither the designation of such Fleet Serial Numbers nor the subsequent allocation of the Fleet Serial Numbers to Manufacturer Serial Numbers for the purpose of producing certain customized Technical Data will constitute any property, insurable or other interest of the Buyer in any Aircraft prior to the Delivery of such Aircraft as provided for in this Agreement.

The customized Technical Data that are affected thereby are the following:

- (i) Aircraft Maintenance Manual,
- (ii) Illustrated Parts Catalogue,
- (iii) Trouble Shooting Manual,
- (iv) Aircraft Wiring Manual,
- (v) Aircraft Schematics Manual,
- (vi) Aircraft Wiring Lists.

- 14.3 Integration of Equipment Data
 - 14.3.1 Supplier Equipment

Information, including revisions, relating to Supplier equipment that is installed on the Aircraft at Delivery, or through Airbus Service Bulletins thereafter, will be introduced into the customized Technical Data to the extent necessary for understanding of the affected systems, at no additional charge to the Buyer.
 - 14.3.2 Buyer Furnished Equipment
 - 14.3.2.1 The Seller will introduce Buyer Furnished Equipment data for Buyer Furnished Equipment that is installed on the Aircraft by the Seller (hereinafter “**BFE Data**”) into the customized Technical Data, ***** to the Buyer for the initial issue of the Technical Data provided at or before Delivery of the first Aircraft, provided such BFE Data is provided in accordance with the conditions set forth in Clauses 14.3.2.2 through 14.3.2.6.
 - 14.3.2.2 The Buyer will supply the BFE Data to the Seller at least ***** prior to the Scheduled Delivery Month of the first Aircraft.
 - 14.3.2.3 The Buyer will supply the BFE Data to the Seller in English and will be established in compliance with the then applicable revision of ATA iSpecification 2200 (iSpec 2200), Information Standards for Aviation Maintenance.
 - 14.3.2.4 The Buyer and the Seller will agree on the requirements for the provision to the Seller of BFE Data for “on-aircraft maintenance”, such as but not limited to timeframe, media and format in which the BFE Data will be supplied to the Seller, in order to manage the BFE Data integration process in an efficient, expeditious and economic manner.
 - 14.3.2.5 The BFE Data will be delivered in digital format (SGML) and/or in Portable Document Format (PDF), as agreed between the Buyer and the Seller.
 - 14.3.2.6 *****
- 14.4 Supply
 - 14.4.1 Technical Data will be supplied on-line and/or off-line, as set forth in Exhibit G hereto.
 - 14.4.2 The Buyer will not receive any credit or compensation for any unused or only partially used Technical Data supplied pursuant to this Clause 14.
 - 14.4.3 Delivery
 - 14.4.3.1 For Technical Data provided off-line, such Technical Data and corresponding revisions will be sent to up to two (2) addresses as indicated by the Buyer.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 14.4.3.2 Technical Data provided off-line will be delivered by the Seller at the Buyer's named place of destination under DDU conditions.
- 14.4.3.3 The Technical Data will be delivered according to a mutually agreed schedule to correspond with the Deliveries of Aircraft. The Buyer will provide no less than ***** notice when requesting a change to such delivery schedule.
- 14.4.3.4 It will be the responsibility of the Buyer to coordinate and satisfy local Aviation Authorities' requirements with respect to Technical Data. Reasonable quantities of such Technical Data will be supplied by the Seller at no charge to the Buyer at the Buyer's named place of destination. Notwithstanding the foregoing, and in agreement with the relevant Aviation Authorities, preference will be given to the on-line access to such Buyer's Technical Data through AirbusWorld.
- 14.5 Revision Service
- For each firmly ordered Aircraft covered under this Agreement, revision service for the Technical Data will be provided ***** (each a "**Revision Service Period**").
- Thereafter revision service will be provided in accordance with the terms and conditions set forth in the Seller's then current Customer Services Catalog.
- 14.6 Service Bulletins (SB) Incorporation
- During Revision Service Period and upon the Buyer's request, which will be made ***** of the applicable Service Bulletin, Seller Service Bulletin information will be incorporated into the Technical Data, provided that the Buyer notifies the Seller through the relevant AirbusWorld on-line Service Bulletin Reporting application that it intends to accomplish such Service Bulletin. The split effectivity for the corresponding Service Bulletin will remain in the Technical Data until notification from the Buyer that embodiment has been completed on all of the Buyer's Aircraft. The foregoing is applicable for Technical Data relating to maintenance only. For operational Technical Data either the pre or post Service Bulletin status will be shown.
- 14.7 Technical Data Familiarization
- Upon request by the Buyer, the Seller will provide up to ***** of Technical Data familiarization training at the Seller's or the Buyer's facilities. The basic familiarization course is tailored for maintenance and engineering personnel.
- 14.8 Customer Originated Changes (COC)
- If the Buyer wishes to introduce Buyer originated data (hereinafter "**COC Data**") into any of the customized Technical Data that are identified as eligible for such incorporation in the Seller's then current Customer Services Catalog, the Buyer will notify the Seller of such intention.

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The incorporation of any COC Data will be performed under the methods and tools for achieving such introduction and the conditions specified in the Seller's then current Customer Services Catalog.

14.9 AirN@v Family products

14.9.1 The Technical Data listed herebelow are provided on DVD and include integrated software (hereinafter together referred to as "**AirN@v Family**").

14.9.2 The AirN@v Family covers several Technical Data domains, reflected by the following AirN@v Family products:

- (i) AirN@v / Maintenance,
- (ii) AirN@v / Planning,
- (iii) AirN@v / Repair,
- (iv) AirN@v / Workshop,
- (v) AirN@v / Associated Data,
- (vi) AirN@v / Engineering.

14.9.3 Further details on the Technical Data included in such products are set forth in Exhibit G.

14.9.4 The licensing conditions for the use of AirN@v Family integrated software will be set forth in a separate agreement to be executed by the parties the earlier of *****, the "**End-User License Agreement for Airbus Software**".

14.9.5 The revision service and the license to use AirN@v Family products will be granted ***** Revision Service Period. At the end of such Revision Service Period, *****.

14.10 On-Line Technical Data

14.10.1 The Technical Data defined in Exhibit G as being provided on-line will be made available to the Buyer through the Airbus customer portal AirbusWorld ("**AirbusWorld**") as set forth in a separate agreement to be executed by the parties the earlier of *****.

14.10.2 Access to Technical Data through AirbusWorld will be ***** Revision Service Period.

14.10.3 Access to AirbusWorld will be subject to the General Terms and Conditions of Access to and Use of AirbusWorld (hereinafter the "**GTC**"), as set forth in a separate agreement to be executed by the parties the earlier of *****.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

14.10.4 The list of the Technical Data provided on-line may be extended from time to time. For any Technical Data which is or becomes available on-line, the Seller reserves the right to eliminate other formats for the concerned Technical Data.

14.10.5 Access to AirbusWorld will be granted ***** for the Technical Data related to the Aircraft which will be operated by the Buyer.

14.10.6 For the sake of clarification, Technical Data accessed through AirbusWorld – which access will be covered by the terms and conditions set forth in the GTC – will remain subject to the conditions of this Clause 14.

In addition, should AirbusWorld provide access to Technical Data in software format, the use of such software will be subject to the conditions of the End-User License Agreement for Airbus Software.

14.11 Waiver, Release and Renunciation

The Seller warrants that the Technical Data are prepared in accordance with the state of the art at the date of their development. Should any Technical Data prepared by the Seller contain a non-conformity or defect, the sole and exclusive liability of the Seller will be to take all reasonable and proper steps to correct such Technical Data. Irrespective of any other provisions herein, no warranties of any kind will be given for the Customer Originated Changes, as set forth in Clause 14.8.

THE WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER (AS DEFINED BELOW FOR THE PURPOSES OF THIS CLAUSE) [AND REMEDIES OF THE BUYER SET FORTH IN THIS CLAUSE 14] ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER AND RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, EXPRESS OR IMPLIED, ARISING BY LAW, CONTRACT OR OTHERWISE, WITH RESPECT TO ANY NON-CONFORMITY OR DEFECT OF ANY KIND, IN ANY TECHNICAL DATA OR SERVICES DELIVERED UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO:

- (I) ANY WARRANTY AGAINST HIDDEN DEFECTS;
- (II) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS;
- (III) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OR TRADE;
- (IV) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY, WHETHER IN CONTRACT OR IN TORT, WHETHER OR NOT ARISING FROM THE SELLER'S NEGLIGENCE, ACTUAL OR IMPUTED; AND

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(V) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY FOR LOSS OF OR DAMAGE TO ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA OR SERVICES DELIVERED UNDER THIS AGREEMENT, FOR LOSS OF USE, REVENUE OR PROFIT, OR FOR ANY OTHER [DIRECT,] INCIDENTAL OR CONSEQUENTIAL DAMAGES;

PROVIDED THAT, IN THE EVENT THAT ANY OF THE AFORESAID PROVISIONS SHOULD FOR ANY REASON BE HELD UNLAWFUL OR OTHERWISE INEFFECTIVE, THE REMAINDER OF THIS AGREEMENT WILL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSES OF THIS CLAUSE 14, THE "SELLER" WILL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS AND SUBCONTRACTORS, ITS AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

14.12 Proprietary Rights

14.12.1 All proprietary rights relating to Technical Data, including but not limited to patent, design and copyrights, will remain with the Seller and/or its Affiliates, as the case may be.

These proprietary rights will also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

14.12.2 Whenever this Agreement and/or any Technical Data provides for manufacturing by the Buyer, the consent given by the Seller will not be construed as any express or implicit endorsement or approval whatsoever of the Buyer or of the manufactured products. The supply of the Technical Data will not be construed as any further right for the Buyer to design or manufacture any Aircraft or part thereof, including any spare part.

14.13 Performance Engineer's Program

14.13.1 In addition to the Technical Data provided under Clause 14, the Seller will provide to the Buyer Software Services, which will consist of the Performance Engineer's Programs ("PEP") for the Aircraft type covered under this Agreement. Such PEP is composed of software components and databases, and its use is subject to the license conditions set forth in the End-User License Agreement for Airbus Software.

14.13.2 Use of the PEP will be limited to one (1) copy to be used on the Buyer's computers for the purpose of computing performance engineering data. The PEP is intended for use on ground only and will not be placed or installed on board the Aircraft.

14.13.3 The license to use the PEP and the revision service will be provided ***** Revision Service Period as set forth in Clause 14.5.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

14.13.4 At the end of such PEP Revision Service Period, the PEP will be provided to the Buyer at the standard commercial conditions set forth in the Seller's then current Customer Services Catalog.

14.14 Future Developments

The Seller continuously monitors technological developments and applies them to Technical Data, document and information systems' functionalities, production and methods of transmission.

The Seller will implement and the Buyer will accept such new developments, it being understood that the Buyer will be informed in due time by the Seller of such new developments and their application and of the date by which the same will be implemented by the Seller.

14.15 Confidentiality

14.15.1 This Clause, the Technical Data, the Software Services and their content are designated as confidential. All such Technical Data and Software Services are provided to the Buyer for the sole use of the Buyer who undertakes not to disclose the contents thereof to any third party without the prior written consent of the Seller, except as permitted therein or pursuant to any government or legal requirement imposed upon the Buyer.

14.15.2 If the Seller authorizes the disclosure of this Clause or of any Technical Data or Software Services to third parties either under this Agreement or by an express prior written authorization or, specifically, where the Buyer intends to designate a maintenance and repair organization or a third party to perform the maintenance of the Aircraft or to perform data processing on its behalf (each a "**Third Party**"), the Buyer will notify the Seller of such intention prior to any disclosure of this Clause and/or the Technical Data and/or the Software Services to such Third Party.

The Buyer hereby undertakes to cause such Third Party to agree to be bound by the conditions and restrictions set forth in this Clause 14 with respect to the disclosed Clause, Technical Data or Software Services and will in particular cause such Third Party to enter into a confidentiality agreement with the Seller and appropriate licensing conditions, and to commit to use the Technical Data solely for the purpose of maintaining the Buyer's Aircraft and the Software Services exclusively for processing the Buyer's data.

14.16 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 14 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent.

Any transfer in violation of this Clause 14.16 will, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 14 and any and all other warranties that might arise under or be implied in law.

15 – **SELLER REPRESENTATIVE SERVICES**

The Seller will ***** to the Buyer the services described in this Clause 15, at the Buyer’s main base or at other locations to be mutually agreed.

15.1 Customer Support Representative(s)

15.1.1 The Seller will ***** to the Buyer the services of Seller customer support representative(s), as defined in Appendix A to this Clause 15 (each a “**Seller Representative**”), at the Buyer’s main base or such other locations as the parties may agree.

15.1.2 In providing the services as described herein, any Seller Representatives, or any Seller employee(s) providing services to the Buyer hereunder, are deemed to be acting in an advisory capacity only and at no time will they be deemed to be acting as Buyer’s employees, contractors or agents, either directly or indirectly.

15.1.3 The Seller will provide to the Buyer an annual written accounting of the consumed man- months and any remaining man-month balance from the ***** defined in Appendix A to this Clause 15. Such accounting will be deemed final and accepted by the Buyer unless the Seller receives written objection from the Buyer within ***** of receipt of such accounting.

15.1.4 In the event of a need for Aircraft On Ground (“AOG”) technical assistance after the end of the assignment referred to in Appendix A to this Clause 15, the Buyer will have nonexclusive access to:

- (i) AIRTAC (Airbus Technical AOG Center);
- (ii) The Seller Representative network closest to the Buyer’s main base. A list of contacts of the Seller Representatives closest to the Buyer’s main base will be provided to the Buyer.

As a matter of reciprocity, the Buyer agrees that Seller Representative(s) may provide services to other airlines during any assignment with the Buyer.

15.1.5 Should the Buyer request Seller Representative services ***** specified in Appendix A to this Clause 15, the Seller may provide such additional services subject to terms and conditions to be mutually agreed.

15.1.6 The Seller will cause similar services to be provided by representatives of the Propulsion System Manufacturer and Suppliers, when necessary and applicable.

15.2 Buyer’s Support

15.2.1 From the date of arrival of the first Seller Representative and for the duration of the assignment, the Buyer will provide ***** a suitable, lockable office, conveniently located with respect to the Buyer’s principal maintenance facilities for the Aircraft,

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

with complete office furniture and equipment including telephone, internet, email and facsimile connections for the sole use of the Seller Representative(s). All related communication costs will be *****.

15.2.2 *****

15.2.3 *****

15.2.4 Should the Buyer request any Seller Representative referred to in Clause 15.1 above to travel on business to a city other than his usual place of assignment, the ***** will be responsible for all related transportation costs and expenses.

15.2.5 Absence of an assigned Seller Representative during normal statutory vacation periods will be covered by other seller representatives on the same conditions as those described in Clause 15.1.4, and such services will be counted against the total ***** provided in Appendix A to this Clause 15.

15.2.6 The Buyer will assist the Seller in obtaining from the civil authorities of the Buyer's country those documents that are necessary to permit the Seller Representative to live and work in the Buyer's country.

15.2.7 *****

(i) *****

(ii) *****

(iii) *****

15.3 Withdrawal of the Seller Representative

The Seller will have the right to withdraw its assigned Seller Representatives as it sees fit if conditions arise, which are in the Seller's reasonable opinion dangerous to their safety or health or prevent them from fulfilling their contractual tasks.

15.4 Indemnities

INDEMNIFICATION PROVISIONS APPLICABLE TO THIS CLAUSE 15 ARE SET FORTH IN CLAUSE 19.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

SELLER REPRESENTATIVE ALLOCATION

The Seller Representative allocation provided to the Buyer pursuant to Clause 15.1 is defined hereunder.

1. *****
2. *****
3. *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

16 – TRAINING SUPPORT AND SERVICES

16.1 General

16.1.1 This Clause 16 sets forth the terms and conditions for the supply of training support and services for the Buyer’s personnel to support the Aircraft operation.

16.1.2 The range, quantity and validity of training to be ***** under this Agreement are covered in Appendix A to this Clause 16.

16.1.3 Scheduling of training courses covered in Appendix A to this Clause 16 will be mutually agreed during a training conference (the “**Training Conference**”) that will be held no later than ***** prior to Delivery of the first Aircraft.

16.2 Training Location

16.2.1 The Seller will provide training at its training center in ***** (individually a “**Seller’s Training Center**” and collectively the “**Seller’s Training Centers**”).

16.2.2 If the unavailability of facilities or scheduling difficulties make training by the Seller at any Seller’s Training Center impractical, the Seller will ensure that the Buyer is provided with such training at another location designated by the Seller.

16.2.2.1 Upon the Buyer’s request, the Seller may also provide certain training at a location other than the Seller’s Training Centers, including one of the Buyer’s bases, if and when practicable for the Seller, under terms and conditions to be mutually agreed upon. In such event, all additional charges listed in Clauses 16.5.2 and 16.5.3 will be *****.

16.2.2.2 If the Buyer requests training at a location as indicated in Clause 16.2.2.1 and requires such training to be an Airbus approved course, the Buyer undertakes that the training facilities will be approved prior to the performance of such training. The Buyer will, as necessary and with adequate time prior to the performance of such training, provide access to the training facilities set forth in Clause 16.2.2.1 to the Seller’s and the competent Aviation Authority’s representatives for approval of such facilities.

16.3 Training Courses

16.3.1 Training courses will be as described in the Seller’s customer services catalog (the “**Seller’s Customer Services Catalog**”). The Seller’s Customer Services Catalog also sets forth the minimum and maximum number of trainees per course.

All training requests or training course changes made outside of the scope of the Training Conference will be submitted by the Buyer with a minimum of ***** prior notice.

16.3.2 The following terms and conditions will apply to training performed by the Seller:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (i) Training courses will be the Seller's standard courses as described in the Seller's Customer Services Catalog valid at the time of execution of the course. The Seller will be responsible for all training course syllabi, training aids and training equipment necessary for the organization of the training courses. For the avoidance of doubt, such training equipment does not include provision of aircraft for the purpose of performing training.
- (ii) The training equipment and the training curricula used for the training of flight, cabin and maintenance personnel will not be fully customized but will be configured in order to obtain the relevant Aviation Authority's approval and to support the Seller's training programs.
- (iii) Training data and documentation for trainees receiving the training at the Seller's Training Centers will be *****. Training data and documentation will be marked "FOR TRAINING ONLY" and as such are supplied for the sole and express purpose of training; training data and documentation will not be revised.

16.3.3 When the Seller's training courses are provided by the Seller's instructors (individually an "Instructor" and collectively "Instructors") the Seller will deliver a Certificate of Recognition or a Certificate of Course Completion (each a "Certificate") or an attestation (an "Attestation"), as applicable, at the end of any such training course. Any such Certificate or Attestation will not represent authority or qualification by any Aviation Authority but may be presented to such Aviation Authority in order to obtain relevant formal qualification.

In the event of training courses being provided by a training provider selected by the Seller as set forth in Clause 16.2.2, the Seller will cause such training provider to deliver a Certificate or Attestation, which will not represent authority or qualification by any Aviation Authority, but may be presented to such Aviation Authority in order to obtain relevant formal qualification.

16.3.3.1 Should the Buyer wish to exchange any of the training courses provided under Appendix A to this Clause 16, the Buyer will place a request for exchange to this effect with the Seller. The Buyer may exchange, subject to the Seller's confirmation, the ***** under Appendix A to this Clause 16 as follows:

- (i) flight operations training courses as listed under Article 1 of Appendix A to this Clause 16 may be exchanged for any flight operations training courses described in the Seller's Customer Services Catalog current at the time of the Buyer's request;
- (ii) maintenance training courses as listed under Article 3 of Appendix A to this Clause 16 may be exchanged for any maintenance training courses described in the Seller's Customer Services Catalog current at the time of the Buyer's request;

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(iii) should any one of the ***** thereunder (flight operations or maintenance) have been fully drawn upon, the Buyer will be entitled to exchange for flight operations or maintenance training courses as needed against the remaining allowances.

The exchange value will be based on the Seller's Training Course Exchange Matrix applicable at the time of the request for exchange and which will be provided to the Buyer at such time.

It is understood that the above provisions will apply to the extent that ***** under Appendix A to this Clause 16 remain available to the full extent necessary to perform the exchange.

All requests to exchange training courses will be submitted by the Buyer with a minimum of ***** prior notice. The requested training will be subject to the Seller's then existing planning constraints.

16.3.3.2 Should the Buyer use none or only part of the training to be provided pursuant to this Clause 16, no compensation or non-training credit of any nature will be provided.

16.3.3.3 Should the Buyer decide to cancel or reschedule a training course, fully or partially, and irrespective of the location of the training, a minimum advance notification of at least ***** prior to the relevant training course start date is required.

16.3.3.4 If the notification occurs ***** prior to such training, ***** of such training will be, as applicable, either deducted from the training allowance defined in Appendix A to this Clause 16 or invoiced at the Seller's then applicable price.

16.3.3.5 If the notification occurs ***** prior to such training, a ***** of such training will be, as applicable, either deducted from the ***** defined in Appendix A to this Clause 16 or invoiced at the Seller's then applicable price.

16.3.3.6 All courses exchanged under Clause 16.3.3.1 will remain subject to the provisions of this Clause 16.3.3.

16.4 Prerequisites and Conditions

16.4.1 Training will be conducted in English and all training aids used during such training will be written in English using common aeronautical terminology.

16.4.2 The Buyer hereby acknowledges that all training courses conducted pursuant to this Clause 16 are "Standard Transition Training Courses" and not "Ab Initio Training Courses".

16.4.3 Trainees will have the prerequisite knowledge and experience specified for each course in the Seller's Customer Services Catalog.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 16.4.3.1 The Buyer will be responsible for the selection of the trainees and for any liability with respect to the entry knowledge level of the trainees.
- 16.4.3.2 The Seller reserves the right to verify the trainees' proficiency and previous professional experience.
- 16.4.3.3 The Seller will provide to the Buyer during the Training Conference an Airbus PreTraining Survey for completion by the Buyer for each trainee.
The Buyer will provide the Seller with an attendance list of the trainees for each course, with the validated qualification of each trainee, at the time of reservation of the training course and in no event any later than ***** before the start of the training course. The Buyer will return concurrently thereto the completed Airbus Pre-Training Survey, detailing the trainees' associated background. If the Seller determines through the Airbus Pre-Training Survey that a trainee does not match the prerequisites set forth in the Seller's Customer Services Catalog, following consultation with the Buyer, such trainee will be withdrawn from the program or directed through a relevant entry level training (ELT) program, which will be at the Buyer's expense.
- 16.4.3.4 If the Seller determines at any time during the training that a trainee lacks the required level, following consultation with the Buyer, such trainee will be withdrawn from the program or, upon the Buyer's request, the Seller may be consulted to direct the above mentioned trainee(s), if possible, to any other required additional training, which will be at the Buyer's expense.
- 16.4.4 The Seller will in no case warrant or otherwise be held liable for any trainee's performance as a result of any training provided.
- 16.5 Logistics
- 16.5.1 Trainees
- 16.5.1.1 Living and travel expenses for the Buyer's trainees will be *****.
- 16.5.1.2 It will be the responsibility of the Buyer to make all necessary arrangements relative to authorizations, permits and/or visas necessary for the Buyer's trainees to attend the training courses to be provided hereunder. Rescheduling or cancellation of courses due to the Buyer's failure to obtain any such authorizations, permits and/or visas will be subject to the provisions of Clauses 16.3.3.3 thru 16.3.3.5.
- 16.5.2 Training at External Location – Seller's Instructors
- 16.5.2.1 In the event of training being provided at the Seller's request at any location other than the Seller's Training Centers, as provided for in Clause 16.2.2, the expenses of the Seller's Instructors will be *****.
- 16.5.2.2 In the event of training being provided by the Seller's Instructor(s) at any location other than the Seller's Training Centers at the Buyer's request, the Buyer will
- ***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

reimburse the Seller for all the expenses related to the assignment of such Seller Instructors and the performance of their duties as aforesaid.

Such per diem will include, but will not be limited to, lodging, food and local transportation to and from the place of lodging and the training course location.

16.5.2.3 *****

16.5.2.4 *****

16.5.2.5 Buyer's Indemnity

Except in case of gross negligence or willful misconduct of the Seller, the Seller will not be held liable to the Buyer for any delay or cancellation in the performance of any training outside of the Seller's Training Centers associated with any transportation described in this Clause 16.5.2, and the Buyer will indemnify and hold harmless the Seller from any such delay and/or cancellation and any consequences arising therefrom.

16.5.3 Training Material and Equipment Availability – Training at External Location

Training material and equipment necessary for course performance at any location other than the Seller's Training Centers or the facilities of a training provider selected by the Seller will be provided by the Buyer ***** in accordance with the Seller's specifications.

Notwithstanding the foregoing, should the Buyer request the performance of a course at another location as per Clause 16.2.2.1, the Seller may, upon the Buyer's request, provide the training material and equipment necessary for such course's performance. Such provision will be at the Buyer's expense.

16.6 Flight Operations Training

The Seller will provide training for the Buyer's flight operations personnel as further detailed in Appendix A to this Clause 16, including the courses described in this Clause 16.6.

16.6.1 Flight Crew Training Course

The Seller will perform a flight crew training course program for the Buyer's flight crews, each of which will consist of two (2) crew members, who will be either captain(s) or first officer(s).

16.6.2 Base Flight Training

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 16.6.2.1 The Buyer will provide at its own cost its delivered Aircraft, or any other aircraft it operates, for any base flight training, which will consist of ***** per pilot, performed in accordance with the related Airbus training course definition (the “**Base Flight Training**”).
- 16.6.2.2 Should it be necessary to ferry the Buyer’s delivered Aircraft to the location where the Base Flight Training will take place, the additional flight time required for the ferry flight to and/or from the Base Flight Training field will not be deducted from the Base Flight Training time.
- 16.6.2.3 If the Base Flight Training is performed outside of the zone where the Seller usually performs such training, the ferry flight to the location where the Base Flight Training will take place will be performed by a crew composed of the Seller’s and/or the Buyer’s qualified pilots, in accordance with the relevant Aviation Authority’s regulations related to the place of performance of the Base Flight Training.
- 16.6.3 **Flight Crew Line Initial Operating Experience**
- In order to assist the Buyer with initial operating experience after Delivery of the first Aircraft, the Seller will provide to the Buyer pilot Instructor(s) as set forth in Appendix A to this Clause 16.
- Should the Buyer request, subject to the Seller’s consent, such Seller pilot Instructors to perform any other flight support during the flight crew line initial operating period, such as but not limited to line assistance, demonstration flight(s), ferry flight(s) or any flight(s) required by the Buyer during the period of entry into service of the Aircraft, it is understood that such flight(s) will be ***** set forth in Appendix A to this Clause 16.
- It is hereby understood by the Parties that the Seller’s pilot Instructors will only perform the above flight support services to the extent they bear the relevant qualifications to do so.
- 16.6.4 **Type Specific Cabin Crew Training Course**
- The Seller will provide type specific training for cabin crews at one of the locations defined in Clause 16.2.1.
- If the Buyer’s Aircraft is to incorporate special features, the type specific cabin crew training course will be performed no earlier than ***** before the scheduled Delivery Date of the Buyer’s first Aircraft.
- 16.6.5 **Training on Aircraft**
- During any and all flights performed in accordance with this Clause 16.6, the Buyer will bear full responsibility for the aircraft upon which the flight is performed, including but not limited to any required maintenance, ***** in line with Clause 16.13.
- ***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The Buyer will assist the Seller, if necessary, in obtaining the validation of the licenses of the Seller's pilots performing Base Flight Training or initial operating experience by the Aviation Authority of the place of registration of the Aircraft.

16.7 Performance / Operations Courses

The Seller will provide performance/operations training for the Buyer's personnel as defined in Appendix A to this Clause 16.

The available courses will be listed in the Seller's Customer Services Catalog current at the time of the course.

16.8 Maintenance Training

16.8.1 The Seller will provide maintenance training for the Buyer's ground personnel as further set forth in Appendix A to this Clause 16.

The available courses will be as listed in the Seller's Customer Services Catalog current at the time of the course.

The practical training provided in the frame of maintenance training will be performed on the training devices in use in the Seller's Training Centers.

16.8.2 Practical Training on Aircraft

Notwithstanding Clause 16.8.1 above, upon the Buyer's request, the Seller may provide Instructors for the performance of practical training on aircraft ("**Practical Training**").

Irrespective of the location at which the training takes place, the Buyer will provide at its own cost an aircraft for the performance of the Practical Training.

Should the Buyer require the Seller's Instructors to provide Practical Training at facilities selected by the Buyer, such training will be subject to prior approval of the facilities by the Seller. All costs related to such Practical Training, including but not limited to the Seller's approval of the facilities, will be borne by the Buyer.

The provision of a Seller Instructor for the Practical Training will be deducted from the trainee days allowance defined in Appendix A to this Clause 16, subject to the conditions detailed in Paragraph 4.4 thereof.

16.9 Supplier and Propulsion System Manufacturer Training

Upon the Buyer's request, the Seller will provide to the Buyer the list of the maintenance and overhaul training courses provided by major Suppliers and the applicable Propulsion System Manufacturer on their respective products.

16.10 Proprietary Rights

All proprietary rights, including but not limited to patent, design and copyrights, relating to the Seller's training data and documentation will remain with the Seller and/or its Affiliates and/or its Suppliers, as the case may be.

These proprietary rights will also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

16.11 Confidentiality

The Seller's training data and documentation are designated as confidential and as such are provided to the Buyer for the sole use of the Buyer, for training of its own personnel, who undertakes not to disclose the content thereof in whole or in part, to any third party without the prior written consent of the Seller, save as permitted herein or otherwise pursuant to any government or legal requirement imposed upon the Buyer.

In the event of the Seller having authorized the disclosure of any training data and documentation to third parties either under this Agreement or by an express prior written authorization, the Buyer will cause such third party to agree to be bound by the same conditions and restrictions as the Buyer with respect to the disclosed training data and documentation and to use such training data and documentation solely for the purpose for which they are provided.

16.12 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 16 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent.

16.13 Indemnities and Insurance

INDEMNIFICATION PROVISIONS AND INSURANCE REQUIREMENTS APPLICABLE TO THIS CLAUSE 16 ARE AS SET FORTH IN CLAUSE 19.

THE BUYER WILL PROVIDE THE SELLER WITH AN ADEQUATE INSURANCE CERTIFICATE PRIOR TO ANY TRAINING ON AIRCRAFT.

APPENDIX A TO CLAUSE 16

TRAINING ALLOWANCE

For the avoidance of doubt, all quantities indicated below are the total quantities *****, unless otherwise specified.

The contractual training courses defined in this Appendix A will be provided up to ***** under this Agreement.

Notwithstanding the above, flight operations training courses ***** in this Appendix A will be provided by the Seller within a period starting ***** before and ending six (6) months after Delivery of such Aircraft.

Any deviation to said training delivery schedule will be mutually agreed between the Buyer and the Seller.

1 FLIGHT OPERATIONS TRAINING

1.1 Flight Crew Training (standard transition course)

The Seller will provide flight crew training (standard transition course) ***** for ***** of the Buyer's flight crews ***** Aircraft as of the date hereof.

1.2 Flight Crew Line Initial Operating Experience

The Seller will provide to the Buyer pilot Instructor(s) ***** for a period of *****.

Unless otherwise agreed during the Training Conference, in order to follow the Aircraft Delivery schedule, the maximum number of pilot Instructors present at any one time will be limited to ***** pilot Instructors.

1.3 Type Specific Cabin Crew Training Course

The Seller will provide to the Buyer ***** type specific training for cabin crews for ***** of the Buyer's cabin crew instructors, pursers or cabin attendants.

1.4 Airbus Pilot Instructor Course (APIC)

The Seller will provide to the Buyer transition Airbus Pilot Instructor Course(s) (APIC), for flight and synthetic instruction, ***** for ***** of the Buyer's flight instructors. APIC courses will be performed in groups of ***** trainees.

2 PERFORMANCE / OPERATIONS COURSE(S)

The Seller will provide to the Buyer ***** trainee days of performance / operations training ***** for the Buyer's personnel.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

3 MAINTENANCE TRAINING

3.1 The Seller will provide to the Buyer ***** trainee days of maintenance training ***** for the Buyer's personnel.

3.2 The Seller will provide to the Buyer ***** Engine Run-up courses.

4 TRAINEE DAYS ACCOUNTING

Trainee days are counted as follows:

4.1 For instruction at the Seller's Training Centers: one (1) day of instruction for one (1) trainee equals one (1) trainee day. The number of trainees originally registered at the beginning of the course will be counted as the number of trainees to have taken the course.

4.2 For instruction outside of the Seller's Training Centers: one (1) day of instruction by one (1) Seller Instructor equals ***** trainee days, except for structure maintenance training course(s).

4.3 For structure maintenance training courses outside the Seller's Training Center(s), one (1) day of instruction by one (1) Seller Instructor equals the actual number of trainees attending the course or the minimum number of trainees as indicated in the Seller's Customer Services Catalog.

4.4 For practical training, whether on training devices or on aircraft, one (1) day of instruction by one (1) Seller Instructor equals ***** trainee days.

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17 – EQUIPMENT SUPPLIER PRODUCT SUPPORT

17.1 Equipment Supplier Product Support Agreements

17.1.1 The Seller has obtained enforceable and transferable Supplier Product Support Agreements from Suppliers of Supplier Parts, the benefit of which is hereby accepted by the Buyer. Said Supplier Product Support Agreements become enforceable by Buyer from the date of this Agreement and for as long as Buyer is an operator of Airbus aircraft.

17.1.2 These agreements are based on the World Airlines Suppliers Guide, are made available to the Buyer through the SPSA Application, and include Supplier commitments as contained in the Supplier Product Support Agreements which include the following provisions:

17.1.2.1 Technical data and manuals required to operate, maintain, service and overhaul the Supplier Parts will be prepared in accordance with the applicable provisions of ATA Specification including revision service and be published in the English language. The Seller will recommend that a software user guide, where applicable, be supplied in the form of an appendix to the Component Maintenance Manual. Such data will be provided in compliance with the applicable ATA Specification;

17.1.2.2 Warranties and guarantees, including standard warranties. In addition, landing gear Suppliers will provide service life policies for selected structural landing gear elements;

17.1.2.3 Training to ensure efficient operation, maintenance and overhaul of the Supplier Parts for the Buyer's instructors, shop and line service personnel;

17.1.2.4 Spares data in compliance with ATA iSpecification 2200, initial provisioning recommendations, spare parts and logistic service including routine and expedite deliveries;

17.1.2.5 Technical service to assist the Buyer with maintenance, overhaul, repair, operation and inspection of Supplier Parts as well as required tooling and spares provisioning.

17.2 Supplier Compliance

The Seller will monitor Suppliers' compliance with support commitments defined in the Supplier Product Support Agreements and will, if necessary, jointly take remedial action with the Buyer.

17.3 Nothing in this Clause 17 shall be construed to prevent or limit the Buyer from entering into direct negotiations with a Supplier with respect to different or additional terms and conditions applicable to Suppliers Parts selected by the Buyer to be installed on the Aircraft.

17.4 Familiarization Training

Upon the Buyer's request, the Seller will provide the Buyer with Supplier Product Support Agreements familiarization training at the Seller's facilities in Blagnac, France. An on-line training module will be further available through AirbusWorld, access to which will be subject to the GTC.

18 – BUYER FURNISHED EQUIPMENT

18.1 Administration

18.1.1 In accordance with the Specification, the Seller will install those items of equipment that are identified in the Specification as being furnished by the Buyer (“**Buyer Furnished Equipment**” or “**BFE**”), provided that the BFE and the supplier of such BFE (the “**BFE Supplier**”) are referred to in the Airbus BFE Product Catalog valid at the time the BFE Supplier is selected.

18.1.2 Notwithstanding the foregoing and without prejudice to Clause 2.4, if the Buyer wishes to install BFE manufactured by a supplier who is not referred to in the Airbus BFE Product Catalog, the Buyer will so inform the Seller and the Seller will conduct a feasibility study of the Buyer’s request, in order to consider approving such supplier, provided that such request is compatible with the Seller’s industrial planning and the associated Scheduled Delivery Month for the Buyer’s Aircraft. In addition, it is a prerequisite to such approval that the considered supplier be qualified by the Seller’s Aviation Authorities to produce equipment for installation on civil aircraft. Any approval of a supplier by the Seller under this Clause 18.1.2 will be *****. The Buyer will cause any BFE supplier approved under this Clause 18.1.2 (each an “**Approved BFE Supplier**”) to comply with the conditions set forth in this Clause 18 and specifically Clause 18.2.

Except for the specific purposes of this Clause 18.1.2, the term “**BFE Supplier**” will be deemed to include Approved BFE Suppliers.

18.1.3 The Seller will advise the Buyer of the dates by which, in the planned release of engineering for the Aircraft, the Seller requires from each BFE Supplier a written detailed engineering definition encompassing a Declaration of Design and Performance (the “**BFE Engineering Definition**”). The Seller will reasonably provide to the Buyer and/or the BFE Supplier(s), the interface documentation necessary for development of the BFE Engineering Definition.

The BFE Engineering Definition will include the description of the dimensions and weight of BFE, the information related to its certification and the information necessary for the installation and operation thereof, including when applicable 3D models compatible with the Seller’s systems. The Buyer will furnish, or cause the BFE Suppliers to furnish, the BFE Engineering Definition by the dates advised by the Seller pursuant to the preceding paragraph after which the BFE Engineering Definition will not be revised, except through an SCN executed in accordance with Clause 2.

18.1.4 The Seller will also provide in due time to the Buyer a schedule of dates and the shipping addresses for delivery of the BFE and, where requested by the Seller, additional spare BFE to permit installation in the Aircraft in a timely manner. The Buyer will provide, or cause the BFE Suppliers to provide, the BFE by such dates in a serviceable condition. The Buyer will, upon the Seller’s request, provide to the Seller dates and references of all BFE purchase orders placed by the Buyer.

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The Buyer will also provide, when requested by the Seller, at Airbus Operations S.A.S. in Toulouse, France, and/or at Airbus Operations GmbH, Division Hamburger Flugzeugbau in Hamburg, Germany, adequate field service including support from BFE Suppliers to act in a technical advisory capacity to the Seller in the installation, calibration and possible repair of a BFE.

18.1.5 Without prejudice to the Buyer's obligations hereunder, in order to facilitate the development of the BFE Engineering Definition, the Seller will organize meetings between the Buyer and BFE Suppliers. The Buyer hereby agrees to participate in such meetings and to provide adequate technical and engineering expertise to reach decisions within a timeframe specified by the Seller.

In addition, prior to Delivery of the Aircraft to the Buyer, the Buyer agrees:

- (i) to monitor the BFE Suppliers and ensure that they will enable the Buyer to fulfil its obligations, including but not limited to those set forth in the Customization Milestone Chart;
- (ii) that, should a timeframe, quality or other type of risk be identified at a given BFE Supplier, the Buyer will allocate resources to such BFE Supplier so as not to jeopardize the industrial schedule of the Aircraft;
- (iii) for major BFE, including, but not being limited to, seats, galleys and IFE ("**Major BFE**") to participate on a mandatory basis in the specific meetings that take place between BFE Supplier selection and BFE delivery, namely:
 - (a) Preliminary Design Review ("**PDR**"),
 - (b) Critical Design Review ("**CDR**");
- (iv) to attend the First Article Inspection ("**FAI**") for the first shipset of all Major BFE. Should the Buyer not attend such FAI, the Buyer will delegate the FAI to the BFE Supplier thereof and confirmation thereof will be supplied to the Seller in writing;
- (v) to attend the Source Inspection ("**SI**") that takes place at the BFE Supplier's premises prior to shipping, for each shipset of all Major BFE. Should the Buyer not attend such SI, the Buyer will delegate the SI to the BFE Supplier and confirmation thereof will be supplied to the Seller in writing. Should the Buyer not attend the SI, the Buyer will be deemed to have accepted the conclusions of the BFE Supplier with respect to such SI.

The Seller will be entitled to attend the PDR, the CDR and the FAI. In doing so, the Seller's employees will be acting in an advisory capacity only and at no time will they be deemed to be acting as Buyer's employees or agents, either directly or indirectly.

18.1.6 The BFE will be imported into France or into Germany by the Buyer under a suspensive customs system (Régime de l'entrepôt douanier ou régime de

perfectionnement actif or Zollverschluss) without application of any French or German tax or customs duty, and will be delivered on a DDU basis, to the following shipping addresses:

Airbus Operations S.A.S.
316 Route de Bayonne
31300 Toulouse
France

or

Airbus Operations GmbH
Kreetslag 10
21129 Hamburg
Germany

Or such other location as may be specified by the Seller.

18.2

Applicable Requirements

The Buyer is responsible for ensuring, at its expense, and warrants that the BFE will:

- (i) be manufactured by either a BFE Supplier referred to in the Airbus BFE Product Catalog or an Approved BFE Supplier, and
- (ii) meet the requirements of the applicable Specification of the Aircraft, and
- (iii) be delivered with the relevant certification documentation, including but not limited to the DDP, and
- (iv) comply with the BFE Engineering Definition, and
- (v) comply with applicable requirements incorporated by reference to the Type Certificate and listed in the Type Certificate Data Sheet, and
- (vi) be approved by the Aviation Authority issuing the Export Certificate of Airworthiness and by the Buyer's Aviation Authority for installation and use on the Aircraft at the time of Delivery of the Aircraft, and
- (vii) not infringe any patent, copyright or other intellectual property right of the Seller or any third party, and
- (viii) not be subject to any legal obligation or other encumbrance that may prevent, hinder or delay the installation of the BFE in the Aircraft and/or the Delivery of the Aircraft.

The Seller will be entitled to refuse any item of BFE that it considers incompatible with the Specification, the BFE Engineering Definition or the certification requirements.

18.3 Buyer's Obligation and Seller's Remedies

18.3.1 Any delay or failure by the Buyer or the BFE Suppliers in:

- (i) complying with the foregoing warranty or in providing the BFE Engineering Definition or field service mentioned in Clause 18.1.4, or
- (ii) furnishing the BFE in a serviceable condition at the requested delivery date, or
- (iii) obtaining any required approval for such BFE equipment under the above mentioned Aviation Authorities' regulations,

may delay the performance of any act to be performed by the Seller, including Delivery of the Aircraft. The Seller will not be responsible for such delay which will cause the Final Price of the affected Aircraft to be adjusted in accordance with the updated delivery schedule and to include in particular the amount of the Seller's additional costs attributable to such delay or failure by the Buyer or the BFE Suppliers, such as storage, taxes, insurance and costs of out-of sequence installation.

18.3.2 In addition, in the event of any delay or failure mentioned in 18.3.1 above, the Seller may:

- (i) select, purchase and install equipment similar to the BFE at issue, in which event the Final Price of the affected Aircraft will also be increased by the purchase price of such equipment plus reasonable costs and expenses incurred by the Seller for handling charges, transportation, insurance, packaging and, if so required and not already provided for in the Final Price of the Aircraft, for adjustment and calibration; or
- (ii) if the BFE is delayed by more than ten (10) days beyond, or is not approved within ten (10) days of the dates specified in Clause 18.1.4, deliver the Aircraft without the installation of such BFE, notwithstanding applicable terms of Clauses 7 and 8, and the Seller will thereupon be relieved of all obligations to install such equipment.

18.4 Title and Risk of Loss

Title to and risk of loss of any BFE will at all times remain with the Buyer except that risk of loss (limited to cost of replacement of said BFE) will be with the Seller for as long as such BFE is under the care, custody and control of the Seller.

18.5 Disposition of BFE Following Termination

- 18.5.1 *****
- 18.5.2 The Buyer will cooperate with the Seller in facilitating the sale of BFE pursuant to Clause 18.5.1 and will be responsible for all costs incurred by the Seller in removing and facilitating the sale of such BFE. The Buyer will *****
- 18.5.3 The Seller will notify the Buyer as to those items of BFE not sold by the Seller pursuant to Clause 18.5.1 above and, at the Seller's request, the Buyer will undertake to remove such items from the Seller's facility within ***** of the date of such notice. The Buyer will have no claim against the Seller for damage, loss or destruction of any item of BFE removed from the Aircraft and not removed from Seller's facility within such period.
- 18.5.4 The Buyer will have no claim against the Seller for damage to or destruction of any item of BFE damaged or destroyed in the process of being removed from the Aircraft, provided that the Seller will use reasonable care in such removal.
- 18.5.5 The Buyer will grant the Seller title to any BFE items that cannot be removed from the Aircraft without causing damage to the Aircraft or rendering any system in the Aircraft unusable.

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19 – INDEMNITIES AND INSURANCE

The Seller and the Buyer will each be liable for Losses (as defined below) arising from the acts or omissions of their respective directors, officers, agents or employees occurring during or incidental to such party's exercise of its rights and performance of its obligations under this Agreement, except as provided in Clauses 19.1 and 19.2.

19.1 Seller's Indemnities

The Seller will, except in the case of gross negligence or wilful misconduct of the Buyer, its directors, officers, agents and/or employees, be solely liable for and will indemnify and hold the Buyer, its Affiliates and each of their respective directors, officers, agents, employees and insurers harmless against all losses, liabilities, claims, damages, costs and expenses, including court costs and reasonable attorneys' fees ("**Losses**"), arising from:

- (i) claims for injuries to, or death of, the Seller's directors, officers, agents or employees, or loss of, or damage to, property of the Seller or its employees when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and
- (ii) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to the Technical Acceptance Flights.

19.2 Buyer's Indemnities

The Buyer will, except in the case of gross negligence or wilful misconduct of the Seller, its directors, officers, agents and/or employees, be solely liable for and will indemnify and hold the Seller, its Affiliates, its subcontractors, and each of their respective directors, officers, agents, employees and insurers, harmless against all Losses arising from:

- (i) claims for injuries to, or death of, the Buyer's directors, officers, agents or employees, or loss of, or damage to, property of the Buyer or its employees, when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and
- (ii) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to (a) the provision of Seller Representatives services under Clause 15 including services performed on board the aircraft or (b) the provision of Aircraft Training Services to the Buyer.

19.3 Notice and Defense of Claims

If any claim is made or suit is brought against a party or entity entitled to indemnification under this Clause 19 (the “**Indemnitee**”) for damages for which liability has been assumed by the other party under this Clause 19 (the “**Indemnitor**”), the Indemnitee will promptly give notice to the Indemnitor and the Indemnitor (unless otherwise requested by the Indemnitee) will assume and conduct the defense, or settlement, of such claim or suit, as the Indemnitor will deem prudent. Notice of the claim or suit will be accompanied by all information pertinent to the matter as is reasonably available to the Indemnitee and will be followed by such cooperation by the Indemnitee as the Indemnitor or its counsel may reasonably request, at the expense of the Indemnitor.

19.4 Insurance

19.4.1 For all Aircraft Training Services, to the extent of the Buyer’s undertaking set forth in Clause 19.2, the Buyer will:

- (i) cause the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents and employees to be named as additional insured under the Buyer’s Comprehensive Aviation Legal Liability insurance policies, including War Risks and Allied Perils (such insurance to include the AVN 52E Extended Coverage Endorsement Aviation Liabilities or any further Endorsement replacing AVN 52E as may be available as well as any excess coverage in respect of War and Allied Perils Third Parties Legal Liabilities Insurance), and
- (ii) with respect to the Buyer’s Hull All Risks and Hull War Risks insurances and Allied Perils, cause the insurers of the Buyer’s hull insurance policies to waive all rights of subrogation against the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents, employees and insurers.

19.4.2 Any applicable deductible will be borne by the Buyer. The Buyer will furnish to the Seller, not less than seven (7) Business Days prior to the start of any Aircraft Training Services, certificates of insurance, in English, evidencing the limits of liability cover and period of insurance coverage in a form acceptable to the Seller from the Buyer’s insurance broker(s), certifying that such policies have been endorsed as follows:

- (i) under the Comprehensive Aviation Legal Liability Insurances, the Buyer’s policies are primary and non-contributory to any insurance maintained by the Seller,

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (ii) such insurance can only be cancelled or materially altered by the giving of not less than ***** (but ***** or such lesser period as may be customarily available in respect of War Risks and Allied Perils) prior written notice thereof to the Seller, and
- (iii) under any such cover, all rights of subrogation against the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents, employees and insurers have been waived.

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20 – TERMINATION

20.1 Termination Events

Each of the following will constitute a “**Termination Event**”

- (1) *****
- (2) *****
- (3) *****
- (4) *****
- (5) *****
- (6) *****
- (7) *****
- (8) *****
- (9) *****
- (10) *****
- (11) *****

20.2 Remedies in Event, of Termination

20.2.1 *****

- A.** *****
- B.** *****
- C.** *****
- D.** *****

20.2.2 *****

- A.** *****
- B.** *****
- C.** *****

20.2.3 *****

- A.** *****
 - i.** *****

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- ii. *****
- iii. *****
- iv. *****
- v. *****
- vi. *****
- vii. *****

B. *****

20.2.4 The parties to this Agreement are commercially sophisticated parties acting within the same industry, and represented by competent counsel and the parties expressly agree and declare as follows:

A. *****;

B. *****

C. *****

20.3 Definitions

i. *****

ii. *****

iii. *****.

20.4 Notice of Termination Event

Within ***** of becoming aware of the occurrence of a Termination Event by the Buyer, the Buyer will notify the Seller of such occurrence in writing, provided, that any failure by the Buyer to notify the Seller will not prejudice the Seller's rights or remedies hereunder.

20.5 Information Covenants

The Buyer hereby covenants and agrees that, from the date of this Agreement until no further Aircraft are to be delivered hereunder, the Buyer will furnish or cause to be furnished to the Seller the following:

a. *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

b. *****

c. *****

d. *****

e. *****

For the purposes of this Clause 20, (x) an "Authorized Officer" of the Buyer will mean the Chief Executive Officer, the Chief Financial Officer or any Vice President and above who reports directly or indirectly to the Chief Financial Officer and (y) "Subsidiaries" will mean, as of any date of determination, those companies owned by the Buyer whose financial results the Buyer is required to include in its statements of consolidated operations and consolidated balance sheets.

20.6 Nothing contained in this Clause 20 will be deemed to waive or limit the Seller's rights or ability to request adequate assurance under Article 2, Section 609 of the Uniform Commercial Code (the "UCC"). It is further understood that any commitment of the Seller or the Propulsion Systems manufacturer to provide financing to the Buyer shall not constitute adequate assurance under Article 2, Section 609 of the UCC.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

21 – ASSIGNMENTS AND TRANSFERS

21.1 Assignments

Except as hereinafter provided, neither party may sell, assign, novate or transfer its rights or obligations under this Agreement to any person without the prior written consent of the other, except that the Seller may sell, assign, novate or transfer its rights or obligations under this Agreement to any Affiliate without the Buyer's consent.

21.2 Assignments on Sale, Merger or Consolidation

The Buyer will be entitled to assign its rights under this Agreement at any time due to a merger, consolidation or a sale of all or substantially all of its assets, provided the Buyer first obtains the written consent of the Seller. The Buyer will provide the Seller with no less than 90 days notice if the Buyer wishes the Seller to provide such consent. The Seller will provide its consent if:

- (i) the surviving or acquiring entity is organized and existing under the laws of the United States;
- (ii) the surviving or acquiring entity has executed an assumption agreement, in form and substance reasonably acceptable to the Seller, agreeing to assume all of the Buyer's obligations under this Agreement;
- (iii) at the time, and immediately following the consummation, of the merger, consolidation or sale, no Termination Event exists or will have occurred and be continuing;
- (iv) there exists with respect to the surviving or acquiring entity no basis for a Termination Event;
- (v) the surviving or acquiring entity is an air carrier holding an operating certificate issued by the FAA at the time, and immediately following the consummation, of such sale, merger or consolidation; and
- (vi) *****

21.3 Designations by Seller

The Seller may at any time by notice to the Buyer designate facilities or personnel of the Seller or any other Affiliate of the Seller at which or by whom the services to be performed under this Agreement will be performed. Notwithstanding such designation, the Seller will remain ultimately responsible for fulfilment of all obligations undertaken by the Seller in this Agreement.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

In the event that the Seller is subject to a corporate restructuring having as its object the transfer of, or succession by operation of law in, all or a substantial part of its assets and liabilities, rights and obligations, including those existing under this Agreement, to a person (the "**Successor**") that is an Affiliate of the Seller at the time of that restructuring, for the purpose of the Successor carrying on the business carried on by the Seller at the time of the restructuring, such restructuring will be completed without consent of the Buyer following notification by the Seller to the Buyer in writing. The Buyer recognizes that succession of the Successor to the Agreement by operation of law that is valid under the law pursuant to which that succession occurs will be binding upon the Buyer.

22 – MISCELLANEOUS PROVISIONS

22.1 Data Retrieval

On the Seller's reasonable request no more frequently than *****, the Buyer will provide the Seller with all the necessary data, as customarily compiled by the Buyer and pertaining to the operation of the Aircraft, to assist the Seller in making an efficient and coordinated survey of all reliability, maintenance, operational and cost data with a view to monitoring the efficient and cost effective operations of the Airbus fleet worldwide

22.2 Notices

All notices, requests and other communications required or authorized hereunder will be given in writing either by personal delivery to a authorized officer of the party to whom the same is given or by commercial courier, certified air mail (return receipt requested) or facsimile at the addresses and numbers set forth below. The date on which any such notice or request is received (or delivery is refused), will be deemed to be the effective date of such notice or request.

The Seller will be addressed at:

Airbus S.A.S.
Attention: Senior Vice President Contracts
1, Rond Point Maurice Bellonte
31707 Blagnac Cedex,
France

Telephone: *****

Facsimile: *****

The Buyer will be addressed at:

Republic Airways Holdings Inc.
8909 Purdue Road Suite 300
Indianapolis, Indiana 46268
Attention: President

Telephone: *****

Facsimile: *****

From time to time, the party receiving the notice or request may designate another address or another person.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

22.3 Waiver

The failure of either party to enforce at any time any of the provisions of this Agreement, to exercise any right herein provided or to require at any time performance by the other party of any of the provisions hereof will in no way be construed to be a present or future waiver of such provisions nor in any way to affect the validity of this Agreement or any part hereof or the right of the other party thereafter to enforce each and every such provision. The express waiver by either party of any provision, condition or requirement of this Agreement will not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

22.4 International Supply Contract

The Buyer and the Seller recognize that this Agreement is an international supply contract which has been the subject of discussion and negotiation, that all its terms and conditions are fully understood by the parties, and that the Specification and price of the Aircraft and the other mutual agreements of the parties set forth herein were arrived at in consideration of, inter alia, all provisions hereof specifically including all waivers, releases and remunerations by the Buyer set out herein.

22.5 Certain Representations of the Parties

22.5.1 Buyer's Representations

The Buyer represents and warrants to the Seller:

- (i) the Buyer is a corporation organized and existing in good standing under the laws of the State of Delaware and has the corporate power and authority to enter into and perform its obligations under this Agreement;
- (ii) neither the execution and delivery by the Buyer of this Agreement, nor the consummation of any of the transactions by the Buyer contemplated thereby, nor the performance by the Buyer of the obligations thereunder, constitutes a breach of any agreement to which the Buyer is a party or by which its assets are bound;
- (iii) this Agreement has been duly authorized, executed and delivered by the Buyer and constitutes the legal, valid and binding obligation of the Buyer enforceable against the Buyer in accordance with its terms.

22.5.2 Seller's Representations

The Seller represents and warrants to the Buyer:

- (i) the Seller is organized and existing in good standing under the laws of the Republic of France and has the corporate power and authority to enter into and perform its obligations under the Agreement;

(ii) neither the execution and delivery by the Seller of this Agreement, nor the consummation of any of the transactions by the Seller contemplated thereby, nor the performance by the Seller of the obligations thereunder, constitutes a breach of any agreement to which the Seller is a party or by which its assets are bound;

(iii) this Agreement has been duly authorized, executed and delivered by the Seller and constitutes the legal, valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms.

22.6 Interpretation and Law

22.6.1 THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED AND THE PERFORMANCE THEREOF WILL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS CONFLICTS OF LAWS PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

Each of the Seller and the Buyer (i) hereby irrevocably submits itself to the nonexclusive jurisdiction of the courts of the state of New York, New York County, and of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto, and (ii) hereby waives, and agrees not to assert, by way of motion, as a defense or otherwise, in any such suit, action or proceeding, to the extent permitted by applicable law, any defense based on sovereign or other immunity or that the suit, action or proceeding which is referred to in clause (i) above is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by these courts.

THE PARTIES HEREBY ALSO AGREE THAT THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS WILL NOT APPLY TO THIS TRANSACTION.

22.6.2 Service of process in any suit, action or proceeding in respect of any matter as to which the Seller or the Buyer has submitted to jurisdiction under Clause 22.6 may be made (i) on the Seller by delivery of the same personally or by dispatching the same via Federal Express, UPS, or similar international air courier service prepaid to, CT Corporation, New York City offices as agent for the Seller, it being agreed that service upon CT Corporation will constitute valid service upon the Seller or by any other method authorized by the laws of the State of New York, and (ii) on the Buyer by delivery of the same personally or by dispatching the same by Federal Express, UPS, or similar international air courier service prepaid, return receipt requested to its address for notices designated pursuant to Clause 22.2, or by any other method authorized by the laws of the State of New York; provided in each case that failure to deliver or mail

such copy will not affect the validity or effectiveness of the service of process made as aforesaid.

22.7 Headings

All headings in this Agreement are for convenience of reference only and do not constitute a part of this Agreement.

22.8 Waiver of Jury Trial

EACH OF THE PARTIES HERETO WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM OR CROSS-CLAIM THEREIN.

22.9 Waiver of Consequential Damages

In no circumstances shall either party claim or receive incidental (other than as provided in Clause 20) or consequential damages under this Agreement.

22.10 No Representations Outside of this Agreement

The parties declare that, prior to the execution of this Agreement, they, with the advice of their respective counsel, apprised themselves of sufficient relevant data in order that they might intelligently exercise their own judgments in deciding whether to execute this Agreement and in deciding on the contents of this Agreement. Each party further declares that its decision to execute this Agreement is not predicated on or influenced by any declarations or representations by any other person, party, or any predecessors in interest, successors, assigns, officers, directors, employees, agents or attorneys of any said person or party, except as set forth in this Agreement. This Agreement resulted from negotiation involving counsel for all of the parties hereto and no term herein will be construed or interpreted against any party under the contra proferentum or any related doctrine.

22.11 Confidentiality

Subject to any legal or governmental requirements of disclosure (whether imposed by applicable law, court order otherwise), the parties (which for this purpose will include their employees and legal counsel) will maintain the terms and conditions of this Agreement and any reports or other data furnished hereunder strictly confidential, including but not limited to, the Aircraft pricing and all confidential, proprietary or trade secret information contained in any reports or other data furnished to it by the other party hereunder (the "**Confidential Information**"), provided that disclosure may be made to each party's respective accountants and lawyers so long as such accountants and lawyers have agreed to maintain the Confidential Information as strictly confidential. To the extent the Buyer furnishes any Confidential Information to its accountants or lawyers in accordance with this Clause 22.11, the Buyer agrees that it shall be liable to the Seller for damages resulting from unauthorized disclosures of Confidential Information by such parties. Without limiting the generality of the

foregoing, the Buyer and the Seller will use their best efforts to limit the disclosure of the contents of this Agreement to the extent legally permissible in (i) any filing required to be made by the Buyer or the Seller with any governmental agency and will make such applications as will be necessary to implement the foregoing, and (ii) any press release concerning the whole or any part of the contents and/or subject matter hereof or of any future addendum hereto. With respect to any public disclosure or filing, each party agrees to submit to the other a copy of the proposed document to be filed or disclosed and will give the other party a reasonable period of time in which to review said document. The Buyer and the Seller will consult with each other prior to the making of any public disclosure or filing, permitted hereunder, of this Agreement or the terms and conditions thereof.

The provisions of this Clause 22.11 will survive any termination of this Agreement.

22.12 Severability

If any provision of this Agreement should for any reason be held ineffective, the remainder of this Agreement will remain in full force and effect. To the extent permitted by applicable law, each party hereto hereby waives any provision of law that renders any provision of this Agreement prohibited or unenforceable in any respect.

22.13 Entire Agreement

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any previous understanding, commitments or representations whatsoever, whether oral or written. This Agreement will not be amended or modified except by an instrument in writing of even date herewith or subsequent hereto executed by both parties or by their fully authorized representatives.

22.14 Inconsistencies

In the event of any inconsistency between the terms of this Agreement and the terms contained in either (i) the Specification, or (ii) any other Exhibit, in each such case the terms of this Agreement will prevail over the terms of the Specification or any other Exhibit. For the purpose of this Clause 22.14, the term Agreement will not include the Specification or any other Exhibit hereto.

22.15 Language

All correspondence, documents and any other written matters in connection with this Agreement will be in English.

22.16 Counterparts

This Agreement has been executed in two (2) original copies.

Notwithstanding the foregoing, this Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an

original, but all such counterparts will together constitute but one and the same instrument.

IN WITNESS WHEREOF, this A320 Family Aircraft Purchase Agreement was entered into as of the day and year first above written.

AIRBUS S.A.S.

By: /s/ Patrick de Castelbajac

Title: Vice President Contracts

REPUBLIC AIRWAYS HOLDINGS INC.

By: /s/ Bryan Bedford

Title: President

Purchase Agreement SigPage

EXHIBIT A-1

A320 SPECIFICATION

The A320 Standard Specification is contained in a separate folder.

EXHIBIT A-2

A319 SPECIFICATION

The A319 Standard Specification is contained in a separate folder.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

FORM OF
SPECIFICATION CHANGE NOTICE

EXH B-1 -1

[LOGO]

SPECIFICATION CHANGE NOTICE

(SCN)

For

SCN Number
Issue
Dated
Page

Title:

Description:

Remarks/References

Specification changed by this SCN

This SCN requires prior or concurrent acceptance of the following SCN(s):

Price per aircraft

US DOLLARS:
AT DELIVERY CONDITIONS:

This change will be effective on

AIRCRAFT No. and subsequent.

Provided approval is received by

Buyer approval

Seller approval

By:

By:

Date:

Date:

[LOGO]

SPECIFICATION CHANGE NOTICE

(SCN)

For

SCN Number

Issue

Dated

Page

Specification repercussion:

After contractual agreement with respect to weight, performance, delivery, etc, the indicated part of the specification wording will read as follows:

EXH B-1 -3

[LOGO]

SPECIFICATION CHANGE NOTICE

(SCN)

For

SCN Number

Issue

Dated

Page

Scope of change (FOR INFORMATION ONLY)

EXH B-1 -4

AIRBUS

Airline

MANUFACTURER'S SPECIFICATION CHANGE NOTICE

MSCN Number

(MSCN)

Issue

Dated

Page

1 of 3

Title:

Description:

Effect on weight

Manufacturer's Weight Empty Change:

Operational Weight Empty Change:

Allowable Payload Change:

Remarks/References

Specification changed by this MSCN

Price per aircraft

US DOLLARS:

AT DELIVERY CONDITIONS:

This change will be effective on AIRCRAFT No. and subsequent.

Provided MSCN is not rejected by

Buyer Approval

Seller Approval

By:

By:

Date:

Date:

AIRBUS

Airline

MANUFACTURER'S SPECIFICATION CHANGE NOTICE

MSCN Number

Issue

Dated

(MSCN)

Page

2 of 3

Specification repercussion:

After contractual agreement with respect to weight, performance, delivery, etc, the indicated part of the specification wording will read as follows:

AIRBUS

Airline

MANUFACTURER'S SPECIFICATION CHANGE NOTICE

MSCN Number
Issue
Dated
Page

(MSCN)

3 of 3

Scope of change (FOR INFORMATION ONLY)

PART 1 SELLER PRICE REVISION FORMULA**1 BASE PRICE**

The Base Price of the A320 Airframe quoted in Clause 3.1.1.1 of the Agreement, ***** (each a, “**Base Price**”), if applicable, are subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics, and in accordance with the provisions hereof.

2 BASE PERIOD

Each Base Price has been established in accordance with the average economic conditions prevailing in ***** as defined by “ECIb” and “ICb” index values indicated hereafter.

3 INDEXES

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS”, and found in Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group”, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100).

The quarterly value released for a certain month (March, June, September and December) shall be the one deemed to apply for the two preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU2023211000000I.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI Detailed Report” (found in Table 6. “Producer price indexes and percent changes for commodity and service groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

4 REVISION FORMULA

5 GENERAL PROVISIONS**5.1 Roundings**

The Labor Index average and the Material Index average shall be computed to the first decimal. If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

Each quotient (*****) and (*****) shall be rounded to the nearest ten-thousandth (4 decimals). If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

The final factor shall be rounded to the nearest ten-thousandth (4 decimals).

The final price shall be rounded to the nearest whole number (0.5 or more rounded to 1).

5.2 Substitution of Indexes for Seller Price Revision Formula

If:

- (i) the United States Department of Labor substantially revises the methodology of calculation of the Labor Index or the Material Index as used in the Seller Price Revision Formula, or
- (ii) the United States Department of Labor discontinues, either temporarily or permanently, such Labor Index or such Material Index, or
- (iii) the data samples used to calculate such Labor Index or such Material Index are substantially changed;

the Seller shall select a substitute index for inclusion in the Seller Price Revision Formula (the "**Substitute Index**").

The Substitute Index shall reflect as closely as possible the actual variance of the Labor Costs or of the material costs used in the calculation of the original Labor Index or Material Index as the case may be.

As a result of the selection of the Substitute Index, the Seller shall make an appropriate adjustment to the Seller Price Revision Formula to combine the successive utilization of the original Labor Index or Material Index (as the case may be) and of the Substitute Index.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5.3 Final Index Values

The Index values as defined in Clause 4 above shall be considered final and no further adjustment to the base prices as revised at Delivery of the Aircraft shall be made after Aircraft Delivery for any subsequent changes in the published Index values.

5.4 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

PART 2 PROPULSION SYSTEM PRICE REVISION FORMULA
CFM INTERNATIONAL

1 REFERENCE PRICE OF THE PROPULSION SYSTEM

The “**Reference Price**” (as such term is used in this Exhibit C Part 2) of a set of two (2) CFM International A320 LEAP-X Engines is *****.

The Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics and in accordance with the provisions of this Exhibit C Part 2.

2 REFERENCE PERIOD

The Reference Price has been established in accordance with the economic conditions prevailing for ***** as defined by CFM International by the Reference *****.

3 INDEXES

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS”, and found in: Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group”, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100, *****).

The quarterly value released for a certain month (March, June, September and December) will be the one deemed to apply for the two (2) preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU2023211000000I.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI detailed report” (found in Table 6. “Producer price indexes and percent changes for commodity groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

4 REVISION FORMULA

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5 GENERAL PROVISIONS**5.1 Roundings**

- (i) The Material Index average (*****) will be rounded to the nearest second decimal place and the Labor Index average (*****) will be rounded to the nearest first decimal place.
- (ii) *****) will be rounded to the nearest second decimal place.
- (iii) The final factor (*****) will be rounded to the nearest fourth decimal place. If the next succeeding place is five (5) or more, the preceding decimal place will be raised to the next higher figure.
- (iv) After final computation, *****) will be rounded to the nearest whole number (0.5 rounds to 1).

5.2 Final Index Values

The revised LEAP-X Reference Price at the date of Aircraft delivery will not be subject to any further adjustment in the indexes.

5.3 Interruption of Index Publication

If the US Department of Labor substantially revises the methodology of calculation or discontinues any of the indexes referred to hereabove, the Seller will reflect the substitute for the revised or discontinued index selected by CFM International, such substitute index to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original index as it may have fluctuated had it not been revised or discontinued.

Appropriate revision of the formula will be made to accomplish this result.

5.4 Annulment of the Formula

Should the above *****) provisions become null and void by action of the US Government, the LEAP-X Reference Price will be adjusted due to increases in the costs of labor and material which have occurred from the period represented by the applicable Reference *****) to the *****) prior to the scheduled month of Aircraft delivery.

5.5 *****)

*****)

*****) Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

CERTIFICATE OF ACCEPTANCE

In accordance with the terms of Clause 8.3 of the Purchase Agreement dated [day] [month] 2011 and made between Republic Airways Holdings Inc. (the “Customer”) and Airbus S.A.S. as amended and supplemented from time to time (the “Purchase Agreement”), the technical acceptance tests relating to one Airbus A3 [•]-[•] aircraft, bearing manufacturer’s serial number [•], and registration mark [•] (the “Aircraft”) have taken place in ***** (the “Owner”).

In view of said tests having been carried out successfully, the undersigned accepts the Aircraft for delivery in accordance with Clause 8.1.1 and the other provisions of the Purchase Agreement.

Such acceptance shall not impair the rights that may be derived from the warranties relating to the Aircraft set forth in the Purchase Agreement.

Any right at law or otherwise to revoke this acceptance of the Aircraft is hereby irrevocably waived.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized representative this day of [month], [year] in *****.

[OWNER].

Name:

Title:

Signature:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

BILL OF SALE

Know all men by these presents that Airbus S.A.S., a *Société par Actions Simplifiée* existing under French law and having its principal office at 1 rond-point Maurice Bellonte, 31707 Blagnac Cedex, FRANCE (the “**Seller**”), was this [day] [month] [year] the owner of the title to the following airframe (the “**Airframe**”), the propulsion system as specified (the “**Propulsion System**”) and all appliances, components, parts, instruments, accessories, furnishings, modules and other equipment of any nature, ***** incorporated therein, installed thereon or attached thereto on the date hereof (the “**Parts**”):

AIRFRAME:

AIRBUS Model A3[•]-[•]

MANUFACTURER’S**SERIAL NUMBER:** [•]**PROPULSION SYSTEMS:**

[propulsion system manufacturer] Model [•]

ENGINE SERIAL NUMBERS

LH: [•]

RH: [•]

REGISTRATION MARK: [•]

*****.

The Airframe, [Propulsion System] and Parts are hereafter together referred to as the “**Aircraft**”.

The Seller did this day of [month] [year], sell, transfer and deliver all of its rights, title and interest in and to the Aircraft ***** to the following entity and to its successors and assigns forever, said Aircraft ***** to be the property thereof.

[]
(the “**Buyer**”)

The Seller hereby warrants to the Buyer, its successors and assigns that it had [(i)] good and lawful right to sell, deliver and transfer title to the Aircraft to the Buyer and that there was conveyed to the Buyer good, legal and valid title to the Aircraft, free and clear of all liens, claims, charges, encumbrances and rights of others and that the Seller will warrant and defend such title forever against all claims and demands whatsoever *****.

This Bill of Sale shall be governed by and construed in accordance with the laws of the State of New York, United States of America.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized representative this day of [month], [year] in
*****.

AIRBUS S.A.S.

Name:

Title:

Signature:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

SERVICE LIFE POLICY

LIST OF ITEMS

EXH F -1

SELLER SERVICE LIFE POLICY

1 The Items covered by the Service Life Policy pursuant to Clause 12.2 are those Seller Items of primary and auxiliary structure described hereunder.

2 WINGS – CENTER AND OUTER WING BOX (LEFT AND RIGHT)

2.1 *****

2.1.1 *****

2.1.2 *****

2.1.3 *****

2.2 *****

2.2.1 *****

2.2.2 *****

2.2.3 *****

2.2.4 *****

2.3 *****

2.3.1 *****

2.3.1.1 *****

2.3.1.2 *****

2.3.2 *****

2.3.2.1 *****

2.3.2.2 *****

2.3.3 *****

2.3.3.1 *****

2.3.3.2 *****

2.4 *****

2.4.1 *****

2.4.1.1 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

2.4.1.2 *****

2.4.1.3 *****

2.4.1.4 *****

3 FUSELAGE

3.1 *****

3.1.1 *****

3.1.2 *****

3.1.3 *****

3.1.4 *****

3.1.5 *****

3.1.6 *****

3.1.7 *****

3.1.8 *****

3.2 *****

3.2.1 *****

3.2.2 *****

3.2.3 *****

4 STABILIZERS

4.1 *****

4.1.1 *****

4.1.2 *****

4.1.3 *****

4.1.4 *****

4.1.5 *****

4.1.5.1 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 4.1.5.2 *****
- 4.2 *****
- 4.2.1 *****
- 4.2.2 *****
- 4.2.3 *****
- 4.2.4 *****
- 4.2.5 *****
- 4.2.5.1 *****
- 4.2.5.2 *****

5 **EXCLUSIONS**

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

TECHNICAL DATA INDEX

EXH G -1

TECHNICAL DATA INDEX

Where applicable data will be established in general compliance with ATA 100 Information Standards for Aviation Maintenance, and the applicable provisions for digital standard of ATA Specification 2200 (*iSpec2200*).

The following index identifies the Technical Data provided in support of the Aircraft.

The explanation of the table is as follows:

NOMENCLATURE Self-explanatory.

ABBREVIATED DESIGNATION (Abbr) Self-explanatory.

AVAILABILITY (Avail)

Technical Data can be made available :

- ON-LINE (ON) through the relevant service on AirbusWorld,
and / or
- OFF-LINE (OFF) through the most suitable means applicable to the size of the concerned document (e.g CD or DVD).

FORMAT (Form)

Following Technical Data formats may be used:

- SGML – Standard Generalized Mark-up Language, which allows further data processing by the Buyer.
- XML – Extensible Mark-up Language, evolution of the SGML text format to cope with WEB technology requirements.
 - XML is used for data processing. Processed data shall be consulted through the e-doc Viewer FOCT – Flight Operations Consultation Tool.
 - XML data may be customized using Airbus customization tools (Flight Operations Documentation Manager, ADOC) or the Buyer's own XML based editing tools.
- CGM – Computer Graphics Metafile, format of the interactive graphics associated with the XML and /or SGML text file delivery.
- PDF (PDF) – Portable Document Format allowing data consultation.

- Advanced Consultation Tool – refers to Technical Data consultation application that offers advanced consultation & navigation functionality compared to PDF. Both browser software & Technical Data are packaged together.
- P1 / P2 – refers to manuals printed on one side or both sides of the sheet.
- CD-P – refers to CD-Rom including Portable Document Format (PDF) Data.
- CD-XML – Refers to CD-Rom including XML data

| | | |
|-------------------------|---|---|
| <u>TYPE</u> | C | CUSTOMIZED. Refers to manuals that are applicable to customer/operator fleet or aircraft. |
| | G | GENERIC. Refers to manuals that are applicable for all Airbus aircraft types/models/series. |
| | E | ENVELOPE. Refers to manuals that are applicable to a whole group of Airbus customers for a specific aircraft type/model/series. |
| <u>QUANTITY (Qty)</u> | | Self-explanatory for physical media. |
| <u>DELIVERY (Deliv)</u> | | Delivery refers to scheduled delivery dates and is expressed in either the number of corresponding days prior to first Aircraft delivery, or nil (0) referring to the Delivery Date of corresponding Aircraft. The number of days indicated shall be rounded up to the next regular revision release date. |

OPERATIONAL MANUALS AND DATA

| <u>NOMENCLATURE</u> | <u>Abbr</u> | <u>Avail</u> | <u>Form</u> | <u>Type</u> | <u>*****</u> | <u>*****</u> | <u>*****</u> |
|-------------------------------|-------------|--------------|----------------------|-------------|-------------------------|-------------------------|--------------|
| Flight Crew Operating Manual | FCOM | ON OFF | XML CD-XML | C C | ***** ***** | ***** ***** | |
| Flight Crew Training Manual | FCTM | ON OFF | XML CD-XML | C C | ***** ***** | ***** ***** | ***** |
| Cabin Crew Operating Manual | CCOM | ON OFF | XML CD-XML | C C | ***** ***** | ***** ***** | ***** |
| Flight Manual | FM | ON OFF | XML CD-XML PDF | C C C | ***** ***** ***** | ***** ***** ***** | ***** |
| Master Minimum Equipment List | MMEL | ON OFF | XML CD-XML | C C | ***** ***** | ***** ***** | ***** |
| Quick Reference Handbook | QRH | ON OFF | XML CD-XML | C C | ***** ***** | ***** ***** | |
| Trim Sheet | TS | OFF | Electronic format | C | ***** | ***** | ***** |
| Weight and Balance Manual | WBM | ON | XML | C | ***** | ***** | |

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NOMENCLATURE

| | <u>Abbr</u> | <u>Avail</u> | <u>Form</u> | <u>Type</u> | ***** | ***** | ***** |
|---------------------------------|-------------|--------------|--|-------------|-------|-------|-------|
| | | OFF | CD-XML | C | ***** | ***** | |
| | | | Performance Computation Tool | C | ***** | ***** | |
| Performance Engineer's Programs | PEP | | | | | | ***** |
| | | OFF | Performance Computation Tool on CD | C | ***** | ***** | |
| Performance Programs Manual | PPM | OFF | CD-P | C | ***** | ***** | ***** |

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MAINTENANCE AND ASSOCIATED MANUALS

| <u>NOMENCLATURE</u> | <u>Abbr</u> | <u>Avail</u> | <u>Form</u> | <u>Type</u> | <u>*****</u> | <u>*****</u> | <u>*****</u> |
|---|---------------------------------|--------------|--|-------------|--------------|--------------|--------------|
| AirN@v / Maintenance, including : | | | | | | | |
| Aircraft Maintenance Manual – AMM | | ON | Advanced Consultation Tool | C | ***** | ***** | |
| Illustrated Parts Catalog (Airframe) – IPC Illustrated Parts Catalog (Powerplant) – PIPC* | AirN@v / Maintenance | | | | | | |
| Trouble Shooting Manual – TSM | | OFF | Advanced Consultation Tool on DVD | C | ***** | ***** | ***** |
| Aircraft Schematics Manual – ASM | | | | | | | |
| Aircraft Wiring Lists – AWL Aircraft Wiring Manual – AWM Electrical Standard Practices Manual – ESPM | | | | | | | |
| AirN@v / Associated Data | | ON | Advanced Consultation Tool | G | ***** | ***** | |
| Consumable Material List – CML | AirN@v / Associated Data | | | | | | ***** |
| Standards Manual – SM Electrical Standard Practices Manual – ESPM | Data | OFF | Advanced Consultation Tool on DVD | G | ***** | ***** | |
| Tool and Equipment Manual – TEM (*) | | | | | | | |
| Technical Follow-up | TFU | ON | PDF | E | ***** | ***** | ***** |
| | | ON | PDF | C | ***** | ***** | ***** |
| Aircraft Maintenance Manual | AMM | OFF | CD-P | C | ***** | ***** | ***** |
| | | ON | SGML | C | ***** | ***** | ***** |
| | | OFF | SGML | C | ***** | ***** | ***** |

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| <u>NOMENCLATURE</u> | <u>Abbr</u> | <u>Avail</u> | <u>Form</u> | <u>Type</u> | ***** | ***** | ***** |
|----------------------------|-------------|--------------|----------------------|-------------|-------|-------|-------|
| | | ON | PDF | C | ***** | ***** | ***** |
| Aircraft Schematics Manual | ASM | OFF | CD-P | C | ***** | ***** | ***** |
| | | ON | SGML | C | ***** | ***** | ***** |
| | | OFF | SGML | C | ***** | ***** | ***** |
| | | ON | PDF | C | ***** | ***** | ***** |
| Aircraft Wiring List | AWL | OFF | CD-P | C | ***** | ***** | ***** |
| | | ON | SGML | C | ***** | ***** | ***** |
| | | OFF | SGML | C | ***** | ***** | ***** |
| | | ON | PDF | C | ***** | ***** | ***** |
| Aircraft Wiring Manual | | OFF | CD-P | C | ***** | ***** | ***** |
| | | ON | SGML | C | ***** | ***** | ***** |
| | | OFF | SGML | C | ***** | ***** | ***** |
| Consumable Material List | CML | OFF | SGML | G | ***** | ***** | ***** |
| Ecam System Logic Data | ESLD | ON | PDF | E | ***** | ***** | ***** |
| Electrical Load Analysis | ELA | OFF | PDF/MS Word Excel | C | ***** | ***** | ***** |

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|---|---------------------|--------------|---|-------------|--------------|--------------|--------------|
| Electrical Standard Practices Manual | ESPM | OFF | SGML | G | ***** | ***** | ***** |
| Electrical Standard Practices booklet | ESP | OFF | P2* | G | ***** | ***** | ***** |
| Flight Data Recording Parameter Library | FDRPL | OFF | Advanced Consultation Tool on CD | E | ***** | ***** | |
| Illustrated Parts Catalog (Airframe) | IPC | ON | PDF | C | ***** | ***** | ***** |
| | | OFF | CD-P | C | ***** | ***** | |
| | | ON | SGML | C | ***** | ***** | ***** |
| Illustrated Parts Catalog (Powerplant) | PIPC | OFF | SGML | C | ***** | ***** | ***** |
| | | ON | PDF | C | ***** | ***** | |
| AirN@v / Planning, including Maintenance Planning Document – MPD | AirN@v/ Planning | OFF | CD-P | C | ***** | ***** | |
| | | ON | Advanced Consultation Tool Advanced Consultation Tool on DVD | E | ***** | ***** | ***** |
| Maintenance Review Board Report – MRBR Airworthiness Limitation Section – ALS | MRBR ALS | ON | PDF | E | ***** | ***** | ***** |
| Tool & Equipment Bulletins | TEB | ON | PDF | E | ***** | ***** | |

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NOMENCLATURE

| <u>NOMENCLATURE</u> | <u>Abbr</u> | <u>Avail</u> | <u>Form</u> | <u>Type</u> | <u>*****</u> | <u>*****</u> | <u>*****</u> |
|--|------------------------|--------------|---|-------------|--------------|--------------|--------------|
| Tool and Equipment Drawings | TED | ON | Advanced Consultation Tool | E | ***** | ***** | ***** |
| AirN@v / Engineering, including: Airworthiness Directives – AD European Airworthiness Directives – EUAD (incl. French DGAC AD’s) All Operator Telex – AOT Operator Information Telex – OIT Flight Operator Telex – FOT Modification – MOD Modification Proposal – MP Service Bulletin – SB Service Information Letter – SIL Technical Follow-Up – TFU Vendor Service Bulletin – VSB | AirN@v/ Engineering | ON | Advanced Consultation Tool | C | ***** | ***** | ***** |
| | | OFF | Advanced Consultation Tool on DVD | C | ***** | ***** | ***** |
| | | ON | PDF | C | ***** | ***** | ***** |
| Trouble Shooting Manual | TSM | OFF | CD-P | C | ***** | ***** | ***** |
| | | ON | SGML | C | ***** | ***** | ***** |
| | | OFF | SGML | C | ***** | ***** | ***** |

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STRUCTURAL MANUALS

| <u>NOMENCLATURE</u> | <u>Abbr</u> | <u>Avail</u> | <u>Form</u> | <u>Type</u> | <u>*****</u> | <u>*****</u> | <u>*****</u> |
|---|--------------------|--------------|---|-------------|--------------|--------------|--------------|
| AirN@v / Repair, including: Structural Repair Manual (*) – SRM Non Destructive Testing Manual – NTM | AirN@v / Repair | ON | Advanced Consultation Tool | E | ***** | ***** | ***** |
| | | OFF | Advanced Consultation Tool on DVD | E | ***** | ***** | |
| Structural Repair Manual | SRM | ON | SGML | E | ***** | | ***** |
| | | OFF | SGML | E | ***** | | ***** |
| Non Destructive Testing Manual | NTM | ON | SGML | E | ***** | ***** | ***** |
| | | OFF | SGML | E | ***** | ***** | ***** |

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OVERHAUL DATA

| <u>NOMENCLATURE</u> | <u>Abbr</u> | <u>Avail</u> | <u>Form</u> | <u>Type</u> | <u>*****</u> | <u>*****</u> | <u>*****</u> |
|---|-------------------|--------------|-----------------------------------|-------------|--------------|--------------|--------------|
| <u>AirN@v / Workshop</u> , including: Component Maintenance Manual Manufacturer – CMMM Duct Fuel Pipe Repair Manual – DFPRM | AirN@v / Workshop | ON | Advanced Consultation Tool | E | ***** | ***** | ***** |
| | | OFF | Advanced Consultation Tool on DVD | E | ***** | ***** | ***** |
| Component Maintenance Manual Manufacturer | CMMM | ON | SGML | E | ***** | ***** | ***** |
| | | OFF | SGML | E | ***** | ***** | ***** |
| Component Maintenance Manual Vendor | CMMV | OFF | CD-P | E | ***** | ***** | ***** |
| | | ON | PDF | E | ***** | ***** | ***** |
| Component Documentation Status | CDS | OFF | CD | C | ***** | ***** | ***** |
| Component Evolution List | CEL | ON | PDF | G | ***** | - | ***** |
| | | OFF | CD-P | G | ***** | - | ***** |

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ENGINEERING DOCUMENTS

| <u>NOMENCLATURE</u> | <u>Abbr</u> | <u>Avail</u> | <u>Form</u> | <u>Type</u> | <u>*****</u> | <u>*****</u> | <u>*****</u> |
|--|-------------|--------------|----------------------------|-------------|--------------|--------------|--------------|
| Mechanical Drawings, including the Drawing Picture, Parts List / Parts Usage | MD | ON | Advanced Consultation Tool | C | ***** | ***** | ***** |
| Standards Manual | SM | ON | SGML | G | ***** | ***** | ***** |
| | | OFF | SGML | G | ***** | ***** | ***** |
| Process and Material Specification | PMS | ON | PDF | G | ***** | ***** | |
| | | OFF | CD-P | G | ***** | ***** | |

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MISCELLANEOUS PUBLICATIONS

| <u>NOMENCLATURE</u> | <u>Abbr</u> | <u>Avail</u> | <u>Form</u> | <u>Type</u> | <u>*****</u> | <u>*****</u> | <u>*****</u> | <u>*****</u> |
|---|-------------|--------------|----------------------------------|-------------|--------------|--------------|--------------|--------------|
| Airplane Characteristics for Airport Planning – AC | AC/MFP | ON | PDF | E | ***** | ***** | ***** | ***** |
| Maintenance Facility Planning – MFP | | OFF | CD-P | E | ***** | ***** | ***** | ***** |
| ATA 100 Index | ATI | ON | PDF | E | ***** | ***** | ***** | ***** |
| C@DETS /Technical Data Training Courseware and Software | C@DETS | ON | Advanced Consultation Tool on CD | G | ***** | ***** | ***** | ***** |
| | | OFF | Advanced Consultation Tool | G | ***** | ***** | ***** | ***** |
| Aircraft Recovery Manual | ARM | ON | PDF | E | ***** | ***** | ***** | ***** |
| | | OFF | CD-P | E | ***** | ***** | ***** | ***** |
| Aircraft Rescue & Firefighting Chart | ARFC | ON | PDF | E | ***** | ***** | ***** | ***** |
| | | OFF | P1 | E | ***** | ***** | ***** | ***** |
| Cargo Loading System Manual | CLS | ON | PDF | E | ***** | ***** | ***** | ***** |
| | | OFF | CD-P | E | ***** | ***** | ***** | ***** |
| List of Effective Technical Data | LETD | ON | PDF | C | ***** | ***** | ***** | ***** |

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NOMENCLATURE

| | <u>Abbr</u> | <u>Avail</u> | <u>Form</u> | <u>Type</u> | <u>*****</u> | <u>*****</u> | <u>*****</u> |
|--|-------------------|--------------|---------------------------------------|-------------|----------------|----------------|--------------|
| List of Radioactive and Hazardous Elements | LRE | ON OFF | PDF CD-P | G G | ***** ***** | ***** ***** | |
| Live Animal Transportation Calculation Tool | LATC | ON | Advanced Calculation Tool | E | ***** | ***** | ***** |
| | LATC | OFF | Advanced Calculation Tool on CD | E | ***** | ***** | |
| Service Bulletins | SB | ON | Advanced Consultation Tool | C | ***** | ***** | ***** |
| | | OFF | CD-P | C | ***** | ***** | ***** |
| Supplier Product Support Agreements 2000 | SPSA | ON | PDF | G | ***** | ***** | ***** |
| Transportability Manual | TM | OFF | CD-P | G | ***** | ***** | |
| Vendor Information Manual + Aircraft On Ground & Repair Guide | VIM + AOG & RG | ON | Advanced Consultation Tool | G | ***** | ***** | ***** |

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EXHIBIT H

MATERIAL

SUPPLY AND SERVICES

EXH H -1

1 GENERAL

1.1 Scope

1.1.1 This Exhibit H sets forth the terms and conditions for the support and services offered by the Seller to the Buyer with respect to Material (as defined below).

1.1.2 References made to Articles will be deemed to refer to articles of this Exhibit H unless otherwise specified.

1.1.3 For purposes of this Exhibit H:

1.1.4 The term “**Supplier**” will mean any supplier (other than the Seller) providing any of the Material listed in Article 1.2.1 and the term “**Supplier Part**” will mean an individual item of Material.

1.1.5 The term “**SPEC 2000**” means the “E-Business Specification for Materials Management” document published by the Air Transport Association of America.

1.2 Material Categories

1.2.1 Each of the following constitutes “**Material**” for purposes of this Exhibit H:

- (i) Seller Parts;
- (ii) Supplier Parts classified as Repairable Line Maintenance Parts (as defined in SPEC 2000);
- (iii) Supplier Parts classified as Expendable Line Maintenance Parts (as defined in SPEC 2000);
- (iv) Seller and Supplier ground support equipment and specific-to-type tools

where “**Seller Parts**” means Seller’s proprietary parts bearing a part number of the Seller or for which the Seller has the exclusive sales rights.

1.2.2 Propulsion Systems, engine exchange kits, their accessories and parts for any of the foregoing, are not covered under this Exhibit H.

1.3 Term

During a period commencing on the date hereof and continuing as long as at least ***** aircraft of the model of the Aircraft are operated in commercial air transport service, of which ***** (the “**Term**”), the Seller will maintain, or cause to be maintained, a reasonable stock of *****.

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The Seller will use reasonable efforts to obtain a similar service from all Suppliers of Supplier Parts originally installed on an Aircraft at Delivery.

1.4 Airbus Material Store

1.4.1 AACS Spares Center

The Seller has established and will maintain or cause to be maintained, during the Term, a US store (“**US Spares Center**”). The US Spares Center will be operated twenty-four (24) hours per day, seven (7) days per week, for the handling of AOG and critical orders for Seller Parts.

The Seller will make reasonable efforts to deliver Seller Parts to the Buyer from the US Spares Center.

1.4.2 Material Support Center, Germany

The Seller has established its material headquarters in Hamburg, Germany (the “**Airbus Material Center**”) and will, during the Term, maintain, or have maintained on its behalf, a central store of Seller Parts. The Airbus Material Center will be operated twenty-four (24) hours per day, seven (7) days per week.

1.4.3 Other Points of Shipment

1.4.3.1 In addition to the US Spares Center and the Airbus Material Center, the Seller and its Affiliates operate a global network of regional satellite stores (the “**Regional Satellite Stores**”). A list of such stores will be provided to the Buyer upon the Buyer’s request.

1.4.3.2 The Seller reserves the right to effect deliveries from distribution centers other than the US Spares Center or the Airbus Material Center, which may include the Regional Satellite Stores or any other production or Supplier’s facilities.

1.5 Customer Order Desk

The Seller operates a “**Customer Order Desk**”, the main functions of which are:

- (i) Management of order entries for all priorities, including Aircraft On Ground (“**AOG**”);
- (ii) Management of order changes and cancellations;
- (iii) Administration of Buyer’s routing instructions;
- (iv) Management of Material returns;
- (v) Clarification of delivery discrepancies;

(vi) Issuance of credit and debt notes.

The Buyer hereby agrees to communicate its orders for Material to the Customer Order Desk either in electronic format (SPEC 2000) or via the Internet.

1.7 Commitments of the Buyer

1.7.1 During the Term, the Buyer agrees to purchase Seller Parts from

- (a) the Seller, AACS or the Seller's licensee(s) that are required for the Buyer's own needs; or
- (b) other operators or from distributors, provided said Seller Parts were originally designed by the Seller and manufactured by the Seller or its licensees.

1.7.2 *****

- (i) *****
- (ii) *****
- (iii) *****

1.7.3

1.7.3.1 *****

1.7.3.2 *****

1.7.3.3 *****

1.7.3.4 *****

2 INITIAL PROVISIONING

2.1 Period

The initial provisioning period commences with the Pre-Provisioning Meeting, as defined in Article 2.2.1, and expires on the ***** under the Agreement as of the date hereof ("**Initial Provisioning Period**").

2.2 Pre-Provisioning Meeting

2.2.1 The Seller will organize a pre-provisioning meeting at US Spares Center or at the Airbus Material Center, or at any other agreed location, for the purpose of setting an acceptable schedule and working procedure for the preparation of the initial issue of the Provisioning Data and the Initial Provisioning Conference referred to, respectively, in Articles 2.4 and 2.3 below (the "**Pre-Provisioning Meeting**").

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During the Pre-Provisioning Meeting, the Seller will familiarize the Buyer with the provisioning processes, methods and formulae of calculation and documentation.

2.2.2 The Pre-Provisioning Meeting will take place on an agreed date that is no later than ***** prior to Scheduled Delivery Month of the first Aircraft, allowing a minimum preparation time of ***** for the Initial Provisioning Conference.

2.3 Initial Provisioning Conference

The Seller will organize an initial provisioning conference at the US Spares Center or at the Airbus Material Center (the “**Initial Provisioning Conference**”), the purpose of which will be to agree the material scope and working procedures to accomplish the initial provisioning of Material (the “**Initial Provisioning**”).

The Initial Provisioning Conference will take place at the earliest ***** after Aircraft Manufacturer Serial Number allocation or Contractual Definition Freeze, whichever occurs last and latest ***** before the Scheduled Delivery Month of the first Aircraft.

2.4 Provisioning Data

2.4.1 Provisioning data generally in accordance with SPEC 2000, Chapter 1, for Material described in Articles 1.2.1 (i) through 1.2.1 (iii) (“**Provisioning Data**”) will be supplied by the Seller to the Buyer in the English language, in a format and timeframe to be agreed during the Pre-Provisioning Meeting.

2.4.1.1 Unless a longer revision cycle has been agreed between the Buyer and the Seller, the Provisioning Data will be revised every ***** up to the end of the Initial Provisioning Period.

2.4.1.2 The Seller will ensure that Provisioning Data is provided to the Buyer in time to permit the Buyer to perform any necessary evaluation and to place orders in a timely manner.

2.4.1.3 Provisioning Data generated by the Seller will comply with the configuration of the Aircraft as documented ***** before the date of issue.

This provision will not cover:

- (i) Buyer modifications not known to the Seller,
- (ii) other modifications not approved by the Seller’s Aviation Authorities or by the FAA.

2.4.2 Supplier-Supplied Data

Provisioning Data relating to each Supplier Part (both initial issue and revisions) will be produced by Supplier thereof and may be delivered to the Buyer either by the Seller or such Supplier. It is agreed and understood by the Buyer that the Seller will not be

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responsible for the substance, accuracy or quality of such data. Such Provisioning Data will be provided in either SPEC 2000 format or any other agreed format.

2.4.3 **Supplementary Data**

The Seller will provide the Buyer with data supplementary to the Provisioning Data, comprising local manufacture tables, ground support equipment, specific-to-type tools and a pool item candidate list.

2.5 **Commercial Offer**

Upon the Buyer's request, the Seller will submit a commercial offer for Initial Provisioning.

2.6 **Delivery of Initial Provisioning Material**

2.6.1 During the Initial Provisioning Period, Initial Provisioning Material will conform to the latest known configuration standard of the Aircraft for which such Material is intended as reflected in the Provisioning Data transmitted by the Seller.

2.6.2 The delivery of Initial Provisioning Material will take place according to the conditions specified in the commercial offer mentioned in Article 2.5.

2.6.3 All Initial Provisioning Material will be packaged in accordance with ATA 300 Specification.

2.7 **Buy-Back Period and Buy-Back of Initial Provisioning Surplus Material**

a) *****

b) *****

c) *****

i) *****

ii) *****

iii) *****

iv) *****

v) *****

vi) *****

vii) *****

d) *****

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- i) *****
- ii) *****
- e) *****
- f) *****

3 OTHER MATERIAL SUPPORT

3.1 As of the date hereof, the Seller currently offers various types of parts support through the Customer Services Catalog on the terms and conditions set forth therein from time to time, including, but not limited to the lease of certain Seller Parts, the repair of Seller Parts and the sale or lease of ground support equipment and specific-to-type tools.

4 WARRANTIES

4.1 Seller Parts

Subject to the limitations and conditions as hereinafter provided, the Seller warrants to the Buyer that all Seller Parts, sold under this Exhibit H will at delivery to the Buyer:

- (i) be free from defects in material.
- (ii) be free from defects in workmanship, including without limitation processes of manufacture.
- (iii) be free from defects arising from failure to conform to the applicable specification for such part.
- (iv) be free from defects in design (including without limitation the selection of material) having regard to the state of the art at the date of such design.

4.1.1 Warranty Period

4.1.1.1 The warranty period for Seller Parts is ***** for new Seller Parts and ***** for used Seller Parts from delivery of such parts to the Buyer.

4.1.1.2 Whenever any Seller Part that contains a defect for which the Seller is liable under Article 4.1 has been corrected, replaced or repaired pursuant to the terms of this Article 4.1, the period of the Seller's warranty with respect to such corrected, repaired or replacement Seller Part, as the case may be, will be the remaining portion of the original warranty period or ***** , whichever is longer.

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4.1.2 **Buyer's Remedy and Seller's Obligation**

The Buyer's remedy and Seller's obligation and liability under this Article 4.1 are limited to the repair, replacement or correction, at the Seller's expense and option, of any Seller Part that is defective.

The Seller may alternatively furnish to the Buyer's account with the Seller a *****.

The provisions of Clauses 12.1.5 through 12.1.11 of the Agreement will apply to claims made pursuant to this Article 4.1.

4.2 **Supplier Parts**

With respect to Supplier Parts to be delivered to the Buyer under this Exhibit H, the Seller agrees to transfer to the Buyer the benefit of any warranties, which the Seller may have obtained from the corresponding Suppliers and the Buyer hereby agrees that it will accept the same.

4.3 **Waiver, Release and Renunciation**

THIS ARTICLE 4 (INCLUDING ITS SUBPARTS) SETS FORTH THE EXCLUSIVE WARRANTIES, EXCLUSIVE LIABILITIES AND EXCLUSIVE OBLIGATIONS OF THE SELLER, AND THE EXCLUSIVE REMEDIES AVAILABLE TO THE BUYER, WHETHER UNDER THIS AGREEMENT OR OTHERWISE, ARISING FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN ANY SELLER PART, MATERIAL, OR SERVICES (IF ANY) DELIVERED BY THE SELLER UNDER THIS EXHIBIT H.

THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES OF THE SELLER AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER AND ITS SUPPLIERS, WHETHER EXPRESS OR IMPLIED BY CONTRACT, TORT, OR STATUTORY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMITY OR DEFECT OR PROBLEM OF ANY KIND IN ANY SELLER PART, MATERIAL, LEASED PART, OR SERVICES (IF ANY) DELIVERED BY THE SELLER UNDER THIS EXHIBIT H, INCLUDING BUT NOT LIMITED TO:

- (1) ANY IMPLIED WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR ANY GENERAL OR PARTICULAR PURPOSE;
- (2) ANY IMPLIED OR EXPRESS WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE;
- (3) ANY RIGHT, CLAIM OR REMEDY FOR BREACH OF CONTRACT;

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- (4) ANY RIGHT, CLAIM OR REMEDY FOR TORT, UNDER ANY THEORY OF LIABILITY, HOWEVER ALLEGED, INCLUDING, BUT NOT LIMITED TO, ACTIONS AND/OR CLAIMS FOR NEGLIGENCE, GROSS NEGLIGENCE, INTENTIONAL ACTS, WILLFUL DISREGARD, IMPLIED WARRANTY, PRODUCT LIABILITY, STRICT LIABILITY OR FAILURE TO WARN;
- (5) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER STATE OR FEDERAL STATUTE;
- (6) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER ANY REGULATIONS OR STANDARDS IMPOSED BY ANY INTERNATIONAL, NATIONAL, STATE OR LOCAL STATUTE OR AGENCY;
- (7) ANY RIGHT, CLAIM OR REMEDY TO RECOVER OR BE COMPENSATED FOR:
 - (a) LOSS OF USE OR REPLACEMENT OF ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THE AGREEMENT;
 - (b) LOSS OF, OR DAMAGE OF ANY KIND TO, ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THE AGREEMENT;
 - (c) LOSS OF PROFITS AND/OR REVENUES;
 - (d) ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGE.

THE WARRANTIES PROVIDED BY THIS AGREEMENT WILL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY THE SELLER AND THE BUYER. IN THE EVENT THAT ANY PROVISION OF THIS ARTICLE 4 SHOULD FOR ANY REASON BE HELD UNLAWFUL, OR OTHERWISE UNENFORCEABLE, THE REMAINDER OF THIS ARTICLE 4 WILL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSES OF THIS ARTICLE 4, THE "SELLER" WILL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS, SUBCONTRACTORS, AND AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

4.4 Duplicate Remedies

The remedies provided to the Buyer under this Article 4 as to any part thereof are mutually exclusive and not cumulative. The Buyer will be entitled to the remedy that provides the maximum benefit to it, as the Buyer may elect, pursuant to the terms and

conditions of this Article 4 for any particular defect for which remedies are provided under this Article 4; provided, however, that the Buyer will not be entitled to elect a remedy under one part of this Article 4 that constitutes a duplication of any remedy elected by it under any other part hereof for the same defect. The Buyer's rights and remedies herein for the nonperformance of any obligations or liabilities of the Seller arising under these warranties will be in monetary damages limited to the amount the Buyer expends in procuring a correction or replacement for any covered part subject to a defect or nonperformance covered by this Article 4, and the Buyer will not have any right to require specific performance by the Seller.

5 COMMERCIAL CONDITIONS

5.1 Delivery Terms

All Material prices are quoted on the basis of Free Carrier (FCA) delivery terms, without regard to the place from which such Material is shipped. The term "**Free Carrier (FCA)**" is as defined by publication n° 560 of the International Chamber of Commerce, published in January 2000.

5.2 Payment Procedures and Conditions

All payments under this Exhibit H will be made in accordance with the terms and conditions set forth in the then current Customer Services e-Catalog.

5.3 Title

Title to any Material purchased under this Exhibit H will remain with the Seller until full payment of the invoices and interest thereon, if any, has been received by the Seller.

The Buyer hereby undertakes that Material title to which has not passed to the Buyer will be kept free from any debenture or mortgage or any similar charge or claim in favour of any third party.

5.4 Cessation of Deliveries

The Seller has the right to restrict, stop or otherwise suspend deliveries of Material in this Exhibit H, or its other obligations under this Exhibit H, if the Buyer fails to meet its material obligations set forth in this Exhibit H.

6 EXCUSABLE DELAY

Clauses 10.1 and 10.2 of the Agreement will apply, mutatis mutandis, to all Material support and services provided under this Exhibit H.

7 TERMINATION OF MATERIAL PROCUREMENT COMMITMENTS

7.1 If the Agreement is terminated with respect to any Aircraft, then the rights and obligations of the parties with respect to undelivered spare parts, services, data or other items to be purchased hereunder and which are applicable to those Aircraft for which the Agreement has been terminated will also be terminated. Unused Material in excess of the Buyer's requirements due to such termination may be repurchased by the Seller, at the Seller's option, as provided in Article 2.7.

8 INCONSISTENCY

In the event of any inconsistency between this Exhibit H and the Customer Services Catalog or any order placed by the Buyer, this Exhibit H will prevail to the extent of such inconsistency.

LETTER AGREEMENT NO. 1

As of September 30, 2011

Republic Airways Holdings Inc.
8909 Purdue Road
Suite 300
Indianapolis, Indiana 46268

Re: PAYMENTS

Dear Ladies and Gentlemen,

REPUBLIC AIRWAYS HOLDINGS INC. (the “**Buyer**”) and AIRBUS S.A.S. (the “**Seller**”) have entered into an Airbus A320 Family Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 1 (the “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

LA 1-1

1. COMMITMENT FEE & PRIOR PREDELIVERY PAYMENTS

Clause 5.2 of the Agreement is revised to read as follows:

QUOTE

5.2 (i) The Seller acknowledges that it has received from the Buyer the sum of *****, which represents a fee of ***** for each Aircraft (the “**Commitment Fee**”) set forth in Clause 9.1 at the date hereof.

(ii) The Seller acknowledges that it holds, in addition to the Commitment Fee set forth in Clause 5.2 (i) above, predelivery payments received from Frontier Airlines under the purchase agreement between the Seller and Frontier Airlines dated as of March 10, 2000 in the total amount of ***** (the “**Prior PDPs**”). The Commitment Fee plus a pro-rata portion of the Prior PDPs which together equal ***** (the “**Initial Payment**”) will be credited without interest against the 1st PDP (as defined Clause 5.3.2) due for each of the Aircraft firmly ordered as of the date hereof.

2. PAYMENT TERMS

2.1 For A320 Aircraft, A319 Aircraft and A321 Aircraft:

Clauses 5.3.2 and 5.3.3 of the Agreement are deleted in their entirety and replaced with the following quoted text:

QUOTE

5.3.2 The Predelivery Payment Reference Price for an Aircraft to be delivered in calendar year T is determined in accordance with the following formula:

5.3.3 For each Aircraft, Predelivery Payments will be paid to the Seller according to the following schedule:

| Payment Date | Fixed Amount or Percentage of applicable Predelivery Payment Reference Price |
|--------------|--|
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

| | |
|--|--------------|
| ***** | |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| Total payment prior to delivery | ***** |

If the schedule results in any Predelivery Payment falling due prior to the date of signature of the Agreement, such Predelivery Payments shall be made upon signature of the Agreement.

UNQUOTE

- 2.2 *****
- 5.3.2 *****
- 5.3.3 *****

| <u>Payment Date</u> | <u>Fixed Amount or Percentage of applicable Predelivery Payment Reference Price</u> |
|--|---|
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| Total payment prior to delivery | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

2.3 *****

Clause 5.3.5 is deleted in its entirety and replaced with the following quoted text:

QUOTE

5.3.5 *****

(i) *****

(ii) *****

(iii) *****

UNQUOTE

2.4 Taxes

Clause 5.5 is deleted in its entirety and replaced with the following quoted text:

QUOTE

5.5.1 *****

5.5.2 *****

5.5.3 *****

“**Taxes**” means any present or future stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority or any political subdivision or taxing authority thereof or therein.

UNQUOTE

2.5 Application of Payments

Clause 5.6 is deleted in its entirety and replaced with the following quoted text:

QUOTE

5.6 Application of Payments

UNQUOTE

2.6 Clause 5.8 is deleted in its entirety and replaced with the following quoted text:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

QUOTE

5.8 OVERDUE PAYMENTS

5.8.1 *****

5.8.2 *****

UNQUOTE

2.7 Payment in Full

Clause 5.10 is deleted in its entirety and replaced with the following quoted text:

QUOTE

5.10 Payment in Full

UNQUOTE

2.8 Cross Collateralization

3. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller *****, and any attempted assignment or transfer in contravention of the provisions of this Paragraph 3 will be void and of no force or effect.

4. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

5. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Patrick de Castelbajac
Patrick de Castelbajac
Its: Vice President Contracts

Accepted and Agreed

REPUBLIC AIRWAYS HOLDINGS INC.

By: /s/ Bryan Bedford
Bryan Bedford
Its: President

LA 1 SigPage

LETTER AGREEMENT NO. 2

As of September 30, 2011

Republic Airways Holdings Inc.
8909 Purdue Road
Suite 300
Indianapolis, Indiana 46268

Re: PURCHASE INCENTIVES

Dear Ladies and Gentlemen,

REPUBLIC AIRWAYS HOLDINGS INC. (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into an Airbus A320 Family Purchase Agreement of even date herewith (the "**Agreement**") which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 2 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

LA 2-1

1. A320 AIRCRAFT *****

1.1 *****

1.2 *****

1.3 *****

1.4 *****

1.5 *****

1.6 ***** are quoted at delivery conditions prevailing in *****.

1.7 *****

2. A319 AIRCRAFT *****

2.1 *****

2.2 *****

2.3 *****

2.4 *****

2.5 *****

2.6 ***** are quoted at delivery conditions prevailing in *****

2.7 *****

3. A319 *****

3.1 *****

3.2 *****

3.3 *****

4. A321 AIRCRAFT *****

4.1 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 4.2 *****
- 4.3 *****
- 4.4 *****
- 4.5 *****
- 4.6 *****
- 4.7 ***** are quoted at delivery conditions prevailing in *****
- 4.8 *****

5. *****

- 5.1 *****
- 5.2 *****
- 5.3 *****

6. *****

- 6.1 *****
 - (i) *****
 - (ii) *****
 - (iii) *****

- 6.2 *****
 - (i) *****
 - (ii) *****
 - (iii) *****

7. PRICE REVISION FORMULAE

7.1 Part 1 of Exhibit C, Seller Price Revision Formula, is deleted in its entirety and replaced with the Part 1 of Exhibit C, annexed as Appendix 1 to this Letter Agreement.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

7.2 Part 2 of Exhibit C, Propulsion System Price Revision Formula – CFM International, is deleted in its entirety and replaced with the Part 2 of Exhibit C, annexed as Appendix 2 to this Letter Agreement.

8. *****

9. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller (except as provided in Paragraph 7 of Letter Agreement No. 3), and any attempted assignment or transfer in contravention of the provisions of this Paragraph 9 will be void and of no force or effect.

10. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

11. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Patrick de Castelbajac
Patrick de Castelbajac
Its: Vice President Contracts

Accepted and Agreed

REPUBLIC AIRWAYS HOLDINGS INC.

By: /s/ Bryan Bedford
Bryan Bedford
Its: President

LA 2 SigPage

PART 1 SELLER PRICE REVISION FORMULA**1. Base Prices**

The Base Prices of the A319 Airframe, ***** A320 Airframe,***** A321 Airframe, ***** (each, a “**Base Price**”) are subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics in accordance with the provisions hereof.

2. Base Period

Each Base Price has been established in accordance with the average economic conditions prevailing in ***** as defined by “ECIb” and “ICb” index values indicated hereafter.

3. Indexes

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W,” quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS,” and found in: Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group,” or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100).

The quarterly value released for a certain month (March, June, September and December) shall be the one deemed to apply for the two (2) preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU2023211000000I.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI Detailed report” (found in Table 6. “Producer price indexes and percent changes for commodity groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

4. Revision Formula

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5. General Provisions

5.1 Rounding

The Labor Index average and the Material Index average shall be computed to the first decimal. If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

Each quotient shall be rounded to the nearest ten thousandth (4 decimals). If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

The final factor shall be rounded to the nearest ten thousandth (4 decimals).

The final price shall be rounded to the nearest whole number (0.5 or more rounded to 1).

5.2 Substitution of Indexes for Airframe Price Revision Formula

If;

- (i) the United States Department of Labor substantially revises the methodology of calculation of the Labor Index or the Material Index as used in the Airframe Price Revision Formula, or
- (ii) the United States Department of Labor discontinues, either temporarily or permanently, such Labor Index or such Material Index, or
- (iii) the data samples used to calculate such Labor Index or such Material Index are substantially changed;

The Seller shall select a substitute index for inclusion in the Seller Price Revision Formula (the "Substitute Index").

The Substitute Index shall reflect as closely as possible the actual variance of the Labor Costs or of the material costs used in the calculation of the original Labor Index or Material Index as the case may be.

As a result of the selection of the Substitute Index, the Seller shall make an appropriate adjustment to the Seller Price Revision Formula to combine the successive utilization of the original Labor Index or Material Index (as the case may be) and of the Substitute Index.

5.3 Final Index Values

The index values as defined in Clause 4. hereof shall be considered final and no further adjustment to the Base Prices as revised at the Delivery Date of the Aircraft shall be made after Aircraft Delivery for any subsequent changes in the published index values.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

**PART 2 PROPULSION SYSTEM PRICE REVISION FORMULA
CFM INTERNATIONAL**

1. REFERENCE PRICE OF THE PROPULSION SYSTEM

The “**Reference Price**” (as such term is used in this Exhibit C Part 2) of a set of two (2) CFM International

A319 LEAP-X1A24 Engines is *****,

A320 LEAP-X1A26 Engines is *****, and

A321 LEAP-X1A32 Engines is *****.

The Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics and in accordance with the provisions of this Exhibit C Part 2.

2. REFERENCE PERIOD

The Reference Price has been established in accordance with the economic conditions prevailing for ***** as defined by CFM International by the Reference *****.

3. INDEXES

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W,” quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS,” and found in: Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group,” or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100, *****).

The quarterly value released for a certain month (March, June, September and December) will be the one deemed to apply for the two (2) preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU2023211000000I.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI detailed report” (found in Table 6. “Producer price indexes and percent changes for commodity groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

4. REVISION FORMULA

5. GENERAL PROVISIONS

5.1 Roundings

- (i) The Material Index average (*****) will be rounded to the nearest second decimal place and the Labor Index average (*****) will be rounded to the nearest first decimal place.
- (ii) ***** will be rounded to the nearest second decimal place.
- (iii) The final factor (*****) will be rounded to the nearest fourth decimal place. If the next succeeding place is five (5) or more, the preceding decimal place will be raised to the next higher figure.
- (iv) After final computation, ***** will be rounded to the nearest whole number (0.5 rounds to 1).

5.2 Final Index Values

The revised Reference Price at the date of Aircraft delivery will not be subject to any further adjustment in the indexes.

5.3 Interruption of Index Publication

If the US Department of Labor substantially revises the methodology of calculation or discontinues any of the indexes referred to hereabove, the Seller will reflect the substitute for the revised or discontinued index selected by CFM International, such substitute index to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original index as it may have fluctuated had it not been revised or discontinued.

Appropriate revision of the formula will be made to accomplish this result.

5.4 Annulment of the Formula

Should the above ***** provisions become null and void by action of the US Government, the Reference Price will be adjusted due to increases in the costs of labor and material which have occurred from the period represented by the applicable Reference ***** to the ***** prior to the scheduled month of Aircraft delivery.

5.5 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

LETTER AGREEMENT NO. 3

As of September 30, 2011

Republic Airways Holdings Inc.
8909 Purdue Road
Suite 300
Indianapolis, Indiana 46268

Re: *****

Dear Ladies and Gentlemen,

REPUBLIC AIRWAYS HOLDINGS INC. (the “**Buyer**”) and AIRBUS S.A.S. (the “**Seller**”) have entered into an Airbus A320 Family Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 3 (the “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

LA 3-1

1. DEFINITIONS

Clause 0 to the Agreement is amended to either modify or add the following defined terms between the words “QUOTE” and “UNQUOTE”:

QUOTE

A321 Aircraft – any or all of the A321-200 aircraft that have been converted from A320 Aircraft pursuant to this Agreement, including the A321 Airframe and all components, equipment, parts and accessories installed in or on such A321 Airframe and the A321 Propulsion System installed thereon upon delivery.

A321 Airframe – any A321 Aircraft, excluding the A321 Propulsion System therefor.

A321 Propulsion System – as defined in Clause 2.3.

A321 Specification – the A321 Standard Specification as amended by all applicable SCNs.

A321 Standard Specification – the A321 standard specification document number *****, a copy of which is annexed as Exhibit A-3 to the Agreement as reflected in Appendix 1 to Letter Agreement No. 3 to the Agreement.

Aircraft – as applicable, (i) any or all of the A319 Aircraft sold or to be sold by the Seller and purchased or to be purchased by the Buyer pursuant to the Agreement, (ii) any or all of the A320 Aircraft sold or to be sold by the Seller and purchased or to be purchased by the Buyer pursuant to the Agreement and (iii) any or all of the A321 Aircraft sold or to be sold by the Seller and purchased or to be purchased by the Buyer pursuant to the Agreement.

Airframe – as applicable, the A319 Airframe, the A320 Airframe or the A321 Airframe.

Irrevocable SCN – an SCN which is irrevocably part of the A319 Specification, A320 Specification or A321 Specification, as expressly set forth in Appendix 1 to Exhibit A-1, Appendix 1 to Exhibit A-2 and Appendix 1 to Exhibit A-3, as applicable.

Propulsion System – any or all, as the context requires, of the A319 Propulsion System, A320 Propulsion System and the A321 Propulsion System.

Propulsion System Manufacturer – as applicable, the manufacturer of the A319 Propulsion System, A320 Propulsion System or the A321 Propulsion System.

Specification – as applicable, the A319 Specification, the A320 Specification or the A321 Specification.

Standard Specification – the A319 Standard Specification, A320 Standard Specification or the A321 Standard Specification.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

UNQUOTE

2. *****

2.1 *****

(i) *****

(ii) *****

(iii) *****

(iv) *****

(v) *****

(vi) *****

(vii) *****

(viii) *****

(ix) *****

2.2 Aircraft Specification

2.2.1 A new Exhibit A-3, A321 Standard Specification, as set forth in Appendix 1 to this Letter Agreement, is hereby incorporated into the Agreement.

2.2.2 A new Appendix 1 to Exhibit A-3 (A321 Aircraft SCNs), as set forth in Appendix 2 to this Letter Agreement, is hereby incorporated into the Agreement.

2.2.3 Clause 2.1.1 of the Agreement is revised to add the following quoted text:

QUOTE

The A321 Aircraft will be manufactured in accordance with the A321 Standard Specification, as modified by the Specification Change Notices listed in Appendix 1 to Exhibit A-3 which includes the Irrevocable SCNs.

UNQUOTE

2.2.4 Clause 2.1.2.2 is deleted in its entirety and replaced with the following quoted text:

QUOTE

2.1.2.2 The New Engine Option shall modify the design weights of the Standard Specification as follows:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

UNQUOTE

2.2.5 Clause 2.2.2.3 is deleted in its entirety and replaced with the following quoted text:

QUOTE

2.2.2.3 The Seller may at its discretion notify Buyer from time to time pursuant to an SCN that certain items, which are currently BFE in the Specification, shall be deemed to be seller-furnished equipment (“SFE”) and the parties agree that, pursuant to such SCN, such BFE items shall thereafter be excluded from the provisions of Clauses 2.2.2.1(ii) and 2.2.2.2 above and shall be considered instead SFE and thereafter chargeable to the Buyer, *****

UNQUOTE

2.2.6 A321 Propulsion System Clause 2.3 of the Agreement is revised to add the following quoted text:

QUOTE

2.3.2 Each A321 Airframe will be equipped with a set of two (2) CFM International LEAP- X1A32 model engines (such set, an “**A321 Propulsion System**”).

UNQUOTE

2.3 A321 Aircraft

A new Clause 3.1.5 is added to the Agreement to read as follows in the quoted text:

QUOTE

3.1.5 Base Price of the A321 Airframe

In respect of the A321 Aircraft, the Base Price of the A321 Airframe is the sum of the following base prices:

- (i) *****
- (ii) *****

and

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(iii) *****

3.1.5.1 The Base Price of the A321 Airframe has been established in accordance with the average economic conditions prevailing in ***** (the “**Base Period**”).

UNQUOTE

2.4 A321 Propulsion Systems Base Price

A new Clause 3.1.6 is added to the Agreement to read as follows in the quoted text:

QUOTE

3.1.6 Base Price of the A321 Propulsion Systems

3.1.6.1 The Base Price of a set of two (2) CFM International LEAP-X model engines for the A321 Aircraft (the “**LEAP-X1A32 Engines**”) is:

(i) *****.

Said Base Price has been established in accordance with the delivery conditions prevailing in ***** and has been calculated from the reference price indicated by CFM International and set forth in Part 2 of Exhibit C.

UNQUOTE

2.5 Final Price of the Aircraft

Clause 3.2 of the Agreement is deleted in its entirety and replaced with the following quoted text:

QUOTE

3.2 Final Price of the Aircraft

The “**Final Price**” of each Aircraft will be the sum of:

- (i) the Base Price of the Airframe, as adjusted to the applicable Delivery Date of such Aircraft in accordance with Clause 4.1;
- (ii) the aggregate of all increases or decreases to the Base Price of the Airframe as agreed in any Specification Change Notice or part thereof applicable to

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

the Airframe subsequent to the date of this Agreement as adjusted to the Delivery Date of such Aircraft in accordance with Clause 4.1;

- (iii) the Propulsion System Reference Price as adjusted to the Delivery Date of in accordance with Clause 4.2;
- (iv) the aggregate of all increases or decreases to the Propulsion System Reference Price as agreed in any Specification Change Notice or part thereof applicable to the Propulsion System subsequent to the date of this Agreement as adjusted to the Delivery Date in accordance with Clause 4.2; and
- (v) any other amount resulting from any other provisions of this Agreement relating to the Aircraft and/or any other written agreement between the Buyer and the Seller relating to the Aircraft.

3.2.1 *****

UNQUOTE

3. *****

3.1 *****

(a) *****

(b) *****

(c) *****

(d) *****

(e) *****

(f) *****

3.2 *****

3.3

(i) *****

(ii) *****

(iii) *****

(iv) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

4. OTHER COMMERCIAL TERMS

The following provisions apply to the A321 Aircraft:

- 4.1 The Predelivery Payment schedule for A321 Aircraft is as set forth in Clause 5.3.3 of the Agreement as modified by Paragraph 2.1 of Letter Agreement No. 1 to the Agreement.
- 4.2 The ***** applicable to the A321 Aircraft are set forth in Paragraph 4 of Letter Agreement No. 2 to the Agreement.
- 4.3 The ***** applicable to the A321 Aircraft is set forth in Paragraph 6.1 or 6.2, as applicable, of Letter Agreement No. 2 to the Agreement.

5. AIRCRAFT DELIVERY SCHEDULE

- 5.1 Notwithstanding the delivery schedule set forth in Clause 9.1.1 of the Agreement, the Seller reserves the right to modify the delivery schedule in respect of any or all Aircraft scheduled to deliver in *****.
- 5.2 The Seller will promptly notify the Buyer in writing of any reschedule pursuant to Paragraph 5.1 above (which notice shall be given no later than *****) with the new Scheduled Delivery Quarter for each such Aircraft, which will be no more than ***** earlier or later than scheduled in Clause 9.1 of the Agreement.
- 5.3 Predelivery Payments received for Aircraft whose delivery date is rescheduled pursuant to Paragraph 5.1 above, will be *****.

6. *****

6.1 *****

6.1.1 *****

(i) *****

(ii) *****

6.2 *****

7. ASSIGNMENT

(i) *****

(ii) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(a) *****

(b) *****

(c) *****

(d) *****

8. GENERAL PROVISIONS APPLICABLE TO THIS LETTER AGREEMENT

Nothing contained in this Letter Agreement will *****

9. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller ***** , and any attempted assignment or transfer in contravention of the provisions of this Paragraph 9 will be void and of no force or effect.

10. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

11. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Patrick de Castelbajac
Patrick de Castelbajac
Its: Vice President Contracts

Accepted and Agreed

REPUBLIC AIRWAYS HOLDINGS INC.

By: /s/ Bryan Bedford
Bryan Bedford
Its: President

LA 3 SigPage

EXHIBIT A-3

A321 SPECIFICATION

The A321 Standard Specification is contained in a separate folder.

LA 3-10

APPENDIX 1 TO EXHIBIT A-3

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

LETTER AGREEMENT NO. 4

As of September 30, 2011

Republic Airways Holdings Inc.
8909 Purdue Road
Suite 300
Indianapolis, Indiana 46268

Re: SPECIFICATION MATTERS

Dear Ladies and Gentlemen,

REPUBLIC AIRWAYS HOLDINGS INC. (the “**Buyer**”) and AIRBUS S.A.S. (the “**Seller**”) have entered into an Airbus A320 Family Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 4 (the “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

LA 4-1

1. AIRCRAFT ENHANCEMENT

1.1 *****

1.2 *****

(i) *****

(ii) *****

(iii) *****

(iv) *****

(v) *****

2. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller *****, and any attempted assignment or transfer in contravention of the provisions of this Paragraph 2 will be void and of no force or effect.

3. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

4. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Patrick de Castelbajac
Patrick de Castelbajac
Its: Vice President Contracts

Accepted and Agreed

REPUBLIC AIRWAYS HOLDINGS INC.

By: /s/ Bryan Bedford
Bryan Bedford
Its: President

LA 4 SigPage

LETTER AGREEMENT NO. 5

As of September 30, 2011

Republic Airways Holdings Inc.
8909 Purdue Road
Suite 300
Indianapolis, Indiana 46268

Re: *****

Dear Ladies and Gentlemen,

REPUBLIC AIRWAYS HOLDINGS INC. (the “**Buyer**”) and AIRBUS S.A.S. (the “**Seller**”) have entered into an Airbus A320 Family Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 5 (the “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

1. *****

The following sub-clause will be added to Clause 21 of the Agreement:

QUOTE

21.6 *****

(a) *****

(b) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

LA 5-1

- (c) *****
- (d) *****
- (e) *****
 - (i) *****
 - (ii) *****
 - (A) *****
 - (B) *****
 - (C) *****
 - (D) *****

- (f) *****
- (g) *****
- (h) *****
- (i) *****
- (j) *****
- (k) *****
- (l) *****
- (m) *****
- (n) *****

UNQUOTE

2. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller ***** , and any attempted

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

assignment or transfer in contravention of the provisions of this Paragraph 2 will be void and of no force or effect.

3. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

4. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

LA 5-3

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Patrick de Castelbajac
Patrick de Castelbajac
Its: Vice President Contracts

Accepted and Agreed

REPUBLIC AIRWAYS HOLDINGS INC.

By: /s/ Bryan Bedford
Bryan Bedford
Its: President

LA 5 SigPage

LETTER AGREEMENT NO. 6A

As of September 30, 2011

Republic Airways Holdings Inc.
8909 Purdue Road
Suite 300
Indianapolis, Indiana 46268

Re: A320 AIRCRAFT PERFORMANCE GUARANTEE - NEO (CFM A320 LEAP-X ENGINES)

Dear Ladies and Gentlemen,

REPUBLIC AIRWAYS HOLDINGS INC. (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into an Airbus A320 Family Purchase Agreement of even date herewith (the "**Agreement**") which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 6A (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the A320 Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

LA 6A-1

1. **AIRCRAFT CONFIGURATION**

The guarantees defined in Paragraphs 2 and 3 below (the “**Guarantees**”) are applicable to the A320 Aircraft as described in the A320 Standard Specification ***** as amended by the ***** SCNs including:

- (i) *****
- (ii) *****
- (iii) *****

hereinafter referred to as the “**Specification**” without taking into account any further changes thereto as provided in the Agreement except as provided in paragraph 6 below (for purposes of this Letter Agreement No. 6A the “**A320 Aircraft**”).

2. ***** **GUARANTEES**

2.1 *****

2.1.1 *****

2.1.2 *****

2.1.3 *****

2.1.4 *****

2.1.5 *****

2.1.6 *****

2.1.7 *****

- 1) *****
- 2) *****
- 3) *****
- 4) *****

2.2 *****

2.2.1 *****

2.2.2 *****

2.2.3 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

2.2.4 *****

2.2.5 *****

2.2.6 *****

2.2.7 *****

1) *****

2) *****

3) *****

4) *****

2.3 *****

2.3.1 *****

2.3.2 *****

2.3.3 *****

2.3.4 *****

2.3.5 *****

2.3.6 *****

2.3.7 *****

1) *****

2) *****

3) *****

4) *****

2.4 *****

2.4.1 *****

2.4.2 *****

2.4.3 *****

2.4.4 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

2.4.5 *****

2.4.6 *****

2.4.7 *****

1) *****

2) *****

3) *****

4) *****

2.5 *****

3. ***** **GUARANTEE**

4. **GUARANTEE CONDITIONS**

4.1 *****

4.2 *****

4.3 *****

4.4 *****

4.5 *****

5. **GUARANTEE COMPLIANCE**

5.1 *****

5.2 *****

5.3 *****

5.3.1 *****

5.3.2 *****

5.4 *****

5.5 *****

5.6 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

6. ADJUSTMENT OF GUARANTEES

6.1 *****

6.2 *****

7. EXCLUSIVE GUARANTEES

8. *****

8.1 *****

8.1.1 *****

8.1.2 *****

8.2 *****

8.3 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

AIRBUS S.A.S.

By: /s/ Patrick de Castelbajac
Patrick de Castelbajac
Its: Vice President Contracts

REPUBLIC AIRWAYS HOLDINGS INC.

By: /s/ Bryan Bedford
Bryan Bedford
Its: President

LA 6A SigPage

APPENDIX 1

******* GUARANTEES**

1. *****

2. *****

i) *****

ii) *****

iii) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

LETTER AGREEMENT NO. 6B

As of September 30, 2011

Republic Airways Holdings Inc.
8909 Purdue Road
Suite 300
Indianapolis, Indiana 46268

Re: A319 AIRCRAFT PERFORMANCE GUARANTEE – NEO (CFM A319 LEAP-X ENGINES)

Dear Ladies and Gentlemen,

REPUBLIC AIRWAYS HOLDINGS INC. (the “**Buyer**”) and AIRBUS S.A.S. (the “**Seller**”) have entered into an Airbus A320 Family Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 6B (the “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the A319 Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

LA 6B-1

1. **AIRCRAFT CONFIGURATION**

The guarantees defined in Paragraphs 2 and 3 below (the “**Guarantees**”) are applicable to the A319 Aircraft as described in the A319 Standard Specification ***** as amended by the ***** SCNs including:

- (i) *****
 - (ii) *****
 - (iii) *****
- *****
- *****

hereinafter referred to as the “**Specification**” without taking into account any further changes thereto as provided in the Agreement except as provided in Paragraph 6 below (for purposes of this Letter Agreement No. 6C the “**A319 Aircraft**”).

2. ***** **GUARANTEES**

2.1 *****

2.1.1 *****

2.1.2 *****

2.1.3 *****

2.1.4 *****

2.1.5 *****

2.1.6 *****

2.1.7 *****

- 1) *****
- 2) *****
- 3) *****
- 4) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

2.2 *****

2.2.1 *****

2.2.2 *****

2.2.3 *****

2.2.4 *****

2.2.5 *****

2.2.6 *****

2.2.7 *****

1) *****

2) *****

3) *****

4) *****

2.3 *****

2.3.1 *****

2.3.2 *****

2.3.3 *****

2.3.4 *****

2.3.5 *****

2.3.6 *****

2.3.7 *****

1) *****

2) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

3) *****

4) *****

2.4 *****

2.4.1 *****

2.4.2 *****

2.4.3 *****

2.4.4 *****

2.4.5 *****

2.4.6 *****

2.4.7 *****

1) *****

2) *****

3) *****

4) *****

2.5 *****

3. ***** **GUARANTEE**

4. **GUARANTEE CONDITIONS**

4.1 *****

4.2 *****

4.3 *****

4.4 *****

4.5 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5. GUARANTEE COMPLIANCE

- 5.1 *****
- 5.2 *****
- 5.3 *****
- 5.3.1 *****
- 5.3.2 *****
- 5.4 *****
- 5.5 *****
- 5.6 *****

6. ADJUSTMENT OF GUARANTEES

- 6.1 *****
- 6.2 *****

7. EXCLUSIVE GUARANTEES

8. *****

8.1 *****

8.1.1 *****

8.1.2 *****

8.2 *****

8.3 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

AIRBUS S.A.S.

By: /s/ Patrick de Castelbajac
Patrick de Castelbajac
Title: Vice President Contracts

REPUBLIC AIRWAYS HOLDINGS INC.

By: /s/ Bryan Bedford
Bryan Bedford
Title: President

LA 6B SigPage

APPENDIX 1

******* GUARANTEES**

1. *****
 2. *****
 - i) *****
 - ii) *****
 - iii) *****
- *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

LETTER AGREEMENT NO. 7

As of September 30, 2011

Republic Airways Holdings Inc.
8909 Purdue Road
Suite 300
Indianapolis, Indiana 46268

Re: SUPPORT MATTERS

Dear Ladies and Gentlemen,

REPUBLIC AIRWAYS HOLDINGS INC. (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into an Airbus A320 Family Aircraft Purchase Agreement of even date herewith (the "**Agreement**") which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 7 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

LA 7-1

1. WARRANTIES AND SERVICE LIFE POLICY

Clause 12 of the Agreement is deleted in its entirety and is replaced with Clause 12 attached hereto as Appendix 1.

2. TECHNICAL DATA AND SOFTWARE SERVICES

Clause 14 of the Agreement is deleted in its entirety and is replaced with Clause 14 attached hereto as Appendix 2.

3. SELLER REPRESENTATIVE SERVICES

Clause 15 of the Agreement is deleted in its entirety and is replaced with Clause 15 attached hereto as Appendix 3.

4. TRAINING SUPPORT AND SERVICES

Clause 16 of the Agreement is deleted in its entirety and is replaced with Clause 16 attached hereto as Appendix 4.

5. EXHIBIT H – MATERIAL AND SUPPLY SERVICES

5.1 Paragraph 1.7.2 of Exhibit H to the Agreement is deleted in its entirety and is replaced with the following text:

QUOTE

1.7.2. *****

(i) *****

(ii) *****

(iii) *****

(iv) *****

UNQUOTE

5.2 Paragraph 4.1.1.1 of Exhibit H to the Agreement is deleted in its entirety and is replaced with the following text:

QUOTE

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

4.1.1.1 The warranty period for Seller Parts is ***** for new Seller Parts and ***** for used Seller Parts from delivery of such parts to the Buyer.

UNQUOTE

6. SOFTWARE *****

6.1 The Seller will ***** software for Airbus aircraft operated by the Buyer:

- (i) ADOC Web for Flight Operations, a documentation management software for ops manual,
- (ii) ADOC Web for Maintenance and Engineering, a documentation management software for technical data, and
- (iii) FEMIS, a flight efficiency management information systems software.

6.2 The Software ***** upon the Buyer's written request to the Seller, *****

- (i) *****
- (ii) *****
- (iii) *****
- (iv) *****
- (v) *****
- (vi) on *****.

6.3 The Software *****

7. SIMULATOR DATA PACKAGE *****

7.1 *****

7.2 *****

7.3 *****

8. RNP AR 0.3 *****

8.1 *****

8.2 *****.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

9. AIRMAN-WEB *****

9.1 ***** software for Airbus aircraft operated by the Buyer:

- (i) AIRMAN Web Health Monitoring Module – Foundation, and
- (ii) AIRMAN Web Health Monitoring Module – Advanced.

9.2 *****

- (i) *****,
- (ii) *****,
- (iii) *****,
- (iv) *****
- (v) *****.

9.3 *****

10. TECHNICAL DATA

10.1 ***** for Airbus aircraft operated by the Buyer:

- (i) A320 Family Technical Data Package,
- (ii) A320 Flight Operations Technical Data, and
- (iii) A320 Performance Engineering Program Package
- (iv) *****.

10.2 *****

- (i) *****
- (ii) *****
- (iii) *****
- (iv) *****
- (v) *****
- (vi) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

10.3 *****

11. COMPUTER BASED TRAINING *****

11.1 *****

- (i) CBT – Flight Crew Courseware & License
- (ii) CBT – Cabin Crew Courseware & License
- (iii) CBT – Maintenance Courseware & License

11.2 *****

12. AOG AND CRITICAL WORK STOPPAGE *****

On the date hereof, Seller agrees to amend the agreement between Airbus Americas Customer Support, Inc. and Frontier / Republic Airlines for AOG Order Management, dated June 2010 and executed by the parties thereto on September 28, 2010 and September 29, 2010, respectively (the “**Order Management Agreement**”). The Seller agrees that such amendment to the Order Management Agreement will, *****

13. *****

14. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller *****, and any attempted assignment or transfer in contravention of the provisions of this Paragraph 14 will be void and of no force or effect.

15. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

16. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Patrick de Castelbajac
Patrick de Castelbajac

Its: Vice President Contracts

Accepted and Agreed

REPUBLIC AIRWAYS HOLDINGS INC.

By: /s/ Bryan Bedford
Bryan Bedford

Its: President

LA 7 SigPage

12. WARRANTIES AND SERVICE LIFE POLICY

This Clause covers the terms and conditions of the warranty and service life policy.

12.1 Standard Warranty**12.1.1 Nature of Warranty**

12.1.1.1 For the purpose of this Agreement the term “**Warranted Part**” will mean any Seller proprietary component, equipment, accessory or part, which is installed on an Aircraft at Delivery thereof and

- (i) which is manufactured to the detailed design of the Seller or a subcontractor of the Seller and
- (ii) which bears a part number of the Seller at the time of such Delivery.

For the avoidance of doubt, “**Warranted Parts**” shall include, among other things, the parts listed on Exhibit F hereto.

12.1.1.2 Subject to the conditions and limitations as hereinafter provided for and except as provided for in Clause 12.1.2, the Seller warrants to the Buyer that each Aircraft and each Warranted Part will at Delivery to the Buyer be free from defects:

- (i) in material;
- (ii) in workmanship, including without limitation processes of manufacture;
- (iii) in design (including without limitation the selection of materials) having regard to the state of the art at the date of such design; and
- (iv) arising from failure to conform to the Specification, except to those portions of the Specification relating to performance or where it is expressly stated that they are estimates or approximations or design aims.

12.1.2 Exclusions

The warranties set forth in Clause 12.1.1 will not apply to Buyer Furnished Equipment, nor to the Propulsion System, nor to any component, equipment, accessory or part installed on the Aircraft at Delivery that is not a Warranted Part except that:

- (i) any defect in the Seller’s workmanship in respect of the installation of such items in the Aircraft, including any failure by the Seller to conform to the installation instructions of the manufacturers of such items, that invalidates any applicable warranty from such manufacturers, will constitute a defect in workmanship for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1.2(ii); and

- (ii) any defect inherent in the Seller's design of the installation, in consideration of the state of the art at the date of such design, which impairs the use of such items, will constitute a defect in design for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1.2(iii).

12.1.3 Warranty Period

The warranties set forth in Clauses 12.1.1 and 12.1.2 will be limited to those defects that become apparent within ***** after Delivery of the affected Aircraft (the "**Warranty Period**").

12.1.4 Limitations of Warranty

12.1.4.1 The Buyer's remedy and the Seller's obligation and liability under Clauses 12.1.1 and 12.1.2 are limited to, at the Seller's expense and option, the repair, replacement or correction of any Warranted Part which is defective (or to the supply of modification kits, rectifying the defect), together with a credit to the Buyer's account with the Seller of an amount equal to the mutually agreed direct labor costs expended in performing the removal and reinstallation thereof on the Aircraft at the labor rate defined in Clause 12.1.7.5.

The Seller may alternatively furnish to the Buyer's account with the Seller a credit equal to the price at which the Buyer is then entitled to purchase a replacement for the defective Warranted Part.

12.1.4.2 In the event of a defect covered by Clauses 12.1.1.2(iii), 12.1.1.2(iv) and 12.1.2(ii) becoming apparent within the Warranty Period, the Seller shall also, if so requested by the Buyer in writing and the Seller agrees, correct such defect in any Aircraft which has not yet been delivered to the Buyer, *****.

12.1.4.3 Cost of Inspection

In addition to the remedies set forth in Clauses 12.1.4.1 and 12.1.4.2, the Seller will reimburse the direct labor costs incurred by the Buyer in performing inspections of the Aircraft to determine whether or not a defect exists in any Warranted Part within the Warranty Period subject to the following conditions:

- (i) such inspections are recommended by a Seller Service Bulletin to be performed within the Warranty Period;
- (ii) the reimbursement will not apply for any inspections performed as an alternative to accomplishing corrective action as recommended by the Seller prior to the date of such inspection.
- (iii) the labor rate for the reimbursement will be the Inhouse Warranty Labor Rate, and

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (iv) the manhours used to determine such reimbursement will not exceed the Seller's ***** estimate of the manhours required for such inspections.

12.1.5 Warranty Claim Requirements

The Buyer's remedy and the Seller's obligation and liability under this Clause 12.1 with respect to any warranty claim submitted by the Buyer (each a "**Warranty Claim**") are subject to the following conditions:

- (i) the defect having become apparent within the Warranty Period;
- (ii) the Buyer having filed a warranty claim within ***** of discovering the defect;
- (iii) *****;
- (iv) the Seller having received a Warranty Claim complying with the provisions of Clause 12.1.6 below.

12.1.6 Warranty Administration

The warranties set forth in Clause 12.1 will be administered as hereinafter provided for:

12.1.6.1 Claim Determination

Seller shall use commercially reasonable efforts to advise Buyer of Seller's determination as to whether any claimed defect in any Warranted Part is a valid Warranty Claim within 30 days after the submission of such Warranty Claim. Such determination will be based upon the claim details, reports from the Seller's Representatives, historical data logs, inspections, tests, findings during repair, defect analysis and other relevant documents.

12.1.6.2 Transportation Costs

The cost of transporting a Warranted Part claimed to be defective to the facilities designated by the Seller and for the return therefrom of a repaired or replaced Warranted Part will be *****

12.1.6.3 Return of an Aircraft

If the Buyer and the Seller mutually agree, prior to such return, that it is necessary to return an Aircraft to the Seller for consideration of a Warranty Claim, the Seller ***** The Buyer will make reasonable efforts to minimize the duration of the corresponding flights.

12.1.6.4 On Aircraft Work by the Seller

If the Seller determines that a defect subject to this Clause 12.1 justifies the dispatch by the Seller of a working team to repair or correct such defect through the embodiment of

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one or several Seller's Service Bulletins at the Buyer's facilities, or if the Seller accepts the return of an Aircraft to perform or have performed such repair or correction, then the *****.

The condition which has to be fulfilled for on-Aircraft work by the Seller is that, in the reasonable opinion of the Seller, the work necessitates the technical expertise of the Seller as manufacturer of the Aircraft.

If said condition is fulfilled and if the Seller is requested to perform the work, the Seller and the Buyer will agree on a schedule and place for the work to be performed.

12.1.6.5 Warranty Claim Substantiation

Each Warranty Claim filed by the Buyer under this Clause 12.1 will contain at least the following data:

- (i) description of defect,
- (ii) date of Buyer's discovery of defect and/or removal date,
- (iii) description of Warranted Part claimed to be defective,
- (iv) part number,
- (v) serial number (if applicable),
- (vi) position on Aircraft,
- (vii) total flying hours or calendar time, as applicable, at the date of defect appearance,
- (viii) time since last shop visit at the date of defect discovery,
- (ix) Manufacturer Serial Number of the Aircraft and/or its registration number,
- (x) Aircraft total flying hours and/or number of landings at the date of defect discovery,
- (xi) Warranty Claim number,
- (xii) date of Warranty Claim,
- (xiii) Delivery Date of Aircraft or Warranted Part to the Buyer,

Warranty Claims are to be addressed as follows:

AIRBUS
CUSTOMER SERVICES DIRECTORATE

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WARRANTY ADMINISTRATION

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12.1.6.6 Replacements

Replaced components, equipment, accessories or parts will become the Seller's property effective upon installation of the replacement on the Aircraft.

Title to and risk of loss of any Aircraft, component, accessory, equipment or part subject to a Warranty Claim and returned by the Buyer to the Seller will at all times remain with the Buyer, except that:

- (i) when the Seller has possession of a returned Aircraft, component, accessory, equipment or part to which the Buyer has title, the Seller will have such responsibility therefor as is chargeable by law to a bailee for hire, but the Seller will not be liable for loss of use; and
- (ii) title to and risk of loss of a component, accessory, equipment or part subject to a Warranty Claim will pass to the Seller upon shipment by the Seller to the Buyer of any item furnished by the Seller to the Buyer as a replacement therefor.

Upon the Seller's shipment to the Buyer of any replacement component, accessory, equipment or part provided by the Seller pursuant to this Clause 12.1, title to and risk of loss of such replacement component, accessory, equipment or part will pass to the Buyer.

12.1.6.7 Rejection

The Seller will provide reasonable written substantiation in case of rejection of a Warranty Claim.

12.1.6.8 Inspection

The Seller will have the right to inspect the affected Aircraft, Aircraft technical documents and other records relating thereto in the event of any Warranty Claim under this Clause 12.1 *****.

12.1.7 Inhouse Warranty

12.1.7.1 Seller's Authorization

The Seller hereby authorizes the Buyer to repair Warranted Parts at the Buyer's option ("**Inhouse Warranty**") subject to the terms of this Clause 12.1.7.

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12.1.7.2 Conditions for Seller's Authorization

The Buyer will be entitled to repair such Warranted Parts:

- (i) provided the Buyer notifies the Seller of its intention to perform Inhouse Warranty repairs before any such repairs are started where the estimated cost of such repair is in excess of *****. The Buyer's notification will include sufficient detail regarding the defect, estimated labor hours and material to allow the Seller to ascertain the reasonableness of the estimate. The Seller agrees to use all reasonable efforts to ensure a prompt response and will not unreasonably withhold authorization;
- (ii) if adequate facilities and qualified personnel are available to the Buyer;
- (iii) if repairs are performed in accordance with the Seller's Technical Data or written instructions; and
- (iv) only to the extent specified by the Seller, or, in the absence of such specification, to the extent reasonably necessary to correct the defect, in accordance with the standards set forth in Clause 12.1.10.

12.1.7.3 Seller's Rights

The Seller will have the right to require the return of any Warranted Part, or any part removed therefrom, which is claimed to be defective if, in the reasonable judgment of the Seller, the nature of the claimed defect requires technical investigation. Such return will be subject to the provisions of Clause 12.1.6.2. Furthermore, the Seller will have the right to have a Seller representative present during the disassembly, inspection and testing of any Warranted Part claimed to be defective, subject to such presence being practical and not unduly delaying the repair.

12.1.7.4 Inhouse Warranty Claim Substantiation

Claims for Inhouse Warranty credit will be filed within the time period set forth in 12.1.5(ii) and will contain the same information as that required for Warranty Claims under Clause 12.1.6.5 and in addition will include:

- (i) a report of technical findings with respect to the defect,
- (ii) for parts required to remedy the defect:
 - part numbers, serial numbers (if applicable),
 - parts description,
 - quantity of parts,
 - unit price of parts,
 - related Seller's or third party's invoices (if applicable),

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- total price of parts,
- (iii) detailed number of labor hours,
- (iv) Inhouse Warranty Labor Rate,
- (v) total claim value.

12.1.7.5

The Buyer's sole remedy and the Seller's sole obligation and liability with respect to Inhouse Warranty Claims will be *****, determined as set forth below:

- (i) to determine direct labor costs, only manhours spent on removal from the Aircraft, disassembly, inspection, repair, reassembly, final inspection and test of the Warranted Part and reinstallation thereof on the Aircraft will be counted. Any manhours required for maintenance work concurrently being carried out on the Aircraft or the Warranted Part will not be included.
- (ii) *****

The Inhouse Warranty Labor Rate *****. ***** will have the meanings defined in the Seller's Price Revision Formula set forth in Exhibit C to the Agreement, *****

- (iii) *****

12.1.7.6

Limitation

The Buyer will in no event be credited for repair costs (including labor and material) for any Warranted Part in excess of ***** of the Seller's current catalogue price for a replacement of such defective Warranted Part.

12.1.7.7

Scrapped Material

The Buyer will retain any defective Warranted Part beyond economic repair and any defective part removed from a Warranted Part during repair for a period of either ***** after the date of completion of the repair or ***** after submission of a claim for Inhouse Warranty credit relating thereto, whichever is longer. Such parts will be returned to the Seller within ***** of receipt of the Seller's request to that effect.

Notwithstanding the foregoing, the Buyer may scrap any such defective parts, which are beyond economic repair and not required for technical evaluation locally, with the agreement of the Seller Representative(s).

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Scrapped Warranted Parts will be evidenced by a record of scrapped material certified by an authorized representative of the Buyer and will be kept in the Buyer's file for a least the duration of the applicable Warranty Period.

12.1.8 Standard Warranty in case of Pooling or Leasing Arrangements

Without prejudice to Clause 21.1, the warranties provided for in this Clause 12.1 for any Warranted Part will accrue to the benefit of any airline in revenue service, other than the Buyer, if the Warranted Part enters into the possession of any such airline as a result of a pooling or leasing agreement between such airline and the Buyer, in accordance with the terms and subject to the limitations and exclusions of the foregoing warranties and to the extent permitted by any applicable law or regulations.

12.1.9 Warranty for Corrected, Replaced or Repaired Warranted Parts

Whenever any Warranted Part, which contains a defect for which the Seller is liable under Clause 12.1, has been corrected, replaced or repaired pursuant to the terms of this Clause 12.1, the period of the Seller's warranty with respect to such corrected, repaired or replacement Warranted Part, whichever the case may be, *****.

If a defect is attributable to a defective repair or replacement by the Buyer, a Warranty Claim with respect to such defect will be rejected, notwithstanding any subsequent correction or repair, and will immediately terminate the remaining warranties under this Clause 12.1 in respect of the affected Warranted Part.

12.1.10 Accepted Industry Standard Practices Normal Wear and Tear

The Buyer's rights under this Clause 12.1 are subject to the Aircraft and each component, equipment, accessory and part thereof being maintained, overhauled, repaired and operated in accordance with accepted industry standard practices, all Technical Data and any other instructions generally applicable to, and generally adopted by, operators of aircraft of the same model as the Aircraft issued by the Seller, the Suppliers and the Propulsion System Manufacturer and all applicable rules, regulations and directives of the relevant Aviation Authorities, *****.

The Seller's liability under this Clause 12.1 will not extend to normal wear and tear or to:

- (i) any Aircraft or component, equipment, accessory or part thereof, which has been repaired, altered or modified after Delivery, except by the Seller or in a manner approved by the Seller unless Buyer furnishes evidence reasonably satisfactory to the Seller that such repair, alteration or modification was not a cause of the applicable defect;
- (ii) any Aircraft or component, equipment, accessory or part thereof, which has been operated in a damaged state, unless Buyer furnishes evidence reasonably

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satisfactory to the Seller that such operation was not a cause of the applicable defect; or

- (iii) any component, equipment, accessory and part from which the trademark, name, part or serial number or other identification marks have been removed.

12.1.11 DISCLAIMER OF SELLER LIABILITY

THE SELLER WILL NOT BE LIABLE FOR, AND THE BUYER WILL INDEMNIFY THE SELLER AGAINST, THE CLAIMS OF ANY THIRD PARTIES FOR LOSSES DUE TO ANY DEFECT, NONCONFORMANCE OR PROBLEM OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH ANY REPAIR OF WARRANTED PARTS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12.1, WHETHER SUCH CLAIM IS ASSERTED IN CONTRACT OR IN TORT, OR IS PREMISED ON ALLEGED, ACTUAL, IMPUTED, ORDINARY OR INTENTIONAL ACTS OR OMISSIONS OF THE BUYER OR THE SELLER.

12.2 Seller Service Life Policy

In addition to the warranties set forth in Clause 12.1, the Seller further agrees that should a Failure occur in any Item (as these terms are defined herein below) that has not suffered from an extrinsic force then, subject to the general conditions and limitations set forth in Clause 12.2.4, the provisions of this Clause 12.2 will apply.

For the purposes of this Clause 12.2:

- (i) **“Item”** means any item listed in Exhibit F;
- (ii) **“Failure”** means a breakage or defect that can reasonably be expected to occur on a fleetwide basis and which materially impairs the utility of the Item.

12.2.2 Periods and Seller’s Undertakings

Subject to the general conditions and limitations set forth in Clause 12.2.4, the Seller agrees that if a Failure occurs in an Item ***** after the Delivery of said Aircraft in which such Item was originally installed, the Seller will, at its discretion and as promptly as practicable and with the Seller’s financial participation as hereinafter provided, either:

- (a) design and furnish to the Buyer a correction for such Item with a Failure and provide any parts required for such correction (including Seller designed standard parts but excluding industry standard parts), or
- (b) replace such Item.

12.2.3 Seller’s Participation in the Costs

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Subject to the general conditions and limitations set forth in Clause 12.2.4, any part or Item that the Seller is required to furnish to the Buyer under this Service Life Policy in connection with the correction or replacement of an Item will be furnished to the Buyer ***** therefor, ***** determined in accordance with the following formula:

12.2.4 General Conditions and Limitations

12.2.4.1 The undertakings set forth in this Clause 12.2 will be valid after the period of the Seller's warranty applicable to an Item under Clause 12.1.

12.2.4.2 The Buyer's remedies and the Seller's obligations and liabilities under this Service Life Policy are subject to the prior compliance by the Buyer with the following conditions:

- (i) the Buyer will maintain log books and other historical records with respect to each Item, adequate to enable the Seller, acting reasonably, to determine whether the alleged Failure is covered by this Service Life Policy and, if so, to define the portion of the costs to be borne by the Seller in accordance with Clause 12.2.3;
- (ii) the Buyer will keep the Seller informed of any significant incidents relating to an Aircraft, howsoever occurring or recorded;
- (iii) the Buyer will comply with the conditions of Clause 12.1.10;
- (iv) the Buyer will implement specific structural inspection programs for monitoring purposes as may be established from time to time by the Seller generally applicable and generally adopted by operators of the same model of aircraft. Such programs will be as compatible as possible with the Buyer's operational requirements and will be carried out at the Buyer's expense. Reports relating thereto will be regularly furnished to the Seller;
- (v) the Buyer will report any breakage or defect in a Item in writing to the Seller within ***** after such breakage or defect is discovered by Buyer, whether or not said breakage or defect can reasonably be expected to occur in any other aircraft, and the Buyer will have provided to the Seller sufficient detail on the breakage or defect to enable the Seller, acting reasonably, to determine whether said breakage or defect is subject to this Service Life Policy.

12.2.4.3 Except as otherwise provided for in this Clause 12.2, any claim under this Service Life Policy will be administered as provided for in, and will be subject to the terms and conditions of, Clause 12.1.6.

12.2.4.4 In the event of the Seller having issued a modification applicable to an Aircraft, the purpose of which is to avoid a Failure, the Seller may elect to supply the necessary

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modification kit *****. If such a kit is so offered to the Buyer, then, to the extent of such Failure and any Failures that could ensue therefrom, the validity of the Seller's commitment under this Clause 12.2 will be subject to the Buyer incorporating such modification in the relevant Aircraft, as promulgated by the Seller and in accordance with the Seller's instructions, within a reasonable time.

12.2.4.5 THIS SERVICE LIFE POLICY IS NEITHER A WARRANTY, PERFORMANCE GUARANTEE, NOR AN AGREEMENT TO MODIFY ANY AIRCRAFT OR AIRFRAME COMPONENTS TO CONFORM TO NEW DEVELOPMENTS OCCURRING IN THE STATE OF AIRFRAME DESIGN AND MANUFACTURING ART. THE SELLER'S OBLIGATION UNDER THIS CLAUSE 12.2 IS TO MAKE ONLY THOSE CORRECTIONS TO THE ITEMS OR FURNISH REPLACEMENTS THEREFOR AS PROVIDED FOR IN THIS CLAUSE 12.2. THE BUYER'S SOLE REMEDY AND RELIEF FOR THE NON-PERFORMANCE OF ANY OBLIGATION OR LIABILITY OF THE SELLER ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY WILL BE IN A CREDIT FOR GOODS AND SERVICES (NOT INCLUDING AIRCRAFT), LIMITED TO THE AMOUNT THE BUYER REASONABLY EXPENDS IN PROCURING A CORRECTION OR REPLACEMENT FOR ANY ITEM THAT IS THE SUBJECT OF A FAILURE COVERED BY THIS SERVICE LIFE POLICY AND TO WHICH SUCH NON-PERFORMANCE IS RELATED, LESS THE AMOUNT THAT THE BUYER OTHERWISE WOULD HAVE BEEN REQUIRED TO PAY UNDER THIS CLAUSE 12.2 IN RESPECT OF SUCH CORRECTED OR REPLACEMENT ITEM. WITHOUT LIMITING THE EXCLUSIVITY OF WARRANTIES AND GENERAL LIMITATIONS OF LIABILITY PROVISIONS SET FORTH IN CLAUSE 12.5, THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL CLAIMS TO ANY FURTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES, ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY.

12.3 Supplier Warranties and Service Life Policies

Prior to or at Delivery of the first Aircraft, the Seller will provide the Buyer, in accordance with the provisions of Clause 17, with the warranties and, where applicable, service life policies that the Seller has obtained for Supplier Parts pursuant to the Supplier Product Support Agreements.

12.3.1 Definitions

12.3.1.1 "**Supplier**" means any supplier of Supplier Parts.

12.3.1.2 "**Supplier Part**" means any component, equipment, accessory or part installed in an Aircraft at the time of Delivery thereof and for which there exists a Supplier Product Support Agreement. For the sake of clarity, Propulsion System and Buyer Furnished Equipment and other equipment selected by the Buyer to be supplied by suppliers with

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whom the Seller has no existing enforceable warranty agreements are not Supplier Parts.

12.3.1.3 “**Supplier Product Support Agreements**” means agreements between the Seller and Suppliers, as described in Clause 17.1.2, containing enforceable and transferable warranties and, in the case of landing gear suppliers, service life policies for selected structural landing gear elements.

12.3.2 Supplier’s Default

12.3.2.1 *****

12.3.2.2 *****

12.3.2.3 *****

12.4 Interface Commitment

12.4.1 Interface Problem

If the Buyer experiences any technical problem in the operation of an Aircraft or its systems due to a malfunction, the cause of which, after due and reasonable investigation, is not readily identifiable by the Buyer but which the Buyer reasonably believes to be attributable to the design characteristics of one or more components of the Aircraft

(“**Interface Problem**”), the Seller will, if so requested by the Buyer, and without additional charge to the Buyer except for transportation of the Seller’s or its designee’s personnel to the Buyer’s facilities, promptly conduct or have conducted an investigation and analysis of such problem to determine, if possible, the cause or causes of the problem and to recommend such corrective action as may be feasible. The Buyer will furnish to the Seller all data and information in the Buyer’s possession relevant to the Interface Problem and will cooperate with the Seller in the conduct of the Seller’s investigations and such tests as may be required.

At the conclusion of such investigation, the Seller will promptly advise the Buyer in writing of the Seller’s opinion as to the cause or causes of the Interface Problem and the Seller’s recommendations as to corrective action.

12.4.2 Seller’s Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of a Warranted Part, the Seller will, if so requested by the Buyer and pursuant to the terms and conditions of Clause 12.1, correct the design of such Warranted Part to the extent of the Seller’s obligation as defined in Clause 12.1.

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12.4.3 Supplier's Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of any Supplier Part, the Seller will, if so requested by the Buyer, reasonably assist the Buyer in processing any warranty claim the Buyer may have against the Supplier.

12.4.4 Joint Responsibility

If the Seller determines that the Interface Problem is attributable partially to the design of a Warranted Part and partially to the design of any Supplier Part, the Seller will, if so requested by the Buyer, seek a solution to the Interface Problem through cooperative efforts of the Seller and any Supplier involved.

The Seller will promptly advise the Buyer of such corrective action as may be proposed by the Seller and any such Supplier. Such proposal will be consistent with any then existing obligations of the Seller hereunder and of any such Supplier towards the Buyer. Such corrective action, unless reasonably rejected by the Buyer, will constitute full satisfaction of any claim the Buyer may have against either the Seller or any such Supplier with respect to such Interface Problem.

12.4.5 General

12.4.5.1 All requests under this Clause 12.4 will be directed to both the Seller and the affected Supplier.

12.4.5.2 Except as specifically set forth in this Clause 12.4, this Clause will not be deemed to impose on the Seller any obligations not expressly set forth elsewhere in this Agreement.

12.4.5.3 All reports, recommendations, data and other documents furnished by the Seller to the Buyer pursuant to this Clause 12.4 will be deemed to be delivered under this Agreement and will be subject to the terms, covenants and conditions set forth in this Clause 12 and in Clause 22.11.

12.5 *****

- (i) *****
- (ii) *****
- (iii) *****
- (iv) *****
- (v) *****

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(vi) *****

(vii) *****

(a) *****

(b) *****

(c) *****

(d) *****

12.6 Duplicate Remedies

The remedies provided to the Buyer under Clause 12.1 and Clause 12.2 as to any defect in respect of the Aircraft or any part thereof are mutually exclusive and not cumulative. The Buyer will be entitled to the remedy that provides the maximum benefit to it, as the Buyer may elect, pursuant to the terms and conditions of this Clause 12 for any particular defect for which remedies are provided under this Clause 12; provided, however, that the Buyer will not be entitled to elect a remedy under both Clause 12.1 and Clause 12.2 for the same defect. The Buyer's rights and remedies herein for the nonperformance of any obligations or liabilities of the Seller arising under these warranties will be in monetary damages limited to the amount the Buyer expends in procuring a correction or replacement for any covered part subject to a defect or nonperformance covered by this Clause 12, and the Buyer will not have any right to require specific performance by the Seller.

12.7 Negotiated Agreement

The Buyer specifically recognizes that:

- (i) the Specification has been agreed upon after careful consideration by the Buyer using its judgment as a professional operator of aircraft used in public transportation and as such is a professional within the same industry as the Seller;
- (ii) this Agreement, and in particular this Clause 12, has been the subject of discussion and negotiation and is fully understood by the Buyer; and
- (iii) the price of the Aircraft and the other mutual agreements of the Buyer set forth in this Agreement were arrived at in consideration of, inter alia, the provisions of this Clause 12, specifically including the waiver, release and renunciation by the Buyer set forth in Clause 12.5.

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12.8 Disclosure to Third Party Entity

In the event of the Buyer intending to designate a third party entity (a "**Third Party Entity**") to administer this Clause 12, the Buyer will notify the Seller of such intention prior to any disclosure of this Clause to the selected Third Party Entity and will cause such Third Party Entity to enter into a confidentiality agreement and or any other relevant documentation with the Seller solely for the purpose of administrating this Clause 12.

12.9 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 12 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent, which will not be unreasonably withheld.

Any transfer in violation of this Clause 12.9 will, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 12 and any and all other warranties that might arise under or be implied in law.

14. TECHNICAL DATA AND SOFTWARE SERVICES

14.1 Scope

This Clause 14 covers the terms and conditions for the supply of technical data (hereinafter “**Technical Data**”) and software services described hereunder (hereinafter “**Software Services**”) to support the Aircraft operation.

14.1.1 The Technical Data will be supplied in the English language using the aeronautical terminology in common use.

14.1.2 Range, form, type, format, quantity and delivery schedule of the Technical Data to be provided under this Agreement are outlined in Exhibit G hereto.

14.2 Aircraft Identification for Technical Data

14.2.1 For those Technical Data that are customized to the Buyer’s Aircraft, the Buyer agrees to the allocation of fleet serial numbers (“**Fleet Serial Numbers**”) in the form of block of numbers selected in the range from 001 to 999.

14.2.2 The sequence will not be interrupted unless two (2) different Propulsion Systems or two (2) different models of Aircraft are selected.

14.2.3 The Buyer will indicate to the Seller the Fleet Serial Number allocated to each Aircraft corresponding to the delivery schedule set forth in Clause 9.1 no later than ***** before the Scheduled Delivery Month of the first Aircraft. Neither the designation of such Fleet Serial Numbers nor the subsequent allocation of the Fleet Serial Numbers to Manufacturer Serial Numbers for the purpose of producing certain customized Technical Data will constitute any property, insurable or other interest of the Buyer in any Aircraft prior to the Delivery of such Aircraft as provided for in this Agreement.

The customized Technical Data that are affected thereby are the following:

- (i) Aircraft Maintenance Manual,
- (ii) Illustrated Parts Catalogue,
- (iii) Trouble Shooting Manual,
- (iv) Aircraft Wiring Manual,
- (v) Aircraft Schematics Manual,
- (vi) Aircraft Wiring Lists.

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- 14.3 Integration of Equipment Data
- 14.3.1 Supplier Equipment
Information, including revisions, relating to Supplier equipment that is installed on the Aircraft at Delivery, or through Airbus Service Bulletins thereafter, will be introduced into the customized Technical Data to the extent necessary for understanding of the affected systems, *****.
- 14.3.2 Buyer Furnished Equipment
- 14.3.2.1 The Seller will introduce Buyer Furnished Equipment data for Buyer Furnished Equipment that is installed on the Aircraft by the Seller (hereinafter “**BFE Data**”) into the customized Technical Data, ***** for the initial issue of the Technical Data provided at or before Delivery of the first Aircraft, provided such BFE Data is provided in accordance with the conditions set forth in Clauses 14.3.2.2 through 14.3.2.6.
- 14.3.2.2 The Buyer will supply the BFE Data to the Seller at least ***** prior to the Scheduled Delivery Month of the first Aircraft.
- 14.3.2.3 The Buyer will supply the BFE Data to the Seller in English and will be established in compliance with the then applicable revision of ATA iSpecification 2200 (iSpec 2200), Information Standards for Aviation Maintenance.
- 14.3.2.4 The Buyer and the Seller will agree on the requirements for the provision to the Seller of BFE Data for “on-aircraft maintenance”, such as but not limited to timeframe, media and format in which the BFE Data will be supplied to the Seller, in order to manage the BFE Data integration process in an efficient, expeditious and economic manner.
- 14.3.2.5 The BFE Data will be delivered in digital format (SGML) and/or in Portable Document Format (PDF), as agreed between the Buyer and the Seller.
- 14.3.2.6 All costs related to the delivery to the Seller of the applicable BFE Data *****
- 14.4 Supply
- 14.4.1 Technical Data will be supplied on-line and/or off-line, as set forth in Exhibit G hereto.
- 14.4.2 The Buyer ***** for any unused or only partially used Technical Data supplied pursuant to this Clause 14.
- 14.4.3 Delivery
- 14.4.3.1 For Technical Data provided off-line, such Technical Data and corresponding revisions will be sent to up to two (2) addresses as indicated by the Buyer.

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- 14.4.3.2 Technical Data provided off-line will be delivered by the Seller at the Buyer's named place of destination under DDU conditions.
- 14.4.3.3 The Technical Data will be delivered as provided in Exhibit G hereto. The Buyer will provide no less than ***** notice when requesting a change to such delivery schedule.
- 14.4.3.4 It will be the responsibility of the Buyer to coordinate and satisfy local Aviation Authorities' requirements with respect to Technical Data. Reasonable quantities of such Technical Data will be supplied by the Seller at no charge to the Buyer at the Buyer's named place of destination.
- Notwithstanding the foregoing, and in agreement with the relevant Aviation Authorities, preference will be given to the on-line access to such Buyer's Technical Data through AirbusWorld.
- 14.5 Revision Service
- For each firmly ordered Aircraft covered under this Agreement, revision service for the Technical Data will be provided ***** (each a "**Revision Service Period**").
- Thereafter revision service will be provided in accordance with the terms and conditions set forth in the Seller's then current Customer Services Catalog.
- 14.6 Service Bulletins (SB) Incorporation
- During Revision Service Period and upon the Buyer's request, which will be made ***** of the applicable Service Bulletin, Seller Service Bulletin information will be incorporated into the Technical Data, provided that the Buyer notifies the Seller through the relevant AirbusWorld on-line Service Bulletin Reporting application that it intends to accomplish such Service Bulletin. The split effectivity for the corresponding Service Bulletin will remain in the Technical Data until notification from the Buyer that embodiment has been completed on all of the Buyer's Aircraft. The foregoing is applicable for Technical Data relating to maintenance only. For operational Technical Data either the pre or post Service Bulletin status will be shown.
- 14.7 Technical Data Familiarization
- Upon request by the Buyer, the Seller will provide up to ***** of Technical Data familiarization training at the Seller's or the Buyer's facilities (as elected by Buyer). The basic familiarization course is tailored for maintenance and engineering personnel.
- 14.8 Customer Originated Changes (COC)
- If the Buyer wishes to introduce Buyer originated data (hereinafter "**COC Data**") into any of the customized Technical Data that are identified as eligible for such incorporation

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in the Seller's then current Customer Services Catalog, the Buyer will notify the Seller of such intention.

The incorporation of any COC Data will be performed under the methods and tools for achieving such introduction and the conditions specified in the Seller's then current Customer Services Catalog.

14.9 AirN@v Family products

14.9.1 The Technical Data listed herebelow are provided on DVD and include integrated software (hereinafter together referred to as "**AirN@v Family**").

14.9.2 The AirN@v Family covers several Technical Data domains, reflected by the following AirN@v Family products:

- (i) AirN@v / Maintenance,
- (ii) AirN@v / Planning,
- (iii) AirN@v / Repair,
- (iv) AirN@v/Workshop,
- (v) AirN@v/Associated Data,
- (vi) AirN@v / Engineering.

14.9.3 Further details on the Technical Data included in such products are set forth in Exhibit G.

14.9.4 The licensing conditions for the use of AirN@v Family integrated software will be set forth in a separate agreement to be executed by the parties the earlier of ***** the "**End-User License Agreement for Airbus Software**".

14.9.5 The revision service and the license to use AirN@v Family products will be granted *****.

14.10 On-Line Technical Data

14.10.1 The Technical Data defined in Exhibit G as being provided on-line will be made available to the Buyer through the Airbus customer portal AirbusWorld ("**AirbusWorld**") as set forth in a separate agreement to be executed by the parties the earlier of *****.

14.10.2 Access to Technical Data through AirbusWorld will be ***** Revision Service Period.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 14.10.3 Access to AirbusWorld will be subject to the General Terms and Conditions of Access to and Use of AirbusWorld (hereinafter the “GTC”), as set forth in a separate agreement to be executed by the parties the earlier of *****.
- 14.10.4 The list of the Technical Data provided on-line may be extended from time to time. For any Technical Data which is or becomes available on-line, the Seller reserves the right to eliminate other formats for the concerned Technical Data, except to the extent that Technical Data is required to be in a certain format under applicable FAA requirements.
- 14.10.5 Access to AirbusWorld will be granted ***** for the Technical Data related to the Aircraft which will be operated by the Buyer.
- 14.10.6 For the sake of clarification, Technical Data accessed through AirbusWorld – which access will be covered by the terms and conditions set forth in the GTC – will remain subject to the conditions of this Clause 14.

In addition, should AirbusWorld provide access to Technical Data in software format, the use of such software will be subject to the conditions of the End-User License Agreement for Airbus Software.

14.11 Waiver, Release and Renunciation

The Seller warrants that the Technical Data and Software Services are prepared in accordance with the state of the art at the date of their development. Should any Technical Data or Software Services prepared by the Seller contain a non-conformity or defect, the sole and exclusive liability of the Seller will be to take all reasonable and proper steps to correct such Technical Data or Software Services. Irrespective of any other provisions herein, no warranties of any kind will be given for the Customer Originated Changes, as set forth in Clause 14.8.

THE WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER (AS DEFINED BELOW FOR THE PURPOSES OF THIS CLAUSE) AND REMEDIES OF THE BUYER SET FORTH IN THIS CLAUSE 14 ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER AND RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, EXPRESS OR IMPLIED, ARISING BY LAW, CONTRACT OR OTHERWISE, WITH RESPECT TO ANY NON-CONFORMITY OR DEFECT OF ANY KIND, IN ANY TECHNICAL DATA OR SOFTWARE SERVICES DELIVERED UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO:

- (i) ANY WARRANTY AGAINST HIDDEN DEFECTS;

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (ii) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS;
- (iii) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OR TRADE;
- (iv) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY, WHETHER IN CONTRACT OR IN TORT, WHETHER OR NOT ARISING FROM THE SELLER'S NEGLIGENCE, ACTUAL OR IMPUTED; AND
- (v) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY FOR LOSS OF OR DAMAGE TO ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA OR SERVICES DELIVERED UNDER THIS AGREEMENT, FOR LOSS OF USE, REVENUE OR PROFIT, OR FOR ANY OTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES;

PROVIDED THAT, IN THE EVENT THAT ANY OF THE AFORESAID PROVISIONS SHOULD FOR ANY REASON BE HELD UNLAWFUL OR OTHERWISE INEFFECTIVE, THE REMAINDER OF THIS AGREEMENT WILL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSES OF THIS CLAUSE 14, THE "SELLER" WILL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS AND SUBCONTRACTORS, ITS AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

14.12 Proprietary Rights

14.12.1 All proprietary rights relating to Technical Data, including but not limited to patent, design and copyrights, will remain with the Seller and/or its Affiliates, as the case may be.

These proprietary rights will also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

14.12.2 Whenever this Agreement and/or any Technical Data provides for manufacturing by the Buyer, the consent given by the Seller will not be construed as any express or implicit endorsement or approval whatsoever of the Buyer or of the manufactured products. The supply of the Technical Data will not be construed as any further right for the Buyer to design or manufacture any Aircraft or part thereof, including any spare part.

14.13 Performance Engineer's Program

14.13.1 In addition to the Technical Data provided under Clause 14, the Seller will provide to the Buyer Software Services, which will consist of the Performance Engineer's Programs ("PEP") for the Aircraft type covered under this Agreement. Such PEP is composed of software components and databases, and its use is subject to the license conditions set forth in the End-User License Agreement for Airbus Software.

14.13.2 Use of the PEP will be limited to one (1) copy to be used on the Buyer's computers for the purpose of computing performance engineering data. The PEP is intended for use on ground only and will not be placed or installed on board the Aircraft.

14.13.3 The license to use the PEP and the revision service will be provided ***** Revision Service Period as set forth in Clause 14.5.

14.13.4 At the end of such PEP Revision Service Period, the PEP will be provided to the Buyer at the standard commercial conditions set forth in the Seller's then current Customer Services Catalog.

14.14 Future Developments

The Seller continuously monitors technological developments and applies them to Technical Data, document and information systems' functionalities, production and methods of transmission.

The Seller will implement and the Buyer will accept such new developments (unless Buyer has a reasonable objection to accepting the same due to FAA requirements), it being understood that the Buyer will be informed in due time by the Seller of such new developments and their application and of the date by which the same will be implemented by the Seller.

14.15 Confidentiality

14.15.1 This Clause, the Technical Data, the Software Services and their content are designated as confidential, excluding any information that is generally available to the public (other than as a result of a disclosure directly or indirectly by the Buyer) or that was provided or generated by the Buyer and was available to the Buyer on a non-confidential basis from a source who was not prohibited from disclosing such information to the Buyer by a legal, contractual or fiduciary obligation owed to the Seller. All such Technical Data and Software Services are provided to the Buyer for the sole use of the Buyer who undertakes not to disclose the contents thereof to any third party without the prior written consent of the Seller, except as permitted therein or pursuant to any government or legal requirement imposed upon the Buyer.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

14.15.2 If the Seller authorizes the disclosure of this Clause or of any Technical Data or Software Services to third parties either under this Agreement or by an express prior written authorization or, specifically, where the Buyer intends to designate a maintenance and repair organization or a third party to perform the maintenance of the Aircraft or to perform data processing on its behalf (each a “**Third Party**”), the Buyer will notify the Seller of such intention prior to any disclosure of this Clause and/or the Technical Data and/or the Software Services to such Third Party.

The Buyer hereby undertakes to cause such Third Party to agree to be bound by the conditions and restrictions set forth in this Clause 14 with respect to the disclosed Clause, Technical Data or Software Services and will in particular cause such Third Party to enter into a confidentiality agreement with the Seller and appropriate licensing conditions, and to commit to use the Technical Data solely for the purpose of maintaining the Buyer’s Aircraft and the Software Services exclusively for processing the Buyer’s data.

14.16 Transferability

Without prejudice to Clause 21.1, the Buyer’s rights under this Clause 14 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller’s prior written consent.

Any transfer in violation of this Clause 14.16 will, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 14 and any and all other warranties that might arise under or be implied in law.

15. SELLER REPRESENTATIVE SERVICES

The Seller will ***** to the Buyer the services described in this Clause 15, at the Buyer's main base or at other locations to be mutually agreed.

15.1 Customer Support Representative(s)

15.1.1 The Seller will ***** to the Buyer the services of Seller customer support representative(s), as defined in Appendix A to this Clause 15 (each a "**Seller Representative**"), at the Buyer's principal maintenance facilities for the Aircraft or such other locations as the parties may agree, *****.

15.1.2 In providing the services as described herein, any Seller Representatives, or any Seller employee(s) providing services to the Buyer hereunder, are deemed to be acting in an advisory capacity only and at no time will they be deemed to be acting as Buyer's employees, contractors or agents, either directly or indirectly.

15.1.3 The Seller will provide to the Buyer an annual written accounting of the consumed man- months and any remaining man-month balance from the ***** defined in Appendix A to this Clause 15. Such accounting will be deemed final and accepted by the Buyer unless the Seller receives written objection from the Buyer within ***** of receipt of such accounting.

15.1.4 In the event of a need for Aircraft On Ground ("AOG") technical assistance after the end of the assignment referred to in Appendix A to this Clause 15, the Buyer will have non-exclusive access to:

- (i) AIRTAC (Airbus Technical AOG Center);
- (ii) The Seller Representative network closest to the Buyer's main base. A list of contacts of the Seller Representatives closest to the Buyer's main base will be provided to the Buyer.

As a matter of reciprocity, the Buyer agrees that Seller Representative(s) may provide services to other airlines during any assignment with the Buyer.

15.1.5 Should the Buyer request Seller Representative services ***** specified in Appendix A to this Clause 15, the Seller may provide such additional services subject to terms and conditions to be mutually agreed.

15.1.6 The Seller will cause similar services to be provided by representatives of the Propulsion System Manufacturer and Suppliers, when necessary and applicable.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 15.2 Buyer's Support
- 15.2.1 From the date of arrival of the first Seller Representative and for the duration of the assignment, the Buyer will ***** a suitable, lockable office, conveniently located with respect to the Buyer's principal maintenance facilities for the Aircraft, with complete office furniture and equipment including telephone, internet, email and facsimile connections for the sole use of the Seller Representative(s). All related communication costs will be *****
- 15.2.2 *****
- 15.2.3 *****
- 15.2.4 Should the Buyer request any Seller Representative referred to in Clause 15.1 above to travel on business to a city other than his usual place of assignment, the ***** will be responsible for all related transportation costs and expenses.
- 15.2.5 Absence of an assigned Seller Representative during normal statutory vacation periods will be covered by other seller representatives on the same conditions as those described in Clause 15.1.4, and such services will be counted against the total allocation provided in Appendix A to this Clause 15.
- 15.2.6 The Buyer will assist the Seller in obtaining from the civil authorities of the Buyer's country those documents that are necessary to permit the Seller Representative to live and work in the Buyer's country.
- 15.2.7 *****
- 15.3 Withdrawal of the Seller Representative
- The Seller will have the right to withdraw its assigned Seller Representatives as it sees fit if conditions arise, which are in the Seller's reasonable opinion dangerous to their safety or health or prevent them from fulfilling their contractual tasks.
- 15.4 Indemnities
- INDEMNIFICATION PROVISIONS APPLICABLE TO THIS CLAUSE 15 ARE SET FORTH IN CLAUSE 19.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

SELLER REPRESENTATIVE ALLOCATION

The Seller Representative allocation provided to the Buyer pursuant to Clause 15.1 is defined hereunder.

1. *****
2. *****
3. *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

16. TRAINING SUPPORT AND SERVICES

16.1 General

16.1.1 This Clause 16 sets forth the terms and conditions for the supply of training support and services for the Buyer's personnel to support the Aircraft operation.

16.1.2 The range, quantity and validity of training to be ***** under this Agreement are covered in Appendix A to this Clause 16.

16.1.3 Scheduling of training courses covered in Appendix A to this Clause 16 will be mutually agreed during a training conference (the "**Training Conference**") that will be held no later than ***** prior to Delivery of the first Aircraft.

16.2 Training Location

16.2.1 The Seller will provide training at ***** (the "**Seller's Training Center**").

16.2.2 If the unavailability of facilities or scheduling difficulties make training by the Seller at any Seller's Training Center impractical, the Seller will ensure that the Buyer is provided with such training at another location in the United States designated by the Seller.

16.2.2.1 Upon the Buyer's request, the Seller may also provide certain training at a location other than the Seller's Training Centers, including one of the Buyer's bases, if and when practicable for the Seller, under terms and conditions to be mutually agreed upon. In such event, all additional charges listed in Clauses 16.5.2 and 16.5.3 will be *****.

16.2.2.2 If the Buyer requests training at a location as indicated in Clause 16.2.2.1 and requires such training to be an Airbus approved course, the Buyer undertakes that the training facilities will be approved by an Aviation Authority prior to the performance of such training. The Buyer will, as necessary and with adequate time prior to the performance of such training, provide access to the training facilities set forth in Clause 16.2.2.1 to the Seller's and the competent Aviation Authority's representatives for approval of such facilities.

16.3 Training Courses

16.3.1 Training courses will be as described in the Seller's customer services catalog (the "**Seller's Customer Services Catalog**"). The Seller's Customer Services Catalog also sets forth the minimum and maximum number of trainees per course.

All training requests or training course changes made outside of the scope of the Training Conference will be submitted by the Buyer with a minimum of ***** prior notice.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 16.3.2 The following terms and conditions will apply to training performed by the Seller:
- (i) Training courses will be the Seller's standard courses as described in the Seller's Customer Services Catalog valid at the time of execution of the course. The Seller will be responsible for all training course syllabi, training aids and training equipment necessary for the organization of the training courses. For the avoidance of doubt, such training equipment does not include provision of aircraft for the purpose of performing training.
 - (ii) The training equipment and the training curricula used for the training of flight, cabin and maintenance personnel will not be fully customized but will be configured to apply to the applicable model of the Aircraft and to the extent necessary and agreed upon during the Training Conference in order to obtain the relevant Aviation Authority's approval and to support the Seller's training programs.
 - (iii) Training data and documentation for trainees receiving the training at the Seller's Training Centers will be *****. Training data and documentation will be marked "**FOR TRAINING ONLY**" and as such are supplied for the sole and express purpose of training; training data and documentation will not be revised.
- 16.3.3 When the Seller's training courses are provided by the Seller's instructors (individually an "**Instructor**" and collectively "**Instructors**") the Seller will deliver to each attendee a Certificate of Recognition or a Certificate of Course Completion (each a "**Certificate**") or an attestation (an "**Attestation**"), as applicable, at the end of any such training course. Any such Certificate or Attestation will not represent authority or qualification by any Aviation Authority but may be presented to such Aviation Authority in order to obtain relevant formal qualification.
- In the event of training courses being provided by a training provider selected by the Seller as set forth in Clause 16.2.2, the Seller will cause such training provider to deliver to each attendee a Certificate or Attestation, which will not represent authority or qualification by any Aviation Authority, but may be presented to such Aviation Authority in order to obtain relevant formal qualification.
- 16.3.3.1 Should the Buyer wish to exchange any of the training courses provided under Appendix A to this Clause 16, the Buyer will place a request for exchange to this effect with the Seller. The Buyer may exchange, subject to the Seller's confirmation, the ***** under Appendix A to this Clause 16 as follows:
- (i) flight operations training courses as listed under Article 1 of Appendix A to this Clause 16 may be exchanged for any flight operations training courses described in the Seller's Customer Services Catalog current at the time of the Buyer's request;

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (ii) maintenance training courses as listed under Article 3 of Appendix A to this Clause 16 may be exchanged for any maintenance training courses described in the Seller's Customer Services Catalog current at the time of the Buyer's request;
- (iii) should any one of the ***** thereunder (flight operations or maintenance) have been fully drawn upon, the Buyer will be entitled to exchange for flight operations or maintenance training courses as needed against the remaining allowances.

It is understood that the above provisions will apply to the extent that ***** under Appendix A to this Clause 16 remain available to the full extent necessary to perform the exchange.

All requests to exchange training courses will be submitted by the Buyer with a minimum of *****. The requested training will be subject to the Seller's then existing planning constraints.

16.3.3.2

16.3.3.3

Should the Buyer decide to cancel or reschedule a training course, fully or partially, and irrespective of the location of the training, a minimum advance notification of at least ***** prior to the relevant training course start date is required.

16.3.3.4

If the notification occurs ***** prior to such training, ***** of such training will be, as applicable, either deducted from the training allowance defined in Appendix A to this Clause 16 or invoiced at the Seller's then applicable price.

16.3.3.5

If the notification occurs ***** prior to such training, ***** of such training will be, as applicable, either deducted from the ***** defined in Appendix A to this Clause 16 or invoiced at the Seller's then applicable price.

16.3.3.6

All courses exchanged under Clause 16.3.3.1 will remain subject to the provisions of this Clause 16.3.3.

16.4

Prerequisites and Conditions

16.4.1

Training will be conducted in English and all training aids used during such training will be written in English using common aeronautical terminology.

16.4.2

The Buyer hereby acknowledges that all training courses conducted pursuant to this Clause 16 are "**Standard Transition Training Courses**" and not "**Ab Initio Training Courses**".

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 16.4.3 Trainees will have the prerequisite knowledge and experience specified for each course in the Seller's Customer Services Catalog.
- 16.4.3.1 The Buyer will be responsible for the selection of the trainees and for any liability with respect to the entry knowledge level of the trainees.
- 16.4.3.2 The Seller reserves the right to verify the trainees' proficiency and previous professional experience.
- 16.4.3.3 The Seller will provide to the Buyer during the Training Conference an Airbus Pre-Training Survey for completion by the Buyer for each trainee.
- The Buyer will provide the Seller with an attendance list of the trainees for each course, with the validated qualification of each trainee, at the time of reservation of the training course and in no event any later than ***** before the start of the training course. The Buyer will return concurrently thereto the completed Airbus Pre-Training Survey, detailing the trainees' associated background. If the Seller determines through the Airbus Pre-Training Survey that a trainee does not match the prerequisites set forth in the Seller's Customer Services Catalog, following consultation with the Buyer, such trainee will be withdrawn from the program, replaced by another qualified trainee or directed through a relevant entry level training (ELT) program, which will be at the Buyer's expense.
- 16.4.3.4 If the Seller determines at any time during the training that a trainee lacks the required level, following consultation with the Buyer, such trainee will be withdrawn from the program or, upon the Buyer's request, the Seller may be consulted to direct the above mentioned trainee(s), if possible, to any other required additional training, which will be at the Buyer's expense.
- 16.4.4 The Seller will in no case warrant or otherwise be held liable for any trainee's performance as a result of any training provided.
- 16.5 Logistics
- 16.5.1 Trainees
- 16.5.1.1 Living and travel expenses for the Buyer's trainees will be *****.
- 16.5.1.2 It will be the responsibility of the Buyer to make all necessary arrangements relative to authorizations, permits and/or visas necessary for the Buyer's trainees to attend the training courses to be provided hereunder. Rescheduling or cancellation of courses due to the Buyer's failure to obtain any such authorizations, permits and/or visas will be subject to the provisions of Clauses 16.3.3.3 thru 16.3.3.5.
- 16.5.2 Training at External Location – Seller's Instructors

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

16.5.2.1 In the event of training being provided at the Seller's request at any location other than the Seller's Training Centers, as provided for in Clause 16.2.2, the expenses of the Seller's Instructors will be *****.

16.5.2.2 In the event of training or support being provided by the Seller's Instructor(s) and/or other Seller's personnel under this Clause 16, at any location other than the Seller's Training Centers at the Buyer's request, the Buyer will reimburse the Seller for all ***** living and travel expenses (including, without limitation, lodging, food and local transportation to and from the place of lodging and training course location) related to the assignment of such Seller Instructors and/or other Seller's personnel and the performance of their duties as aforesaid in accordance with the Seller's Customer Services Catalog current at the time of the corresponding training or support. Such reimbursement shall cover the entire period from such Seller's Instructor(s) and/or other Seller's personnel's day of departure from his main base to day of return to such base.

Except as provided for in Clause 16.5.2.1 above, the ***** for the airfares for each Seller Instructor and/or other Seller's personnel providing support under this Clause 16, in confirmed business class to and from the Buyer's designated training site and the Seller's Training Centers, as such airfares are set forth in the Seller's Customer Services Catalog current at the time of the corresponding training or support.

16.5.2.3 *****

16.5.2.4 *****

16.5.2.5 Buyer's Indemnity

Except in case of gross negligence or willful misconduct of the Seller, the Seller will not be held liable to the Buyer for any delay or cancellation in the performance of any training outside of the Seller's Training Centers associated with any transportation described in this Clause 16.5.2, and the Buyer will indemnify and hold harmless the Seller from any such delay and/or cancellation and any consequences arising therefrom.

16.5.3 Training Material and Equipment Availability – Training at External Location

Training material and equipment necessary for course performance at any location other than the Seller's Training Centers or the facilities of a training provider selected by the Seller will be provided by the Buyer ***** in accordance with the Seller's specifications.

Notwithstanding the foregoing, should the Buyer request the performance of a course at another location as per Clause 16.2.2.1, the Seller may, upon the Buyer's request, provide the training material and equipment necessary for such course's performance. Such provision will be *****.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 16.6 Flight Operations Training
The Seller will provide training for the Buyer's flight operations personnel as further detailed in Appendix A to this Clause 16, including the courses described in this Clause 16.6.
- 16.6.1 Flight Crew Training Course
The Seller will perform a flight crew training course program for the Buyer's flight crews, each of which will consist of two (2) crew members, who will be either captain(s) or first officer(s).
- 16.6.2 Base Flight Training
- 16.6.2.1 The Buyer will provide at its own cost its delivered Aircraft, or any other aircraft it operates, for any base flight training, which will consist of ***** per pilot, performed in accordance with the related Airbus training course definition in the United States (the "**Base Flight Training**").
- 16.6.2.2 Should it be necessary to ferry the Buyer's delivered Aircraft to the location where the Base Flight Training will take place, the additional flight time required for the ferry flight to and/or from the Base Flight Training field will not be deducted from the Base Flight Training time.
- 16.6.2.3 If the Base Flight Training is performed outside of the zone where the Seller usually performs such training, the ferry flight to the location where the Base Flight Training will take place will be performed by a crew composed of the Seller's and/or the Buyer's qualified pilots, in accordance with the relevant Aviation Authority's regulations related to the place of performance of the Base Flight Training.
- 16.6.3 Flight Crew Line Initial Operating Experience
In order to assist the Buyer with initial operating experience after Delivery of the first Aircraft, the Seller will provide to the Buyer pilot Instructor(s) as set forth in Appendix A to this Clause 16.
Should the Buyer request, subject to the Seller's consent, such Seller pilot Instructors to perform any other flight support during the flight crew line initial operating period, such as but not limited to line assistance, demonstration flight(s), ferry flight(s) or any flight(s) required by the Buyer during the period of entry into service of the Aircraft, it is understood that such flight(s) will be ***** set forth in Appendix A to this Clause 16.
It is hereby understood by the Parties that the Seller's pilot Instructors will only perform the above flight support services to the extent they bear the relevant qualifications to do so.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 16.6.4 Type Specific Cabin Crew Training Course
The Seller will provide type specific training for cabin crews at one of the locations defined in Clause 16.2.1.
If the Buyer's Aircraft is to incorporate special features, the type specific cabin crew training course will be performed no earlier than ***** before the scheduled Delivery Date of the Buyer's first Aircraft.
- 16.6.5 Training on Aircraft
During any and all flights performed in accordance with this Clause 16.6, the Buyer will bear full responsibility for the aircraft upon which the flight is performed, including but not limited to any required maintenance, ***** in line with Clause 16.13.
The Buyer will assist the Seller, if necessary, in obtaining the validation of the licenses of the Seller's pilots performing Base Flight Training or initial operating experience by the Aviation Authority of the place of registration of the Aircraft.
- 16.7 Performance / Operations Courses
The Seller will provide performance/operations training for the Buyer's personnel as defined in Appendix A to this Clause 16.
The available courses will be listed in the Seller's Customer Services Catalog current at the time of the course.
- 16.8 Maintenance Training
- 16.8.1 The Seller will provide maintenance training for the Buyer's ground personnel as further set forth in Appendix A to this Clause 16.
The available courses will be as listed in the Seller's Customer Services Catalog current at the time of the course.
The practical training provided in the frame of maintenance training will be performed on the training devices in use in the Seller's Training Centers.
- 16.8.2 Practical Training on Aircraft
Notwithstanding Clause 16.8.1 above, upon the Buyer's request, the Seller may provide Instructors for the performance of practical training on aircraft ("**Practical Training**").
Irrespective of the location at which the training takes place, the Buyer will provide at its own cost an aircraft for the performance of the Practical Training.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Should the Buyer require the Seller's Instructors to provide Practical Training at facilities selected by the Buyer, such training will be subject to prior approval of the facilities by the Seller. All reasonable costs of the Seller related to such Practical Training, including but not limited to the Seller's approval of the facilities, will be borne by the Buyer.

The provision of a Seller Instructor for the Practical Training will be deducted from the trainee days allowance defined in Appendix A to this Clause 16, subject to the conditions detailed in Paragraph 4.4 thereof.

16.9 Supplier and Propulsion System Manufacturer Training

Upon the Buyer's request, the Seller will provide to the Buyer the list of the maintenance and overhaul training courses provided by major Suppliers and the applicable Propulsion System Manufacturer on their respective products.

16.10 Proprietary Rights

All proprietary rights, including but not limited to patent, design and copyrights, relating to the Seller's training data and documentation will remain with the Seller and/or its Affiliates and/or its Suppliers, as the case may be.

These proprietary rights will also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

16.11 Confidentiality

The Seller's training data and documentation are designated as confidential (excluding any information that is generally available to the public (other than as a result of a disclosure directly or indirectly by the Buyer) or that was provided or generated by the Buyer and was available to the Buyer on a non-confidential basis from a source who was not prohibited from disclosing such information to the Buyer by a legal, contractual or fiduciary obligation owed to the Seller), and as such are provided to the Buyer for the sole use of the Buyer, for training of its own personnel, who undertakes not to disclose the content thereof in whole or in part, to any third party without the prior written consent of the Seller, save as permitted herein or otherwise pursuant to any government or legal requirement imposed upon the Buyer.

In the event of the Seller having authorized the disclosure of any training data and documentation to third parties either under this Agreement or by an express prior written authorization, the Buyer will cause such third party to agree to be bound by the same conditions and restrictions as the Buyer with respect to the disclosed training data and documentation and to use such training data and documentation solely for the purpose for which they are provided.

16.12 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 16 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent.

16.13 Indemnities and Insurance

INDEMNIFICATION PROVISIONS AND INSURANCE REQUIREMENTS APPLICABLE TO THIS CLAUSE 16 ARE AS SET FORTH IN CLAUSE 19.

THE BUYER WILL PROVIDE THE SELLER WITH AN ADEQUATE INSURANCE CERTIFICATE PRIOR TO ANY TRAINING ON AIRCRAFT.

APPENDIX A TO CLAUSE 16

TRAINING ALLOWANCE

For the avoidance of doubt, all quantities indicated below are the total quantities *****, unless otherwise specified.

The contractual training courses defined in this Appendix A will be provided up to ***** under this Agreement.

Notwithstanding the above, flight operations training courses ***** in this Appendix A will be provided by the Seller within a period starting ***** before and ending ***** after Delivery of such Aircraft.

Any deviation to said training delivery schedule will be mutually agreed between the Buyer and the Seller.

1. FLIGHT OPERATIONS TRAINING

1.1 Flight Crew Training (standard transition course)

The Seller will provide flight crew training (standard transition course) ***** for ***** of the Buyer's flight crews ***** Aircraft as of the date hereof.

1.2 Flight Crew Line Initial Operating Experience

The Seller will provide to the Buyer pilot Instructor(s) ***** for a period of *****.

Unless otherwise agreed during the Training Conference, in order to follow the Aircraft Delivery schedule, the maximum number of pilot Instructors present at any one time will be limited to ***** pilot Instructors.

1.3 Type Specific Cabin Crew Training Course

The Seller will provide to the Buyer ***** type specific training for cabin crews for ***** of the Buyer's cabin crew instructors, pursers or cabin attendants.

1.4 Airbus Pilot Instructor Course (APIC)

The Seller will provide to the Buyer transition Airbus Pilot Instructor Course(s) (APIC), for flight and synthetic instruction, ***** for ***** of the Buyer's flight instructors. APIC courses will be performed in groups of ***** trainees.

2. PERFORMANCE / OPERATIONS COURSE(S)

The Seller will provide to the Buyer ***** trainee days of performance / operations training ***** for the Buyer's personnel.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

3. MAINTENANCE TRAINING

- 3.1 The Seller will provide to the Buyer ***** trainee days of maintenance training ***** for the Buyer's personnel.
- 3.2 The Seller will provide to the Buyer ***** Engine Run-up courses.
- 3.3 The Seller will provide to the Buyer maintenance instructor(s) ***** . Unless otherwise agreed during the Training Conference, the maximum number of maintenance instructors present at any one time will be limited to two (2) maintenance instructors

4. TRAINEE DAYS ACCOUNTING

Trainee days are counted as follows:

- 4.1 For instruction at the Seller's Training Centers: one (1) day of instruction for one (1) trainee equals one (1) trainee day. The number of trainees originally registered at the beginning of the course will be counted as the number of trainees to have taken the course.
- 4.2 For instruction outside of the Seller's Training Centers: one (1) day of instruction by one (1) Seller Instructor ***** trainee days, except for structure maintenance training course(s).
- 4.3 For structure maintenance training courses outside the Seller's Training Center(s), one (1) day of instruction by one (1) Seller Instructor equals the actual number of trainees attending the course or the minimum number of trainees as indicated in the Seller's Customer Services Catalog.
- 4.4 For practical training, whether on training devices or on aircraft, one (1) day of instruction by one (1) Seller Instructor equals ***** trainee days.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

LETTER AGREEMENT NO. 8

As of September 30, 2011

Republic Airways Holdings Inc.
8909 Purdue Road, Suite 300
Indianapolis, Indiana 46268

Re: *****

Dear Ladies and Gentlemen,

Republic Airways Holdings Inc. (the “**Buyer**”) and AIRBUS (the “**Seller**”) have entered into an A320 Family Aircraft Purchase Agreement (the “**Agreement**”), dated as of even date herewith that covers, among other things, the sale by the Seller and the purchase by the Buyer of certain Aircraft.

The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 8 (the “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions that are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

0. PREAMBLE

The intent of this Letter Agreement is that the Seller and the Buyer agree that *****

1. DEFINITIONS AND INTERPRETATION

1.1 Capitalized words and terms used in this Letter Agreement that are not defined herein shall have the meaning assigned thereto in the Agreement.

1.2 The terms “herein”, “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

1.3 In addition to words and terms elsewhere defined in this Letter Agreement, the initially capitalized words and terms used in this Letter Agreement shall have the meaning set out below, listed in alphabetical order:

| <u>TERM</u> | <u>DEFINITION / INTERPRETATION</u> |
|-------------|------------------------------------|
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
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| ***** | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

2. *****

2.1 *****

(a) *****

(b) *****

2.2 *****

2.3 *****

3. *****

3.1 *****

3.1.1 *****

3.1.2 *****

3.2 *****

3.2.1 *****

3.2.2 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

3.2.3 *****

3.2.4 *****

4. *****

4.1 *****

4.2 *****

4.3 *****

4.4 *****

(a) *****

(b) *****

4.5 *****

4.6 *****

5. *****

5.1 *****

(a) *****

(b) *****

(c) *****

(d) *****

5.2 *****

6. *****

6.1 *****

(a) *****

(b) *****

6.2 *****

7. *****

7.1 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

7.2 *****

7.3 *****

7.4 *****

7.5 *****

7.6 *****

8. *****

8.1 *****

• *****

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• *****

8.2 *****

8.3 *****

9. *****

(a) *****

(b) *****

10. *****

11. *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

12. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 or Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller *****, and any attempted assignment or transfer in contravention of the provisions of this paragraph will be void and of no force or effect.

13. CONFIDENTIALITY

This Letter Agreement including any other documents or data exchanged between the Buyer and the Seller for the fulfilment of their respective obligations under the Letter Agreement shall be treated by both parties as confidential and shall not be released in whole or in part to any third party except as may be required by law, or to professional advisors for the purpose of implementation hereof. In particular, both parties agree:

- not to make any press release concerning the whole or any part of the contents and/or subject matter hereof or of any future addendum hereto without the prior written consent of the other party hereto.
- that any and all terms and conditions contemplated in this Letter Agreement are strictly personal and exclusive to the Buyer. The Buyer therefore agrees to consult with the Seller, and enter into a non-disclosure agreement in form and substance acceptable to the Seller, reasonably in advance of any required disclosure to any third party.

Without prejudice to the foregoing, any disclosure to a third party shall be subject to written agreement between the Buyer and the Seller.

The provisions of this Clause 13 shall survive any termination of this Letter Agreement for a period of *****.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

Agreed and Accepted

Agreed and Accepted

For and on behalf of

For and on behalf of

REPUBLIC AIRWAYS HOLDINGS INC.

AIRBUS S.A.S.

Signature: /s/ Bryan Bedford

Signature: /s/ Patrick de Castelbajac

Printed Name: Bryan Bedford

Printed Name: Patrick de Castelbajac

Title: President

Title: Vice President Contracts

Date: [Undated]

Witnessed by:

Witnessed by:

Name: [Authorized Signatory]

Name: _____

Title: Senior Vice President

Title: _____

APPENDIX 1 -*****

A1.1 *****

A1.2 *****

A1.3 *****

A1.4 *****

A1.5 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- *****
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***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

APPENDIX 3 *****

A3.1 *****

A3.2 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- *****
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***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

LETTER AGREEMENT NO. 9

As of September 30, 2011

Republic Airways Holdings Inc.
8909 Purdue Road
Suite 300
Indianapolis, Indiana 46268

Re: MISCELLANEOUS

Dear Ladies and Gentlemen,

REPUBLIC AIRWAYS HOLDINGS INC. (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into an Airbus A320 Family Aircraft Purchase Agreement of even date herewith (the "**Agreement**") which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 9 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

LA 9-1

1. DEFINITIONS

1.1 Clause 0 of the Agreement is amended to replace the definition of “**Agreement**” with the following quoted text:

QUOTE

Agreement – this Airbus A320 family aircraft purchase agreement, including all exhibits and appendixes attached hereto, and all letter agreements that are expressed to be part of the Agreement, between the Buyer and the Seller relating hereto, as the same may be amended or modified and in effect from time to time.

UNQUOTE

1.2 Clause 0 of the Agreement is amended to replace the definition of “**Delivery Location**” with the following quoted text:

QUOTE

Delivery Location – *****.

UNQUOTE

1.3 Clause 0 of the Agreement is amended to replace the definition of “**Predelivery Payment**” with the following quoted text:

QUOTE

Predelivery Payment – with respect to any Aircraft, the Initial Payment (as defined in Letter Agreement No. 1, dated as of the day hereof, between the Buyer and the Seller) plus any of the payments determined in accordance with Clause 5.3 for such Aircraft.

UNQUOTE

1.4 Clause 0 of the Agreement is amended to insert the definition of “**Republic**” with the following quoted text:

QUOTE

Republic – Republic Airways Holdings Inc. or its permitted successor or assign under Clause 21.2.

UNQUOTE

1.5 Clause 0 of the Agreement is amended to insert the definition of “**Subsidiary**” with the following quoted text:

QUOTE

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Subsidiary – as to any entity means a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests representing ***** of such corporation, partnership, limited liability company or other entity are at the time owned.

UNQUOTE

2. CERTIFICATION

Clause 7 of the Agreement is deleted in its entirety and is replaced with Clause 7 attached hereto as Appendix 1.

3. TECHNICAL ACCEPTANCE

Clause 8 of the Agreement is deleted in its entirety and is replaced with Clause 8 attached hereto as Appendix 2.

4. DELIVERY

Clause 9 of the Agreement is deleted in its entirety and is replaced with Clause 9 attached hereto as Appendix 3.

5. EXCUSABLE DELAY AND TOTAL LOSS

Clause 10 of the Agreement is deleted in its entirety and is replaced with Clause 10 attached hereto as Appendix 4.

6. EXCUSABLE DELAY

Clause 11 of the Agreement is deleted in its entirety and is replaced with Clause 11 attached hereto as Appendix 5.

7. PATENT AND COPYRIGHT INDEMNITY

Clause 13 of the Agreement is deleted in its entirety and is replaced with Clause 13 attached hereto as Appendix 6.

8. BUYER FURNISHED EQUIPMENT

Clause 18 of the Agreement is deleted in its entirety and is replaced with Clause 18 attached hereto as Appendix 7.

9. INDEMNITIES AND INSURANCE

Clause 19 of the Agreement is deleted in its entirety and is replaced with Clause 19 attached hereto as Appendix 8.

10. TERMINATION

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Clause 20 of the Agreement is deleted in its entirety and is replaced with Clause 20 attached hereto as Appendix 9.

11. ASSIGNMENT AND TRANSFERS

Clause 21 of the Agreement is deleted in its entirety and is replaced with Clause 21 attached hereto as Appendix 10.

12. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller *****, and any attempted assignment or transfer in contravention of the provisions of this Paragraph 12 will be void and of no force or effect.

13. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

14. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Patrick de Castelbajac

Patrick de Castelbajac

Its: Vice President Contracts

Accepted and Agreed

REPUBLIC AIRWAYS HOLDINGS INC.

By: /s/ Bryan Bedford

Bryan Bedford

Its: President

LA 9 SigPage

7. CERTIFICATION

Except as set forth in this Clause 7, the Seller will not be required to obtain any certificate or approval with respect to the Aircraft.

7.1 Type Certification

The Seller will obtain or cause to be obtained (i) a type certificate under EASA procedures for joint certification in the transport category and (ii) an FAA type certificate (the "**Type Certificate**") to allow the issuance of the Export Certificate of Airworthiness. *****.

7.2 Export Certificate of Airworthiness

Subject to the provisions of Clause 7.3, each Aircraft will be delivered to the Buyer with an Export Certificate of Airworthiness issued by EASA and in a condition enabling the Buyer to obtain at the time of Delivery a Standard Airworthiness Certificate issued pursuant to Part 21 of the US Federal Aviation Regulations and a Certificate of Sanitary Construction issued by the U.S. Public Health Service of the Food and Drug Administration. However, the Seller will have no obligation to make and will not be responsible for any costs of alterations or modifications to such Aircraft to enable such Aircraft to meet FAA or U.S. Department of Transportation requirements ***** for specific operation on the Buyer's routes, whether before, at or after Delivery of any Aircraft.

If the FAA requires additional or modified data before the issuance of the Export Certificate of Airworthiness, the Seller will provide such data or implement the required modification to the data, in either case, *****.

7.3 Specification Changes before Aircraft Ready for Delivery

7.3.1 If, any time before the date on which an Aircraft is Ready for Delivery, any law, rule or regulation is enacted, promulgated, becomes effective and/or an interpretation of any law, rule or regulation is issued by the EASA that requires any change to the Specification for the purposes of obtaining the Export Certificate of Airworthiness (a "**Change in Law**"), the Seller will make the required modification and the parties hereto will sign an SCN pursuant to Clause 2.2.1.

7.3.2 The Seller will as far as practicable, but at its sole discretion and without prejudice to Clause 7.3.3(ii), take into account the information available to it concerning any proposed law, rule or regulation or interpretation that could become a Change in Law, in order to minimize the costs of changes to the Specification as a result of such proposed law, regulation or interpretation becoming effective before the applicable Aircraft is Ready for Delivery.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

7.3.3 *****

(i) *****

(ii) *****

7.3.4

7.3.5 Notwithstanding the provisions of Clause 7.3.3, if a Change in Law relates to an item of BFE or to the Propulsion System the costs related thereto will ***** and the Seller will have no obligation with respect thereto.

7.4 Specification Changes after Aircraft Ready For Delivery

Nothing in Clause 7.3 will require the Seller to make any changes or modifications to, or to make any payments or take any other action with respect to, any Aircraft that is Ready for Delivery before the compliance date of any law or regulation referred to in Clause 7.3. Any such changes or modifications made to an Aircraft after it is Ready for Delivery will be at the *****.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

8. TECHNICAL ACCEPTANCE

8.1 Technical Acceptance Process

8.1.1 Prior to Delivery, the Aircraft will undergo a technical acceptance process developed by the Seller (the “**Technical Acceptance Process**”). ***** Completion of the Technical Acceptance Process will demonstrate the satisfactory functioning of the Aircraft and will be deemed to demonstrate compliance with the Specification. If an Aircraft is not in compliance with the Technical Acceptance Process requirements, the Seller will without hindrance from the Buyer carry out any necessary changes and, as soon as practicable thereafter, resubmit the Aircraft to such further Technical Acceptance Process as is necessary to demonstrate the elimination of the non-compliance.

8.1.2 The Technical Acceptance Process will:

- (i) commence on a date notified by the Seller to the Buyer not later than ***** notice prior thereto,
- (ii) take place at the Delivery Location,
- (iii) be carried out by the personnel of the Seller,
- (iv) include a technical acceptance flight that will ***** (the “**Technical Acceptance Flight**”), and
- (v) include a ground inspection.

8.2 Buyer’s Attendance

8.2.1 The Buyer is entitled to elect to attend the Technical Acceptance Process.

8.2.2 If the Buyer elects to attend the Technical Acceptance Process, the Buyer:

- (i) will comply with the reasonable requirements of the Seller, with the intention of completing the Technical Acceptance Process within ***** , and
- (ii) may have a ***** of its representatives (no more than ***** of whom will have access to the cockpit at any one time) accompany the Seller’s representatives on the Technical Acceptance Flight, during which the Buyer’s representatives will comply with the instructions of the Seller’s representatives.

8.2.3 If, ***** the Buyer does not attend or fails to cooperate reasonably in the Technical Acceptance Process, the Seller will be entitled to complete the Technical Acceptance Process and the Buyer will be deemed to have accepted that the Technical Acceptance Process has been satisfactorily completed, in all respects.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

8.3 Certificate of Acceptance

Upon successful completion of the Technical Acceptance Process *****, the Buyer will, on or before the Delivery Date, sign and deliver to the Seller a certificate of acceptance in respect of such Aircraft in the form of Exhibit D (the "**Certificate of Acceptance**").

8.4 Finality of Acceptance

The Buyer's signature of the Certificate of Acceptance for the Aircraft will constitute waiver by the Buyer of any right it may have, under the Uniform Commercial Code as adopted by the State of New York or otherwise, to revoke acceptance of the Aircraft for any reason, whether known or unknown to the Buyer at the time of acceptance.

8.5 Aircraft Utilization

The Seller will*****, be entitled to use the Aircraft prior to Delivery as may be necessary to obtain the certificates required under Clause 7, *****. Such use will not limit the Buyer's obligation to accept Delivery of the Aircraft hereunder.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

9. DELIVERY

9.1 Delivery Schedule

Subject to Clauses 2, 7, 8 10 and 18: the Seller will have the Aircraft listed in the table below Ready for Delivery at the Delivery Location within the following quarters (each a “**Scheduled Delivery Quarter**”):

| <u>Aircraft Rank</u> | | <u>Quarter</u> | <u>Scheduled Delivery</u> | <u>Year</u> |
|----------------------|---------------|----------------|---------------------------|-------------|
| 1 | A320 Aircraft | ***** | | ***** |
| 2 | A319 Aircraft | ***** | | ***** |
| 3 | A320 Aircraft | ***** | | ***** |
| 4 | A320 Aircraft | ***** | | ***** |
| 5 | A319 Aircraft | ***** | | ***** |
| 6 | A320 Aircraft | ***** | | ***** |
| 7 | A320 Aircraft | ***** | | ***** |
| 8 | A320 Aircraft | ***** | | ***** |
| 9 | A320 Aircraft | ***** | | ***** |
| 10 | A320 Aircraft | ***** | | ***** |
| 11 | A320 Aircraft | ***** | | ***** |
| 12 | A320 Aircraft | ***** | | ***** |
| 13 | A320 Aircraft | ***** | | ***** |
| 14 | A320 Aircraft | ***** | | ***** |
| 15 | A320 Aircraft | ***** | | ***** |
| 16 | A320 Aircraft | ***** | | ***** |
| 17 | A320 Aircraft | ***** | | ***** |
| 18 | A320 Aircraft | ***** | | ***** |
| 19 | A320 Aircraft | ***** | | ***** |
| 20 | A320 Aircraft | ***** | | ***** |
| 21 | A320 Aircraft | ***** | | ***** |
| 22 | A320 Aircraft | ***** | | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

| <u>Aircraft Rank</u> | | <u>Quarter</u> | <u>Scheduled Delivery</u> | <u>Year</u> |
|----------------------|---------------|----------------|---------------------------|-------------|
| 23 | A320 Aircraft | ***** | | ***** |
| 24 | A320 Aircraft | ***** | | ***** |
| 25 | A320 Aircraft | ***** | | ***** |
| 26 | A320 Aircraft | ***** | | ***** |
| 27 | A320 Aircraft | ***** | | ***** |
| 28 | A320 Aircraft | ***** | | ***** |
| 29 | A320 Aircraft | ***** | | ***** |
| 30 | A320 Aircraft | ***** | | ***** |
| 31 | A320 Aircraft | ***** | | ***** |
| 32 | A320 Aircraft | ***** | | ***** |
| 33 | A320 Aircraft | ***** | | ***** |
| 34 | A320 Aircraft | ***** | | ***** |
| 35 | A320 Aircraft | ***** | | ***** |
| 36 | A320 Aircraft | ***** | | ***** |
| 37 | A320 Aircraft | ***** | | ***** |
| 38 | A320 Aircraft | ***** | | ***** |
| 39 | A320 Aircraft | ***** | | ***** |
| 40 | A320 Aircraft | ***** | | ***** |
| 41 | A320 Aircraft | ***** | | ***** |
| 42 | A320 Aircraft | ***** | | ***** |
| 43 | A320 Aircraft | ***** | | ***** |
| 44 | A320 Aircraft | ***** | | ***** |
| 45 | A320 Aircraft | ***** | | ***** |
| 46 | A320 Aircraft | ***** | | ***** |
| 47 | A320 Aircraft | ***** | | ***** |
| 48 | A320 Aircraft | ***** | | ***** |
| 49 | A320 Aircraft | ***** | | ***** |
| 50 | A320 Aircraft | ***** | | ***** |
| 51 | A320 Aircraft | ***** | | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

| <u>Aircraft Rank</u> | | <u>Quarter</u> | <u>Scheduled Delivery</u> | <u>Year</u> |
|----------------------|---------------|----------------|---------------------------|-------------|
| 52 | A320 Aircraft | ***** | | ***** |
| 53 | A320 Aircraft | ***** | | ***** |
| 54 | A320 Aircraft | ***** | | ***** |
| 55 | A320 Aircraft | ***** | | ***** |
| 56 | A320 Aircraft | ***** | | ***** |
| 57 | A320 Aircraft | ***** | | ***** |
| 58 | A320 Aircraft | ***** | | ***** |
| 59 | A320 Aircraft | ***** | | ***** |
| 60 | A320 Aircraft | ***** | | ***** |
| 61 | A320 Aircraft | ***** | | ***** |
| 62 | A320 Aircraft | ***** | | ***** |
| 63 | A319 Aircraft | ***** | | ***** |
| 64 | A319 Aircraft | ***** | | ***** |
| 65 | A319 Aircraft | ***** | | ***** |
| 66 | A319 Aircraft | ***** | | ***** |
| 67 | A319 Aircraft | ***** | | ***** |
| 68 | A319 Aircraft | ***** | | ***** |
| 69 | A319 Aircraft | ***** | | ***** |
| 70 | A319 Aircraft | ***** | | ***** |
| 71 | A319 Aircraft | ***** | | ***** |
| 72 | A319 Aircraft | ***** | | ***** |
| 73 | A319 Aircraft | ***** | | ***** |
| 74 | A319 Aircraft | ***** | | ***** |
| 75 | A319 Aircraft | ***** | | ***** |
| 76 | A319 Aircraft | ***** | | ***** |
| 77 | A319 Aircraft | ***** | | ***** |
| 78 | A319 Aircraft | ***** | | ***** |
| 79 | A319 Aircraft | ***** | | ***** |
| 80 | A319 Aircraft | ***** | | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The Seller will give the Buyer written notice of the scheduled delivery month of each Aircraft at least ***** before the first day of the Scheduled Delivery Quarter of the respective Aircraft, which shall be a calendar month within such Scheduled Delivery Quarter (the “**Scheduled Delivery Month**”). The Seller will give the Buyer at least ***** written notice of the anticipated date within the Scheduled Delivery Month on which the Aircraft will be Ready for Delivery.

9.2 Delivery Process

9.2.1 The Buyer will, when the Aircraft is Ready for Delivery, execute and deliver to the Seller the Certificate of Acceptance, pay the Balance of the Final Price, take Delivery of the Aircraft and remove the Aircraft from the Delivery Location, *****.

9.2.2 Upon receipt of the Balance of the Final Price pursuant to Clause 5.4 and the Certificate of Acceptance executed and delivered by the Buyer pursuant to Clause 8.3, the Seller will deliver and transfer title to the Aircraft to the Buyer free and clear of all encumbrances (except for any liens or encumbrances created by or on behalf of the Buyer). At Delivery, the Seller will provide the Buyer with a bill of sale in the form of Exhibit E (the “**Bill of Sale**”), an FAA bill of sale, the Export Certificate of Airworthiness and such other documentation confirming transfer of title and receipt of the Final Price of the Aircraft as may reasonably be requested by the Buyer. ***** Title to, property in and risk of loss of or damage to the Aircraft will transfer to the Buyer contemporaneously with the delivery by the Seller to the Buyer of such Bill of Sale.

9.2.3 If the Buyer fails to (i) deliver the signed Certificate of Acceptance with respect to an Aircraft to the Seller when required pursuant to Clause 8.3, or (ii) pay the Balance of the Final Price of such Aircraft to the Seller and take Delivery of the Aircraft when required under Clause 9.2.1, then the Buyer will be deemed to have rejected Delivery wrongfully when such Aircraft was duly tendered to the Buyer hereunder. If such a deemed rejection arises, then in addition to the remedies of Clause 5.8.1, (a) the Seller will retain title to such Aircraft and (b) the Buyer will indemnify and hold the Seller harmless against any and all reasonable costs (including but not limited to any parking, storage, and insurance costs) and consequences resulting from the Buyer’s rejection (including but not limited to risk of loss of or damage to such Aircraft not covered by insurance), it being understood that the Seller will be under no duty to the Buyer to store, park, or otherwise protect such Aircraft. These rights of the Seller will be in addition to the Seller’s other rights and remedies in this Agreement.

9.2.4 If after Delivery the Buyer fails to remove the Aircraft from the Delivery Location, then, without prejudice to the Seller’s other rights and remedies under this Agreement or at law, the provisions of Clause 9.2.3 (b) shall apply.

9.3 Flyaway

9.3.1 The Buyer and the Seller will cooperate to obtain any licenses that may be required by the Aviation Authority of the Delivery Location for the purpose of exporting the Aircraft.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

9.3.2 Immediately after Delivery of an Aircraft, the Seller shall provide to Buyer access to the Aircraft to allow Buyer to fly it away. *****. All expenses of, or connected with, flying the Aircraft from the Delivery Location after Delivery will be borne by the Buyer.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

10. EXCUSABLE DELAY AND TOTAL LOSS

10.1 *****

10.2 *****

(i) *****

(ii) *****

(iii) *****

(iv) *****

(v) *****

10.3 *****

10.3.1 *****

10.3.2 *****

10.3.3 *****

10.4 *****

10.5 *****

10.6 *****

10.7 *****

10.8 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

11. INEXCUSABLE DELAY

11.1 *****

11.1.1 *****

11.1.2 *****

11.1.3 *****

11.1.4 *****

11.2 *****

11.2.1 *****

11.2.2 *****

11.3 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

13. PATENT AND COPYRIGHT INDEMNITY

13.1 Indemnity

13.1.1 *****

- (i) *****
- (ii) *****
 - (a) *****
 - (b) *****
- (iii) *****

13.1.2 *****

- (i) *****
- (ii) *****
- (iii) *****

13.1.3 *****

- (i) *****
- (ii) *****

13.2 Administration of Patent and Copyright Indemnity Claims

13.2.1 If the Buyer receives a written claim or a suit is threatened or commenced against the Buyer for infringement of a patent or copyright referred to in Clause 13.1, the Buyer will:

- (i) forthwith notify the Seller giving particulars thereof;
- (ii) furnish to the Seller all data, papers and records within the Buyer's control or possession relating to such patent or claim;
- (iii) refrain from admitting any liability or making any payment or assuming any expenses, damages, costs or royalties or otherwise acting in a manner prejudicial to the defense or denial of such suit or claim provided always that nothing in this sub-Clause (iii) will prevent the Buyer from paying such sums as may be required in order to obtain the release of the Aircraft, provided such payment is accompanied by a denial of liability and is made without prejudice;

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (iv) fully co-operate with, and render all such assistance to, the Seller as may be pertinent to the defense or denial of the suit or claim;
 - (v) act in such a way as to mitigate damages, costs and expenses and / or reduce the amount of royalties which may be payable, *****.
- 13.2.2 The Seller will be entitled either in its own name or on behalf of the Buyer to conduct negotiations with the party or parties alleging infringement and may assume and conduct the defense or settlement of any suit or claim in the manner which, in the Seller's opinion, it deems proper, *****.
- 13.2.3 The Seller's liability hereunder will be conditional upon the strict and timely compliance by the Buyer with the terms of this Clause and is in lieu of any other liability to the Buyer express or implied which the Seller might incur at law as a result of any infringement or claim of infringement of any patent or copyright.

THE INDEMNITY PROVIDED IN THIS CLAUSE 13 AND THE OBLIGATIONS AND LIABILITIES OF THE SELLER UNDER THIS CLAUSE 13 ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER INDEMNITIES, WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES ON THE PART OF THE SELLER AND RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY ARISING FROM OR WITH RESPECT TO LOSS OF USE OR REVENUE OR CONSEQUENTIAL DAMAGES), WITH RESPECT TO ANY ACTUAL OR ALLEGED PATENT INFRINGEMENT OR THE LIKE BY ANY AIRFRAME, PART OR SOFTWARE INSTALLED THEREIN AT DELIVERY, OR THE USE OR SALE THEREOF, PROVIDED THAT, IN THE EVENT THAT ANY OF THE AFORESAID PROVISIONS SHOULD FOR ANY REASON BE HELD UNLAWFUL OR OTHERWISE INEFFECTIVE, THE REMAINDER OF THIS CLAUSE WILL REMAIN IN FULL FORCE AND EFFECT. THIS INDEMNITY AGAINST PATENT AND COPYRIGHT INFRINGEMENTS WILL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY THE SELLER AND THE BUYER.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

18. BUYER FURNISHED EQUIPMENT

18.1 Administration

18.1.1 In accordance with the Specification, the Seller will install those items of equipment that are identified in the Specification as being furnished by the Buyer ("**Buyer Furnished Equipment**" or "**BFE**"), provided that the BFE and the supplier of such BFE (the "**BFE Supplier**") are referred to in the Airbus BFE Product Catalog valid at the time the BFE Supplier is selected.

18.1.2 Notwithstanding the foregoing and without prejudice to Clause 2.4, if the Buyer wishes to install BFE manufactured by a supplier who is not referred to in the Airbus BFE Product Catalog, the Buyer will so inform the Seller and the Seller will conduct a feasibility study of the Buyer's request, in order to consider approving such supplier, provided that such request is compatible with the Seller's industrial planning and the associated Scheduled Delivery Month for the applicable Aircraft. In addition, it is a prerequisite to such approval that the considered supplier be qualified by the Seller's Aviation Authorities to produce equipment for installation on civil aircraft. ***** in considering any approval of a supplier by the Seller under this Clause 18.1.2. The Buyer will cause any BFE supplier approved under this Clause 18.1.2 (each an "**Approved BFE Supplier**") to comply with the conditions set forth in this Clause 18 and specifically Clause 18.2.

Except for the specific purposes of this Clause 18.1.2, the term "**BFE Supplier**" will be deemed to include Approved BFE Suppliers.

18.1.3 The Seller will advise the Buyer of the dates by which, in the planned release of engineering for the Aircraft, the Seller requires from each BFE Supplier a written detailed engineering definition encompassing a Declaration of Design and Performance (the "**BFE Engineering Definition**"). The Seller will reasonably provide to the Buyer and/or the BFE Supplier(s), the interface documentation necessary for development of the BFE Engineering Definition.

The BFE Engineering Definition will include the description of the dimensions and weight of BFE, the information related to its certification and the information necessary for the installation and operation thereof, including when applicable 3D models compatible with the Seller's systems. The Buyer will furnish, or cause the BFE Suppliers to furnish, the BFE Engineering Definition by the dates advised by the Seller pursuant to the preceding paragraph after which the BFE Engineering Definition will not be revised, except through an SCN executed in accordance with Clause 2.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

18.1.4 The Seller will also provide in due time to the Buyer a schedule of dates and the shipping addresses for delivery of the BFE and, where reasonably requested by the Seller, additional spare BFE to permit installation in the Aircraft in a timely manner. The Buyer will provide, or cause the BFE Suppliers to provide, the BFE by such dates in a serviceable condition. The Buyer will, upon the Seller's request, provide to the Seller dates and references of all BFE purchase orders placed by the Buyer.

The Buyer will also provide, when requested by the Seller, at Airbus Operations S.A.S. in Toulouse, France, and/or at Airbus Operations GmbH, Division Hamburger Flugzeugbau in Hamburg, Germany, adequate field service including support from BFE Suppliers to act in a technical advisory capacity to the Seller in the installation, calibration and possible repair of a BFE.

18.1.5 Without prejudice to the Buyer's obligations hereunder, in order to facilitate the development of the BFE Engineering Definition, the Seller will organize meetings between the Buyer and BFE Suppliers on reasonable advance notice. The Buyer hereby agrees to participate in such meetings and to provide adequate technical and engineering expertise to reach decisions within a timeframe reasonably specified by the Seller.

In addition, prior to Delivery of the Aircraft to the Buyer, the Buyer agrees:

- (i) to monitor the BFE Suppliers and seek to ensure that they will enable the Buyer to fulfil its obligations, including but not limited to those set forth in the Customization Milestone Chart;
- (ii) that, should a timeframe, quality or other type of risk be identified at a given BFE Supplier, the Buyer will allocate resources to such BFE Supplier so as not to jeopardize the industrial schedule of the Aircraft;
- (iii) for major BFE, including, but not being limited to, seats, galleys and IFE ("**Major BFE**") to participate on a mandatory basis in the specific meetings that take place between BFE Supplier selection and BFE delivery, namely:
 - (a) Preliminary Design Review ("**PDR**"),
 - (b) Critical Design Review ("**CDR**");
- (iv) to attend the First Article Inspection ("**FAI**") for the first shipset of all Major BFE. Should the Buyer not attend such FAI, the Buyer will delegate the FAI to the BFE Supplier thereof and confirmation thereof will be supplied to the Seller in writing;
- (v) to attend the Source Inspection ("**SI**") that takes place at the BFE Supplier's premises prior to shipping, for each shipset of all Major BFE. Should the Buyer not attend such SI, the Buyer will delegate the SI to the BFE Supplier and confirmation thereof will be supplied to the Seller in writing. Should the Buyer not attend the SI, the Buyer will be deemed to have accepted the conclusions of the BFE Supplier with respect to such SI.

The Seller will be entitled to attend the PDR, the CDR and the FAI. In doing so, the Seller's employees will be acting in an advisory capacity only and at no time will they be deemed to be acting as Buyer's employees or agents, either directly or indirectly.

18.1.6 The BFE will be imported into France or into Germany by the Buyer under a suspensive customs system (Régime de l'entrepôt douanier ou régime de perfectionnement actif or Zollverschluss) without application of any French or German tax or customs duty, and will be delivered on a DDU basis, to the following shipping addresses as designated by the Seller to the Buyer in a reasonable time period prior to the planned arrival date:

Airbus Operations S.A.S.
316 Route de Bayonne
31300 Toulouse
France

or

Airbus Operations GmbH
Kreetslag 10
21129 Hamburg
Germany

Or such other location *****.

18.2 Applicable Requirements

The Buyer is responsible for ensuring, at its expense, and warrants that the BFE will:

- (i) be manufactured by either a BFE Supplier referred to in the Airbus BFE Product Catalog or an Approved BFE Supplier, and
- (ii) meet the requirements of the applicable Specification of the Aircraft, and
- (iii) be delivered with the relevant certification documentation, including but not limited to the DDP, and
- (iv) comply with the BFE Engineering Definition, and
- (v) comply with applicable requirements incorporated by reference to the Type Certificate and listed in the Type Certificate Data Sheet, and
- (vi) be approved by the Aviation Authority issuing the Export Certificate of Airworthiness and by the Buyer's Aviation Authority for installation and use on the Aircraft at the time of Delivery of the Aircraft, and
- (vii) not infringe any patent, copyright or other intellectual property right of the Seller or any third party, and

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- (viii) not be subject to any legal obligation or other encumbrance that may prevent, hinder or delay the installation of the BFE in the Aircraft and/or the Delivery of the Aircraft.

The Seller will be entitled to refuse any item of BFE that it considers incompatible with the Specification, the BFE Engineering Definition or the certification requirements.

18.3 Buyer's Obligation and Seller's Remedies

18.3.1 Any delay or failure by the Buyer or the BFE Suppliers in:

- (i) complying with the foregoing warranty or in providing the BFE Engineering Definition or field service mentioned in Clause 18.1.4, or
 - (ii) furnishing the BFE in a serviceable condition at the requested delivery date, or
 - (iii) obtaining any required approval for such BFE equipment under the above mentioned Aviation Authorities' regulations,
- may delay the performance of any act to be performed by the Seller, including Delivery of the Aircraft. The Seller will not be responsible for such delay which will cause the Final Price of the affected Aircraft to be adjusted in accordance with the Seller Price Revision Formula to the actual month of Delivery of such affected Aircraft and to include in particular the amount of the Seller's additional reasonable direct costs attributable to such delay or failure by the Buyer or the BFE Suppliers, such as storage, taxes, insurance and costs of out-of sequence installation.

18.3.2 In addition, in the event of any delay or failure mentioned in 18.3.1 above, the Seller, in consultation with the Buyer, may:

- (i) select, purchase and install equipment similar to the BFE at issue, in which event the Final Price of the affected Aircraft will also be increased by the purchase price of such equipment plus reasonable costs and expenses incurred by the Seller for handling charges, transportation, insurance, packaging and, if so required and not already provided for in the Final Price of the Aircraft, for adjustment and calibration; or
- (ii) if the BFE is delayed by more than ***** beyond, or is not approved within ***** of the dates specified in Clause 18.1.4, deliver the Aircraft without the installation of such BFE, notwithstanding applicable terms of Clauses 7 and 8, and the Seller will thereupon be relieved of all obligations to install such equipment.

18.4 Title and Risk of Loss

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Title to and risk of loss of any BFE will at all times remain with the Buyer except that risk of loss (limited to cost of replacement of said BFE) will be with the Seller for as long as such BFE is under the care, custody and control of the Seller.

18.5 Disposition of BFE Following Termination

18.5.1 *****

18.5.2 *****

18.5.3 The Buyer will cooperate with the Seller in facilitating the sale of BFE pursuant to Clause or 18.5.2 and will be responsible for, *****. The Buyer will reimburse the Seller to the extent required under the preceding sentence within ***** of receiving documentation of such costs from the Seller.

18.5.4 The Seller will notify the Buyer as to those items of BFE not sold by the Seller pursuant to Clause 18.5.1 or 18.5.2 above and, at the Seller's request, the Buyer will undertake to remove such items from the Seller's facility within ***** of the date of such notice. The Buyer will have no claim against the Seller for damage, loss or destruction of any item of BFE removed from the Aircraft and not removed from Seller's facility within such period. *****

18.6 The Buyer will have no claim against the Seller for damage to or destruction of any item of BFE damaged or destroyed in the process of being removed from the Aircraft, provided that the Seller has used reasonable care in such removal.

18.7 The Buyer will grant the Seller title to any BFE items that cannot be removed from the Aircraft without causing damage to the Aircraft or rendering any system in the Aircraft unusable.

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19. INDEMNITIES AND INSURANCE

The Seller and the Buyer will each be liable for Losses (as defined below) arising from the acts or omissions of their respective directors, officers, agents or employees occurring during or incidental to such party's exercise of its rights and performance of its obligations under this Agreement, except as provided in Clauses 19.1 and 19.2.

19.1 Seller's Indemnities

The Seller will, except in the case of gross negligence or wilful misconduct of the Buyer, its directors, officers, agents and/or employees, be solely liable for and will indemnify and hold the Buyer, its Affiliates and each of their respective directors, officers, agents, employees and insurers harmless against all losses, liabilities, claims, damages, costs and expenses, including court costs and reasonable attorneys' fees ("**Losses**"), arising from:

- (i) claims for injuries to, or death of, the Seller's directors, officers, agents or employees, or loss of, or damage to, property of the Seller or its employees when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and
- (ii) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to the Technical Acceptance Flights.

19.2 Buyer's Indemnities

The Buyer will, except in the case of gross negligence or wilful misconduct of the Seller, its directors, officers, agents and/or employees, be solely liable for and will indemnify and hold the Seller, its Affiliates, its subcontractors, and each of their respective directors, officers, agents, employees and insurers, harmless against all Losses arising from:

- (i) claims for injuries to, or death of, the Buyer's directors, officers, agents or employees, or loss of, or damage to, property of the Buyer or its employees, when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and
- (ii) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to (a) the provision of Seller Representatives services under Clause 15 including services performed on board the aircraft or (b) the provision of Aircraft Training Services to the Buyer.

19.3 Notice and Defense of Claims

If any claim is made or suit is brought against a party or entity entitled to indemnification under this Clause 19 (the “**Indemnitee**”) for damages for which liability has been assumed by the other party under this Clause 19 (the “**Indemnitor**”), the Indemnitee will promptly give notice to the Indemnitor and the Indemnitor (unless otherwise requested by the Indemnitee) will assume and conduct the defense, or settlement, of such claim or suit, as the Indemnitor will deem prudent. Notice of the claim or suit will be accompanied by all information pertinent to the matter as is reasonably available to the Indemnitee and will be followed by such cooperation by the Indemnitee as the Indemnitor or its counsel may reasonably request, at the expense of the Indemnitor.

19.4 Insurance

19.4.1 For all Aircraft Training Services, to the extent of the Buyer’s undertaking set forth in Clause 19.2, the Buyer will:

- (i) cause the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents and employees to be named as additional insured under the Buyer’s Comprehensive Aviation Legal Liability insurance policies (in accordance with AVN67B and AVN2001 and 2002 or applicable successor policy thereof or, as the case may be, equivalent endorsements reasonably satisfactory to the Seller). Such insurances shall include war, passenger legal liability, property damage, aircraft third party and airlines general third party legal (including products) liability, and
- (ii) with respect to the Buyer’s Hull All Risks and Hull War Risks insurances and Allied Perils, cause the insurers of the Buyer’s hull insurance policies to waive all rights of subrogation against the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents, employees and insurers; provided however, in lieu of any war risk insurance, the Buyer may provide insurance or an indemnity issued by the US Government.

19.4.2 Any applicable deductible will be borne by the Buyer. The Buyer will furnish to the Seller, not less than ***** prior to the start of any Aircraft Training Services, certificates of insurance, in English, evidencing the limits of liability cover and period of insurance coverage in a form reasonably acceptable to the Seller from the Buyer’s insurance broker(s), certifying that such policies have been endorsed as follows:

- (i) under the Comprehensive Aviation Legal Liability Insurances, the Buyer’s policies are primary and non-contributory to any insurance maintained by the additional insureds,
- (ii) such insurance can only be cancelled or coverage substantially changed which adversely affects the interests of any additional insureds by the giving of not less

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than ***** (or such lesser period as may be applicable in the case of any war risk, hijacking and allied perils insurance coverage) prior written notice thereof to the additional insureds, and

(iii) under any such cover, all rights of subrogation against the additional insureds have been waived.

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20. TERMINATION

20.1 Termination Events

Each of the following will constitute a “**Termination Event**”

- (1) *****
- (2) *****
- (3) *****
- (4) *****
- (5) *****
- (6) *****
- (7) *****
- (8) *****
- *****

20.2 Remedies in Event of Termination

20.2.1 If a Termination Event occurs, the Buyer will be in material breach of this Agreement, and the Seller can elect any of the following remedies to the extent permitted under applicable law:

- A. *****
- B. *****
- C. *****
- D. *****

20.2.2 *****

- A. *****
- B. *****
- C. *****

20.2.3 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

20.3 Notice of Termination Event

Within ***** of becoming aware of the occurrence of a Termination Event by the Buyer, the Buyer will notify the Seller of such occurrence in writing, provided, that any failure by the Buyer to notify the Seller will not prejudice the Seller's rights or remedies hereunder.

20.4 Information Covenants

The Buyer hereby covenants and agrees that, from the date of this Agreement until no further Aircraft are to be delivered hereunder, the Buyer will furnish or cause to be furnished to the Seller the following:

- a. *****
- b. *****
- c. *****
- d. *****
- e. *****

For the purposes of this Clause 20[, (x) an "Authorized Officer" of the Buyer will mean the Chief Executive Officer, the Chief Financial Officer or any Vice President and above who reports directly or indirectly to the Chief Financial Officer and (y) "Subsidiaries" will mean, as of any date of determination, those companies owned by the Buyer whose financial results the Buyer is required to include in its statements of consolidated operations and consolidated balance sheets.

20.5 Nothing contained in this Clause 20 will be deemed to waive or limit the Seller's rights or ability to request adequate assurance under Article 2, Section 609 of the Uniform Commercial Code (the "UCC"). It is further understood that any commitment of the Seller or the Propulsion Systems manufacturer to provide financing to the Buyer shall not constitute adequate assurance under Article 2, Section 609 of the UCC.

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21. ASSIGNMENTS AND TRANSFERS

21.1 Assignments

Except as hereinafter provided, neither party may sell, assign, novate or transfer its rights or obligations under this Agreement to any person without the prior written consent of the other, except that the Seller may sell, assign, novate or transfer its rights or obligations under this Agreement to any Affiliate without the Buyer's consent.

21.2 Assignments on Sale, Merger or Consolidation

The Buyer will be entitled to assign its rights under this Agreement at any time due to a merger, consolidation or a sale of all or substantially all of its assets, provided *****:

- (i) the surviving or acquiring entity is organized and existing under the laws of the United States;
- (ii) the surviving or acquiring entity has executed an assumption agreement, in form and substance reasonably acceptable to the Seller, agreeing to assume all of the Buyer's obligations under this Agreement;
- (iii) at the time, and after giving effect to the consummation, of the merger, consolidation or sale, no Termination Event exists or will have occurred and be continuing;
- (iv) the surviving or acquiring entity ***** is an air carrier holding an operating certificate issued by the FAA at the time, and immediately following the consummation, of such sale, merger or consolidation; and
- (v) *****

21.3 Designations by Seller

The Seller may at any time by notice to the Buyer designate facilities or personnel of the Seller or any other Affiliate of the Seller at which or by whom the services to be performed under this Agreement will be performed. Notwithstanding such designation, the Seller will remain ultimately responsible for fulfillment of all obligations undertaken by the Seller in this Agreement.

21.4 Transfer of Rights and Obligations upon Reorganization

In the event that the Seller is subject to a corporate restructuring having as its object the transfer of, or succession by operation of law in, all or substantially all of its assets and liabilities, rights and obligations *****, including those existing under this Agreement, to a person (the "***** **Successor**") that is an Affiliate of the Seller at the time of that

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restructuring, for the purpose of the Seller Successor carrying on the business carried on by the Seller at the time of the restructuring, such restructuring will be completed without consent of the Buyer following notification by the Seller to the Buyer in writing *****.

21.5 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

AMENDMENT NO. 1

to the A320 Family Aircraft Purchase Agreement

dated as of September 30, 2011

between

Airbus S.A.S

And

Republic Airways Holdings Inc.

Privileged and Confidential

Amendment No. 1

This Amendment No. 1 (the "Amendment") is entered into as of January 10, 2013, between Airbus S.A.S., a *société par actions simplifiée* organized and existing under the laws of the Republic of France, having its registered office located at 1, Rond-Point Maurice Bellonte, 31700 Blagnac, France (the "Seller"), and Republic Airways Holdings Inc., a corporation organized and existing under the laws of the State of Delaware, United States of America, having its principal corporate offices located at 8909 Purdue Road, Suite 300, Indianapolis, Indiana 46268 USA (the "Buyer" and together with the Seller, the "Parties").

WITNESSETH

WHEREAS, the Buyer and the Seller entered into an A320 Family Aircraft Purchase Agreement dated as of September 30, 2011, relating to the sale by the Seller and the purchase by the Buyer of certain Airbus A320 family aircraft, which, together with all Exhibits, Appendixes and Letter Agreements attached thereto is hereinafter called the "Agreement";

WHEREAS, the Buyer and the Seller wish to amend certain terms of the Agreement;

Now, therefore, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Seller and Buyer agree as follows:

1. DEFINITIONS

Capitalized items used herein and not otherwise defined herein will have the meanings assigned to them in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Amendment.

2. LETTER AGREEMENT NO. 1

Paragraph 2.2 of Letter Agreement No. 1 is deleted in its entirety and replaced with the following quoted text:

QUOTE

2.2 *****

UNQUOTE

3. LETTER AGREEMENT NO. 2

3.1 Paragraph 5 of Letter Agreement No. 2 is deleted in its entirety and replaced with the following quoted text:

QUOTE

5. *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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UNQUOTE

- 3.2 Paragraph 6.2 of Letter Agreement No. 2 is deleted in its entirety and replaced with the following quoted text

QUOTE

6.2 *****

UNQUOTE

- 3.3 Part 1, Paragraph 1 of Appendix 1 to Letter Agreement No. 2 is revised to read as follows:

QUOTE

1 Base Prices

The Base Prices of the A319 Airframe, ***** A320 Airframe, ***** A321 Airframe, ***** (each, a “**Base Price**”) are subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics in accordance with the provisions hereof.

UNQUOTE

4. LETTER AGREEMENT NO. 3

Paragraph 3 of Letter Agreement No. 3 is deleted in its entirety and replaced with the following quoted text

QUOTE

3. *****

UNQUOTE

5. LETTER AGREEMENT NO. 7

Paragraph 8.1 of Letter Agreement No. 7 is deleted in its entirety and replaced with the following quoted text

QUOTE

UNQUOTE

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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6. EFFECT OF AMENDMENT

- 6.1 The provisions of this Amendment will constitute a valid amendment to the Agreement and the Agreement will be deemed to be amended to the extent herein provided and, except as specifically amended hereby, will continue in full force and effect in accordance with its terms. Except as otherwise provided by the terms and conditions hereof, this Amendment contains the entire agreement of the Parties with respect to the subject matter hereof and supersedes any previous understandings, commitments, or representations whatsoever, whether oral or written, related to the subject matter of this Amendment.
- 6.2 Both Parties agree that this Amendment will constitute an integral, nonseverable part of the Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Amendment will be governed by the provisions of the Agreement, except that if the Agreement and this Amendment have specific provisions that are inconsistent, the specific provisions contained in this Amendment will govern.

7. GOVERNING LAW

Without limiting the generality of Clause 6.2, the Parties hereby acknowledge and agree that this Amendment is subject to the governing law provisions set forth in Clause 22.6 of the Agreement.

8. CONFIDENTIALITY

Without limiting the generality of Clause 6.2, the Parties hereby acknowledge and agree that this Amendment is subject to the confidentiality provisions set forth in Clause 22.11 of the Agreement.

9. ASSIGNMENT

Without limiting the generality of Clause 6.2, the Parties hereby acknowledge and agree that this Amendment is subject to the assignment and transfer provisions set forth in the Agreement.

10. COUNTERPARTS

This Amendment may be signed by the Parties in counterparts, which when signed and delivered will each be an original and together constitute but one and the same instrument. Counterparts may be delivered in original, faxed or emailed form, with originals to be delivered in due course.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be signed by their respective duly authorized officers or agents as of the day and year first above written.

Airbus S.A.S.

By: /s/ Christophe Mourey
Christophe Mourey
Senior Vice President Contracts

Republic Airways Holdings, Inc.

By: /s/ Lars-Erik Arnell
Lars-Erik Arnell
SVP, Corporate Development

Privileged and Confidential

AMENDMENT NO. 2

to the A320 Family Aircraft Purchase Agreement

dated as of September 30, 2011

between

Airbus S.A.S

And

Frontier Airlines, Inc.

Privileged and Confidential

Amendment No. 2

This Amendment No. 2 (the "Amendment") is entered into as of December 3, 2013, between Airbus S.A.S., a *société par actions simplifiée* organized and existing under the laws of the Republic of France, having its registered office located at 1, Rond-Point Maurice Bellonte, 31700 Blagnac, France (the "Seller"), and Frontier Airlines, Inc., a corporation organized and existing under the laws of the State of Colorado, United States of America, having its principal corporate offices located at 7001 Tower Road, Denver, Colorado 80249-7312 USA (the "Buyer" and together with the Seller, the "Parties").

WITNESSETH

WHEREAS, Republic Airways Holdings, Inc. (the "Original Buyer") and the Seller entered into an A320 Family Aircraft Purchase Agreement dated as of September 30, 2011, (as amended from time to time prior to the date hereof the "Agreement"); and

WHEREAS, the Original Buyer and the Buyer have entered into an assignment and assumption agreement, dated as of November 6, 2013 (the "Assignment"); and

WHEREAS, the Buyer and the Seller wish to amend certain terms of the Agreement;

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Seller and the Buyer agree as follows:

1. DEFINITIONS

Capitalized items used herein and not otherwise defined herein will have the meanings assigned to them in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Amendment.

2. TYPE CONVERSION

Notwithstanding Paragraph ***** of Letter Agreement No. 3, the Seller hereby ***** of the following Aircraft and the Buyer hereby ***** as follows:

3. AMENDMENTS

As of the Effective Date, the Agreement is amended as follows:

- (a) Clause 0 is hereby amended as follows:
 - (i) By amending and restating the definition of "Affiliate" as follows:

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“Affiliate” – with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person or entity; *****

(ii) by inserting, immediately following the definition of Fourth Quarter, the following:

(w) *****

(x) *****

(y) *****

(z) *****

(iii) by inserting, immediately after the definition of the term Type Certificate, the following:

(b) The delivery schedule table set forth in Clause 9.1 of the Agreement is deleted in its entirety and replaced with the following delivery schedule table:

| <u>Aircraft Rank</u> | | <u>Scheduled Delivery</u> | |
|----------------------|---------------|---------------------------|-------------|
| | | <u>Quarter</u> | <u>Year</u> |
| 1 | A320 Aircraft | ***** | ***** |
| 2 | A320 Aircraft | ***** | ***** |
| 3 | A320 Aircraft | ***** | ***** |
| 4 | A320 Aircraft | ***** | ***** |
| 5 | A320 Aircraft | ***** | ***** |
| 6 | A320 Aircraft | ***** | ***** |
| 7 | A320 Aircraft | ***** | ***** |
| 8 | A320 Aircraft | ***** | ***** |
| 9 | A320 Aircraft | ***** | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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| <u>Aircraft Rank</u> | | <u>Scheduled Delivery</u> | |
|----------------------|---------------|---------------------------|-------------|
| | | <u>Quarter</u> | <u>Year</u> |
| 10 | A320 Aircraft | ***** | ***** |
| 11 | A320 Aircraft | ***** | ***** |
| 12 | A320 Aircraft | ***** | ***** |
| 13 | A320 Aircraft | ***** | ***** |
| 14 | A320 Aircraft | ***** | ***** |
| 15 | A320 Aircraft | ***** | ***** |
| 16 | A320 Aircraft | ***** | ***** |
| 17 | A320 Aircraft | ***** | ***** |
| 18 | A320 Aircraft | ***** | ***** |
| 19 | A320 Aircraft | ***** | ***** |
| 20 | A320 Aircraft | ***** | ***** |
| 21 | A320 Aircraft | ***** | ***** |
| 22 | A320 Aircraft | ***** | ***** |
| 23 | A320 Aircraft | ***** | ***** |
| 24 | A320 Aircraft | ***** | ***** |
| 25 | A320 Aircraft | ***** | ***** |
| 26 | A320 Aircraft | ***** | ***** |
| 27 | A320 Aircraft | ***** | ***** |
| 28 | A320 Aircraft | ***** | ***** |
| 29 | A320 Aircraft | ***** | ***** |
| 30 | A320 Aircraft | ***** | ***** |
| 31 | A320 Aircraft | ***** | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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| <u>Aircraft Rank</u> | | <u>Scheduled Delivery</u> | |
|----------------------|----------------|---------------------------|-------------|
| | | <u>Quarter</u> | <u>Year</u> |
| 32 | A320 Aircraft | ***** | ***** |
| 33 | A320 Aircraft | ***** | ***** |
| 34 | A320 Aircraft | ***** | ***** |
| 35 | A320 Aircraft | ***** | ***** |
| 36 | A320 Aircraft | ***** | ***** |
| 37 | A320 Aircraft | ***** | ***** |
| 38 | A320 Aircraft] | ***** | ***** |
| 39 | A320 Aircraft | ***** | ***** |
| 40 | A320 Aircraft | ***** | ***** |
| 41 | A320 Aircraft | ***** | ***** |
| 42 | A320 Aircraft | ***** | ***** |
| 43 | A320 Aircraft | ***** | ***** |
| 44 | A320 Aircraft | ***** | ***** |
| 45 | A320 Aircraft | ***** | ***** |
| 46 | A320 Aircraft | ***** | ***** |
| 47 | A320 Aircraft | ***** | ***** |
| 48 | A320 Aircraft | ***** | ***** |
| 49 | A320 Aircraft | ***** | ***** |
| 50 | A320 Aircraft | ***** | ***** |
| 51 | A320 Aircraft | ***** | ***** |
| 52 | A320 Aircraft | ***** | ***** |
| 53 | A320 Aircraft | ***** | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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| <u>Aircraft Rank</u> | | <u>Scheduled Delivery</u> | |
|----------------------|---------------|---------------------------|-------------|
| | | <u>Quarter</u> | <u>Year</u> |
| 54 | A320 Aircraft | ***** | ***** |
| 55 | A320 Aircraft | ***** | ***** |
| 56 | A320 Aircraft | ***** | ***** |
| 57 | A320 Aircraft | ***** | ***** |
| 58 | A320 Aircraft | ***** | ***** |
| 59 | A320 Aircraft | ***** | ***** |
| 60 | A320 Aircraft | ***** | ***** |
| 61 | A320 Aircraft | ***** | ***** |
| 62 | A320 Aircraft | ***** | ***** |
| 63 | A319 Aircraft | ***** | ***** |
| 64 | A319 Aircraft | ***** | ***** |
| 65 | A319 Aircraft | ***** | ***** |
| 66 | A319 Aircraft | ***** | ***** |
| 67 | A319 Aircraft | ***** | ***** |
| 68 | A319 Aircraft | ***** | ***** |
| 69 | A319 Aircraft | ***** | ***** |
| 70 | A319 Aircraft | ***** | ***** |
| 71 | A319 Aircraft | ***** | ***** |
| 72 | A319 Aircraft | ***** | ***** |
| 73 | A319 Aircraft | ***** | ***** |
| 74 | A319 Aircraft | ***** | ***** |
| 75 | A319 Aircraft | ***** | ***** |

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| <u>Aircraft Rank</u> | |
|----------------------|---------------|
| 76 | A319 Aircraft |
| 77 | A319 Aircraft |
| 78 | A319 Aircraft |
| 79 | A319 Aircraft |
| 80 | A319 Aircraft |

| <u>Scheduled Delivery</u> | |
|---------------------------|-------------|
| <u>Quarter</u> | <u>Year</u> |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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- (c) Clause 10.8 of the Agreement is hereby amended to replace the reference to “Republic Airways Holdings Inc.” with “Frontier Airlines, Inc.”
- (d) Clause 20 of the Agreement is hereby amended as follows:
 - (i) by amending and restating clause 20.1 in its entirety to read as follows:

“20.1 Termination Events

Each of the following will constitute a “**Termination Event**”

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- (1) *****
- (2) *****
- (3) *****
- (4) *****
- (5) *****
- (6) *****
- (7) *****
- (8) *****
- (9) *****
- (10) *****.

(ii) by amending Clause 20.2.1 by adding the following immediately after the word “occurs”:

(iii) by amending and restating Clause 20.4(b) in its entirety to read as follows:
b. *****

(iv) by inserting a new Clause 20.2.4 as follows:
20.2.4 *****

- (i) *****
- (ii) *****
- (iii) *****
- (iv) *****
- (v) *****
- (vi) *****
- (vii) *****
- (viii) *****

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- (v) by deleting the ***** in its entirety.
- (e) Letter Agreement No. 3 is hereby amended as follows:
 - (i) by deleting *****; and
 - (ii) by deleting *****.

4. EFFECT OF AMENDMENT

- 4.1 The provisions of this Amendment will constitute a valid amendment to the Agreement and the Agreement will be deemed to be amended to the extent herein provided and, except as specifically amended hereby, will continue in full force and effect in accordance with its terms. Except as otherwise provided by the terms and conditions hereof, this Amendment contains the entire agreement of the Parties with respect to the subject matter hereof and supersedes any previous understandings, commitments, or representations whatsoever, whether oral or written, related to the subject matter of this Amendment.
- 4.2 Both Parties agree that this Amendment will constitute an integral, nonseverable part of the Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Amendment will be governed by the provisions of the Agreement, except that if the Agreement and this Amendment have specific provisions that are inconsistent, the specific provisions contained in this Amendment will govern.

5. GOVERNING LAW

Without limiting the generality of Clause 4.2, the Parties hereby acknowledge and agree that this Amendment is subject to the governing law provisions set forth in Clause 22.6 of the Agreement.

6. CONFIDENTIALITY

Without limiting the generality of Clause 4.2, the Parties hereby acknowledge and agree that this Amendment is subject to the confidentiality provisions set forth in Clause 22.11 of the Agreement.

7. ASSIGNMENT

Without limiting the generality of Clause 4.2, the Parties hereby acknowledge and agree that this Amendment is subject to the assignment and transfer provisions set forth in the Agreement.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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8. COUNTERPARTS

This Amendment may be signed by the Parties in counterparts, which when signed and delivered will each be an original and together constitute but one and the same instrument. Counterparts may be delivered in original, faxed or emailed form, with originals to be delivered in due course.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be signed by their respective duly authorized officers or agents as of the day and year first above written.

Airbus S.A.S.

By: /s/ Christophe Mourey
Christophe Mourey
Senior Vice President Contracts

Frontier Airlines, Inc.

By: /s/ David N Siegel
David N Siegel
President & CEO

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AMENDMENT NO. 3

to the A320 Family Aircraft Purchase Agreement

dated as of September 30, 2011

between

Airbus S.A.S

And

Frontier Airlines, Inc.

Confidential

Amendment No. 3

This Amendment No. 3 (the "Amendment") is entered into as of October 31, 2014, between Airbus S.A.S., a *société par actions simplifiée* organized and existing under the laws of the Republic of France, having its registered office located at 1, Rond-Point Maurice Bellonte, 31700 Blagnac, France (the "Seller"), and Frontier Airlines, Inc., a corporation organized and existing under the laws of the State of Colorado, United States of America, having its principal corporate offices located at 7001 Tower Road, Denver, Colorado 80249-7312 USA (the "Buyer" and together with the Seller, the "Parties").

WITNESSETH

WHEREAS, the Buyer and the Seller entered into an A320 Family Aircraft Purchase Agreement dated as of September 30, 2011 (as amended, supplemented and modified from time to time prior to the date hereof, the "Agreement"); and

WHEREAS, the Buyer and the Seller wish to amend certain terms of the Agreement;

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Seller and the Buyer agree as follows:

1. DEFINITIONS

Capitalized items used herein and not otherwise defined herein will have the meanings assigned to them in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Amendment.

2. SIMULATOR DATA PACKAGE

Paragraph 7.1 of Letter Agreement No. 7 of the Agreement is hereby amended by deleting the words "*****" and replacing it with the words "*****".

3. *****

3.1 Clause ***** pursuant to Paragraph 1 of Letter Agreement No. 5 of the Agreement, is deleted in its entirety and replaced with the following quoted text

QUOTE

(b) *****

UNQUOTE

3.2 The final paragraph of Clause ***** pursuant to Paragraph 1 of Letter Agreement No. 5 of the Agreement, is deleted in its entirety and replaced with the following quoted text QUOTE

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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UNQUOTE

4. EFFECT OF AMENDMENT

4.1 The provisions of this Amendment will constitute a valid amendment to the Agreement and the Agreement will be deemed to be amended to the extent herein provided and, except as specifically amended hereby, will continue in full force and effect in accordance with its terms. Except as otherwise provided by the terms and conditions hereof, this Amendment contains the entire agreement of the Parties with respect to the subject matter hereof and supersedes any previous understandings, commitments, or representations whatsoever, whether oral or written, related to the subject matter of this Amendment.

4.2 Both Parties agree that this Amendment will constitute an integral, nonseverable part of the Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Amendment will be governed by the provisions of the Agreement, except that if the Agreement and this Amendment have specific provisions that are inconsistent, the specific provisions contained in this Amendment will govern.

5. GOVERNING LAW

Without limiting the generality of Clause 4.2, the Parties hereby acknowledge and agree that this Amendment is subject to the governing law provisions set forth in Clause 22.6 of the Agreement.

6. CONFIDENTIALITY

Without limiting the generality of Clause 4.2, the Parties hereby acknowledge and agree that this Amendment is subject to the confidentiality provisions set forth in Clause 22.11 of the Agreement.

7. ASSIGNMENT

Without limiting the generality of Clause 4.2, the Parties hereby acknowledge and agree that this Amendment is subject to the assignment and transfer provisions set forth in the Agreement.

8. COUNTERPARTS

This Amendment may be signed by the Parties in counterparts, which when signed and delivered will each be an original and together constitute but one and the same instrument. Counterparts may be delivered in original, faxed or emailed form, with originals to be delivered in due course.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be signed by their respective duly authorized officers or agents as of the day and year first above written.

Airbus S.A.S.

By: /s/ Christophe Mourey
Christophe Mourey
Senior Vice President Contracts

Frontier Airlines, Inc.

By: /s/ James G. Dempsey
James G. Dempsey
Chief Financial Officer

Confidential

AIRBUS

A321 AIRCRAFT

PURCHASE AGREEMENT

BETWEEN

AIRBUS S.A.S

as Seller

AND

FRONTIER AIRLINES, INC.

as Buyer

CONTENTS

| | | |
|-----|--------------------------------------|----|
| 0- | DEFINITIONS | 2 |
| 1- | SALE AND PURCHASE | 8 |
| 2- | SPECIFICATION | 8 |
| 3- | PRICE | 11 |
| 4- | PRICE REVISION | 13 |
| 5- | PAYMENT TERMS | 14 |
| 6- | MANUFACTURE PROCEDURE – INSPECTION | 20 |
| 7- | CERTIFICATION | 22 |
| 8- | TECHNICAL ACCEPTANCE | 24 |
| 9- | DELIVERY | 26 |
| 10- | EXCUSABLE DELAY AND TOTAL LOSS | 28 |
| 11- | INEXCUSABLE DELAY | 31 |
| 12- | WARRANTIES AND SERVICE LIFE POLICY | 33 |
| 13- | PATENT AND COPYRIGHT INDEMNITY | 50 |
| 14- | TECHNICAL DATA AND SOFTWARE SERVICES | 53 |
| 15- | SELLER REPRESENTATIVE SERVICES | 61 |
| 16- | TRAINING SUPPORT AND SERVICES | 64 |
| 17- | EQUIPMENT SUPPLIER PRODUCT SUPPORT | 75 |
| 18- | BUYER FURNISHED EQUIPMENT | 77 |
| 19- | INDEMNITIES AND INSURANCE | 82 |
| 20- | TERMINATION | 85 |
| 21- | ASSIGNMENTS AND TRANSFERS | 91 |
| 22- | MISCELLANEOUS PROVISIONS | 93 |

| EXHIBITS | TITLES |
|-----------------|---|
| Exhibit A-1 | A321 STANDARD SPECIFICATION Appendix 1 to Exhibit A-1 A321 AIRCRAFT SPECIFICATION CHANGE NOTICES |
| Exhibit B-1 | FORM OF SPECIFICATION CHANGE NOTICE |
| Exhibit B-2 | FORM OF MANUFACTURER'S SPECIFICATION CHANGE NOTICE |
| Exhibit C | PART 1 SELLER PRICE REVISION FORMULA PART 2 CFM INTERNATIONAL PRICE REVISION FORMULA CPI 186.92 PART 3 IAE PRICE REVISION FORMULA |
| Exhibit D | FORM OF CERTIFICATE OF ACCEPTANCE |
| Exhibit E | FORM OF BILL OF SALE |
| Exhibit F | SERVICE LIFE POLICY – LIST OF ITEMS |
| Exhibit G | TECHNICAL DATA INDEX |
| Exhibit H | MATERIAL SUPPLY AND SERVICES |

A321 AIRCRAFT PURCHASE AGREEMENT

This A321 Aircraft Purchase Agreement (“**Agreement**”) is dated as of October 31, 2014

BETWEEN:

AIRBUS S.A.S., a *société par actions simplifiée*, created and existing under French law having its registered office at 1 Rond-Point Maurice Bellonte, 31707 Blagnac-Cedex, France and registered with the Toulouse Registre du Commerce under number RCS Toulouse 383 474 814 (the “**Seller**”),

and

FRONTIER AIRLINES, INC., a corporation organized and existing under the laws of the State of Colorado, United States of America, having its principal corporate offices located at 7001 Tower Road, Denver, Colorado 80249-7312, United States of America (the “**Buyer**”).

WHEREAS subject to the terms and conditions of this Agreement, the Seller desires to sell the Aircraft to the Buyer and the Buyer desires to purchase the Aircraft from the Seller.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

PA-1

DEFINITIONS

For all purposes of this Agreement (defined below), except as otherwise expressly provided, the following terms will have the following meanings:

A321 Aircraft – any or all of the A321-200 aircraft for which the delivery schedule as of the date hereof is set forth in Clause 9.1 to be sold by the Seller and purchased by the Buyer pursuant to this Agreement, including the A321 Airframe and all components, equipment, parts and accessories installed in or on such A321 Airframe and the A321 Propulsion System, as applicable, installed thereon upon delivery.

A321 Airframe – any A321 Aircraft, excluding the A321 Propulsion System therefor.

A321 Propulsion System – as defined in Clause 2.3.

A321 Specification – the A321 Standard Specification as amended by all applicable SCNs.

A321 Standard Specification – the A321 standard specification document number *****, a copy of which is annexed hereto as Exhibit A-1.

AACS – Airbus Americas Customer Services, Inc., a corporation organized and existing under the laws of Delaware, having its principal offices at 2550 Wasser Terrace, Suite 9100, Herndon, VA 20171, or any successor thereto.

Affiliate – with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person or entity.

Agreement – this Airbus A321 aircraft purchase agreement, including all exhibits and appendixes attached hereto, as the same may be amended or modified and in effect from time to time.

AirbusWorld – as defined in Clause 14.10.1.

Aircraft – as applicable, any or all of the A321 Aircraft.

Aircraft Training Services – all flight support services including but not limited to any and all training courses, flight training, flight assistance, line training, line assistance and more generally all flights of any kind performed by the Seller, its agents, employees or subcontractors, and maintenance support, maintenance training (including Practical Training), training support of any kind performed on aircraft and provided to the Buyer pursuant to this Agreement.

Airframe – the A321 Airframe.

AirN@v Family – as defined in Clause 14.9.1.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Approved BFE Supplier – as defined in Clause 18.1.2.

AOG – as defined in Clause 15.1.4.

ATA Specification – recommended specifications developed by the Air Transport Association of America reflecting consensus in the commercial aviation industry on accepted means of communicating information, conducting business, performing operations and adhering to accepted practices.

Attestation – as defined in Clause 16.3.3.

Aviation Authority – when used with respect to any jurisdiction, the government entity that, under the laws of such jurisdiction, has control over civil aviation or the registration, airworthiness or operation of civil aircraft in such jurisdiction.

Balance of the Final Price – as defined in Clause 5.4.

Base Flight Training – as defined in Clause 16.6.2.1.

Base Period – as defined in Clause 3.1.1.3.

Base Price – for any Aircraft, Airframe, SCNs or Propulsion System, as defined in Clause 3.1.

BFE Data – as defined in Clause 14.3.2.1.

BFE Engineering Definition – as defined in Clause 18.1.3.

BFE Supplier – as defined in Clause 18.1.1.

Bill of Sale – as defined in Clause 9.2.2.

Business Day – with respect to any action to be taken hereunder, a day other than a Saturday, Sunday or other day designated as a holiday in the jurisdiction in which such action is required to be taken.

Buyer Furnished Equipment or BFE – as defined in Clause 18.1.1.

Buyer's Inspector(s) – as defined in Clause 6.2.1.

CDF Date – as defined in Clause 2.4.2.

CDR – as defined in Clause 18.1.5(iii)(b).

Certificate – as defined in Clause 16.3.3.

Certificate of Acceptance – as defined in Clause 8.3.

Change in Law – as defined in Clause 7.3.1.

COC Data – as defined in Clause 14.8.

Confidential Information – as defined in Clause 22.11.

Contractual Definition Freeze or CDF – as defined in Clause 2.4.2.

Customization Milestones Chart – as defined in Clause 2.4.1.

DDU or Delivery Duty Unpaid – is the term Delivery Duty Unpaid as defined by publication n° 560 of the International Chamber of Commerce, published in January 2000.

Declaration of Design and Performance or DDP – the documentation provided by an equipment manufacturer guaranteeing that the corresponding equipment meets the requirements of the Specification, the interface documentation and all the relevant certification requirements.

Delivery – with respect to any Aircraft, the transfer of title to such Aircraft from the Seller to the Buyer in accordance with Clause 9.

Delivery Date – the date on which Delivery occurs.

Delivery Location – the facilities of the Seller at the location of final assembly of the Aircraft.

Delivery Period – as defined in Clause 11.1.

Development Changes – as defined in Clause 2.2.2.

EASA – the European Aviation Safety Agency or any successor thereto.

End-User License Agreement for Airbus Software – as defined in Clause 14.9.4.

Excusable Delay – as defined in Clause 10.1.

Export Certificate of Airworthiness – an export certificate of airworthiness issued by the Aviation Authority of the Delivery Location for export of an Aircraft to the United States.

FAA – the U.S. Federal Aviation Administration, or any successor thereto.

FAI – as defined in Clause 18.1.5(iv).

Failure – as defined in Clause 12.2.1(ii).

Final Price – as defined in Clause 3.2.

First Quarter or 1Q – means the 3-month period of January, February and March.

Fleet Serial Numbers – as defined in Clause 14.2.1.

Fourth Quarter or 4Q – means the 3-month period of October, November and December.

Goods and Services – any goods, excluding Aircraft, and services that may be purchased by the Buyer from the Seller or its designee.

GTC – as defined in Clause 14.10.3.

Indemnatee – as defined in Clause 19.3.

Indemnitor – as defined in Clause 19.3.

Inexcusable Delay – as defined in Clause 11.1.

Inhouse Warranty – as defined in Clause 12.1.7.1.

Inhouse Warranty Labor Rate – as defined in Clause 12.1.7.5(ii).

Inspection – as defined in Clause 6.2.1.

Instructor(s) – as defined in Clause 16.3.3.

Interface Problem – as defined in Clause 12.4.1.

Item – as defined in Clause 12.2.1(i).

LIBOR – means, for any period, the rate per annum equal to the quotation that appears on the LIBOR01 page of the Reuters screen (or such other page as may replace the LIBOR01 page) or if such service is not available, the British Bankers' Association LIBOR rates on Bloomberg (or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. dollar deposits) as of 11:00 a.m., London time, two (2) Business Days prior to the beginning of such period as the rate for twelve-month U.S. dollar deposits to be delivered on the first day of each period.

Losses – as defined in Clause 19.1.

Major BFE – as defined in Clause 18.1.5(iii).

Manufacture Facilities – means the various manufacture facilities of the Seller, its Affiliates or any subcontractor, where the Airframe or its parts are manufactured or assembled.

Manufacturer Specification Change Notice or MSCN – as defined in Clause 2.2.2.1.

Option Catalogs – as defined in Clause 2.4.1.

Other Agreement – as defined in Clause 5.12.1.

Other Indebtedness – as defined in Clause 20.5(iv).

Paris Convention – as defined in Clause 13.1.1(ii)(b).

PDR – as defined in Clause 18.1.5(iii)(a).

PEP – as defined in Clause 14.13.1.

Practical Training – as defined in Clause 16.8.2.

Predelivery Payment – any of the payments determined in accordance with Clause 5.3.

Predelivery Payment Reference Price – as defined in Clause 5.3.2.

Propulsion System – the A321 Propulsion System.

Propulsion System Manufacturer – means the manufacturer of the Propulsion System as set out in Clause 2.3.

Propulsion System Price Revision Formula – the applicable Propulsion System price revision formula set forth in Part 2 of Exhibit C.

Propulsion System Reference Price – the applicable Propulsion System reference price set forth in Part 2 of Exhibit C.

Quarter – means any or, depending on the context, all of the First Quarter, Second Quarter, Third Quarter and Fourth Quarter.

Ready for Delivery – means the time when the Technical Acceptance Process has been completed in accordance with Clause 8 and all technical conditions required for the issuance of the Export Certificate of Airworthiness have been satisfied.

Relevant Amounts – as defined in Clause 5.12.1(ii).

Revision Service Period – as defined in Clause 14.5.

Scheduled Delivery Month – as defined in Clause 9.1.

Scheduled Delivery Quarter – as defined in Clause 9.1.

SEC – as defined in Clause 20.5(i).

Second Quarter or 2Q – means the 3-month period of April, May and June.

Seller Price Revision Formula – the Seller price revision formula set forth in Part 1 of Exhibit C.

Seller Representative – as defined in Clause 15.1.1.

Seller's Customer Services Catalog – as defined in Clause 16.3.1.

Seller's Training Center(s) – as defined in Clause 16.2.1.

Service Life Policy – as described in Clause 12.2.

Sharklets – means a new large wingtip device designed to enhance the eco-efficiency and payload range performance of the A321 aircraft, to be fitted on the A321 Aircraft.

SI – as defined in Clause 18.1.5(v).

Software Services – as defined in Clause 14.1.

Specification – the A321 Specification.

Standard Specification – the A321 Standard Specification.

Specification Change Notice or SCN – as defined in Clause 2.2.1.

Successor – as defined in Clause 21.4.

Supplier – as defined in Clause 12.3.1.1.

Supplier Part – as defined in Clause 12.3.1.2.

Supplier Product Support Agreements – as defined in Clause 12.3.1.3.

Taxes – as defined in Clause 5.5.

Technical Acceptance Flight – as defined in Clause 8.1.2(iv).

Technical Acceptance Process – as defined in Clause 8.1.1.

Technical Data – as defined in Clause 14.1.

Termination – as defined in Clause 20.2.1(i)(d).

Termination Event – as defined in Clause 20.1.

Third Party – as defined in Clause 14.15.2.

Third Party Entity – as defined in Clause 12.8.

Third Quarter or 3Q – means the 3-month period of July, August and September.

Total Loss – as defined in Clause 10.4.

Training Conference – as defined in Clause 16.1.3.

Type Certificate – as defined in Clause 7.1.

VAT – as defined in Clause 5.5.1.

Warranted Part – as defined in Clause 12.1.1.1.

Warranty Claim – as defined in Clause 12.1.5.

Warranty Period – as defined in Clause 12.1.3.

The definition of a singular in this Clause 0 will apply to the plural of the same word.

Except where otherwise indicated, references in this Agreement to an exhibit, schedule, article, section, subsection or clause refer to the appropriate exhibit or schedule to, or article, section, subsection or clause in this Agreement.

Each agreement defined in this Clause 0 will include all appendices, exhibits and schedules thereto. If the prior written consent of any person is required hereunder for an amendment, restatement, supplement or other modification to any such agreement and the consent of each such person is obtained, references in this Agreement to such agreement shall be to such agreement as so amended, restated, supplemented or modified.

References in this Agreement to any statute will be to such statute as amended or modified and in effect at the time any such reference is operative.

The term “including” when used in this Agreement means “including without limitation” except when used in the computation of time periods.

Technical and trade terms not otherwise defined herein will have the meanings assigned to them as generally accepted in the aircraft manufacturing industry.

1 - SALE AND PURCHASE

The Seller will sell and deliver to the Buyer, and the Buyer will purchase and take delivery of 9 (nine) A321 Aircraft from the Seller, subject to the terms and conditions contained in this Agreement.

2 - SPECIFICATION

2.1 Aircraft Specification

2.1.1 The A321 Aircraft will be manufactured in accordance with the A321 Standard Specification, as modified or varied prior to the date of this Agreement by the Specification Change Notices listed in Appendix 1 to Exhibit A-1.

2.2 Specification Amendment The parties understand and agree that the Specification may be further amended following signature of this Agreement in accordance with the terms of this Clause 2.

2.2.1 Specification Change Notice

The Specification may be amended by written agreement between the parties in a notice, substantially in the form set out in Exhibit B-1 (each, a “**Specification Change Notice**” or “**SCN**”) and will set out the SCN’s Aircraft embodiment rank and will also set forth, in detail, the particular change to be made to the Specification and the effect, if any, of such change on design, performance, weight, Delivery Date of the Aircraft affected thereby and on the text of the Specification. An SCN may result in an adjustment to the Base Price of the Aircraft, which adjustment, if any, will be specified in the SCN.

2.2.2 Development Changes

The Specification may also be amended to incorporate changes deemed necessary by the Seller to improve the Aircraft, prevent delay or ensure compliance with this Agreement (“**Development Changes**”), as set forth in this Clause 2.

2.2.2.1 Manufacturer Specification Changes Notices

(i) The Specification may be amended by the Seller through a Manufacturer Specification Change Notice (“**MSCN**”), which will be substantially in the form set out in Exhibit B-2 hereto, or by other appropriate means, and will set out the MSCN’s Aircraft embodiment rank as well as, in detail, the particular change to be made to the Specification and the effect, if any, of such change on performance, weight, Base Price of the Aircraft, Delivery Date of the Aircraft affected thereby and interchangeability or replaceability requirements under the Specification.

(ii) Except when the MSCN is necessitated by an Aviation Authority directive or by equipment obsolescence, in which case the MSCN will be accomplished without requiring the Buyer’s consent, if the MSCN adversely affects the performance, weight, Base Price, Delivery Date of the Aircraft affected thereby or the interchangeability or replaceability requirements under the Specification, the Seller will notify the Buyer of a reasonable period of time during which the Buyer must accept or reject such MSCN. If the Buyer does not notify the Seller of the rejection of the MSCN within such period, the MSCN will be deemed accepted by the Buyer and the corresponding modification will be accomplished.

2.2.2.2 If the Seller revises the Specification to incorporate Development Changes which have no adverse effect on any of the elements identified in Clause 2.2.2.1, such Development Change will be performed by the Seller without the Buyer’s consent.

In such cases, the Seller will provide to the Buyer the details of all changes in an adapted format and on a regular basis.

2.2.2.3 The Seller may at its discretion notify Seller from time to time that certain items, which are currently BFE in the Specification, shall be deemed to be seller-furnished equipment (“**SFE**”) and the parties agree that, upon such notice, such BFE items shall

thereafter be excluded from the provisions of Clauses 2.2.2.1 (ii) and 2.2.2.2 above and shall be considered instead SFE and thereafter chargeable to the Buyer.

2.3 Propulsion System

2.3.1 Each A321 Airframe will be equipped with a set of two (2) CFM International CFM56B3/3 engines or IAE V2533-A5 engines (each upon selection referred to as the “**A321 Propulsion System**”).

2.4 Milestones

2.4.1 Customization Milestones Chart

Within a reasonable period following signature of this Agreement, the Seller will provide the Buyer with a customization milestones chart (the “**Customization Milestones Chart**”), setting out how far in advance of the Scheduled Delivery Month of the Aircraft an SCN must be executed in order to integrate into the Specification any items requested by the Buyer from the Seller’s catalogues of Specification change options (the “**Option Catalogs**”).

2.4.2 Contractual Definition Freeze

The Customization Milestone Chart will in particular specify the date(s) by which the contractual definition of the Aircraft must be finalized and all SCNs need to have been executed by the Buyer (the “**Contractual Definition Freeze**” or “**CDF**”) in order to enable their incorporation into the manufacturing of the Aircraft and Delivery of the Aircraft in the Scheduled Delivery Month. Each such date will be referred to as a “**CDF Date**”.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

3 - PRICE

3.1 Base Price of the Aircraft

The Base Price of the Aircraft is the sum of:

- (i) the Base Price of the Airframe and
- (ii) the Base Price of the Propulsion System.

3.1.1 Base Price of the A321 Airframe

3.1.1.1 In respect of the A321 Aircraft, the Base Price of the A321 Airframe is the sum of the following base prices:

- (i) *****
- (ii) ***** and
- (iii) *****

3.1.1.2 The Base Price of the A321 Airframe has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in ***** (the “**Base Period**”).

3.1.2 Base Price of the A321 Propulsion System

3.1.2.1 The Base Price of a set of two (2) CFM International CFM56-5B3/3 engines (the “**CFM Engines**”) is:

- (i) *****.

Said Base Price has been established in accordance with the delivery conditions prevailing in ***** and has been calculated from the reference price indicated by CFM International and set forth in Part 2 of Exhibit C.

3.1.2.2 The Base Price of a set of two (2) IAE V2533-A5 engines (the “**IAE Engines**”) is:

- *****.

Said Base Price has been established in accordance with the delivery conditions prevailing in ***** and has been calculated from the reference price indicated by INTERNATIONAL AERO ENGINES and set forth in Part 3 of Exhibit C.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Final Price of the Aircraft

The “**Final Price**” of each Aircraft will be the sum of:

- (i) the Base Price of the Airframe, as adjusted to the applicable Delivery Date of such Aircraft in accordance with Clause 4.1;
- (ii) the aggregate of all increases or decreases to the Base Price of the Airframe as agreed in any Specification Change Notice or part thereof applicable to the Airframe subsequent to the date of this Agreement as adjusted to the Delivery Date of such Aircraft in accordance with Clause 4.1;
- (iii) the Propulsion System Reference Price as adjusted to the Delivery Date of in accordance with Clause 4.2;
- (iv) the aggregate of all increases or decreases to the Propulsion System Reference Price as agreed in any Specification Change Notice or part thereof applicable to the Propulsion System subsequent to the date of this Agreement as adjusted to the Delivery Date in accordance with Clause 4.2; and
- (v) any other amount resulting from any other provisions of this Agreement relating to the Aircraft and/or any other written agreement between the Buyer and the Seller relating to the Aircraft.

4 - PRICE REVISION

4.1 Seller Price Revision Formula

The Base Prices of the Airframe and of the SCNs relating to the Airframe are subject to revision up to and including the Delivery Date in accordance with the Seller Price Revision Formula.

4.2 Propulsion System Price Revision

4.2.1 The Propulsion System Reference Price and SCNs relating to the Propulsion System are subject to revision up to and including the Delivery Date in accordance with the Propulsion System Price Revision Formula.

4.2.2 The Reference Price of the Propulsion System, the prices of the related equipment and the Propulsion System Price Revision Formula are based on information received from the Propulsions Systems Manufacturer and are subject to amendment by the Propulsion System Manufacturer at any time prior to Delivery. If the Propulsion System Manufacturer makes any such amendment, the amendment will be deemed to be incorporated into this Agreement and the Reference Price of the Propulsion System, the prices of the related equipment and the Propulsion System Price Revision Formula will be adjusted accordingly. The Seller agrees to notify the Buyer promptly upon receiving notice of any such amendment from the Propulsion System Manufacturer.

5 - **PAYMENT TERMS**

5.1 Seller's Account

The Buyer will pay, from bank accounts within the United States, the Predelivery Payments, the Balance of the Final Price and any other amount due hereunder at the relevant times required by the Agreement and in immediately available funds in United States dollars to:

Beneficiary Name: *****

Account Identification: *****

with:

SWIFT: *****

ABA: *****

or to such other account as may be designated by the Seller in written notice to Buyer at least two Business Days prior to the date such payment is due.

5.2 INTENTIONALLY LEFT BLANK

5.3 Predelivery Payments

5.3.1 Predelivery Payments are ***** and will be paid by the Buyer to the Seller for the Aircraft.

5.3.2 The Predelivery Payment Reference Price for an Aircraft to be delivered in calendar year T is determined in accordance with the following formula:

5.3.3 Predelivery Payments will be paid according to the following schedule:

| <u>Payment Date</u> | <u>Percentage of Predelivery Payment Reference Price</u> |
|---------------------|--|
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |

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TOTAL PAYMENT PRIOR TO DELIVERY

In the event of the above schedule resulting in any Predelivery Payment falling due prior to the date of signature of the Agreement, such Predelivery Payments shall be made upon signature of this Agreement.

5.3.4 ***** The Seller will be under no obligation to segregate any Predelivery Payment, or any amount equal thereto, from the Seller’s funds generally.

5.3.5 *****

(i) *****

(ii) *****

(iii) *****

5.4 Payment of Balance of the Final Price of the Aircraft

Before the Delivery Date or concurrent with the Delivery of each Aircraft, the Buyer will pay to the Seller the Final Price of such Aircraft less an amount equal to the Predelivery Payments received for such Aircraft by the Seller (the “Balance of the Final Price”).

The Seller’s receipt of the full amount of all Predelivery Payments and of the Balance of the Final Price of such Aircraft, and any amounts due under Clause 5.8, are a condition precedent to the Seller’s obligation to deliver such Aircraft to the Buyer.

5.5 Taxes

5.5.1 *****

5.5.2 *****

5.5.3 *****

“Taxes” means any present or future stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority or any political subdivision or taxing authority thereof or therein.

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5.6 Application of Payments

5.7 Setoff Payments

5.8 Overdue Payments

5.8.1 *****

5.8.2 *****

5.9 Proprietary Interest

Notwithstanding any provision of law to the contrary, the Buyer will not, by virtue of anything contained in this Agreement (including, without limitation, any Predelivery Payments hereunder, or any designation or identification by the Seller of a particular aircraft as an Aircraft to which any of the provisions of this Agreement refers) acquire any proprietary, insurable or other interest whatsoever in any Aircraft before Delivery of and payment for such Aircraft, as provided in this Agreement.

5.10 Payment in Full

The Buyer's obligation to make payments to the Seller hereunder will not be affected by and will be determined without regard to any setoff, counterclaim, recoupment, defense or other right that the Buyer may have against the Seller or any other person and all such payments will be made without deduction or withholding of any kind. The Buyer will ensure that the sums received by the Seller under this Agreement will be equal to the full amounts expressed to be due to the Seller hereunder, without deduction or withholding on account of and free from any and all taxes, levies, imposts, duties or charges of whatever nature, except that if the Buyer is compelled by law to make any such deduction or withholding the Buyer will pay such additional amounts to the Seller as may be necessary so that the net amount received by the Seller after such deduction or withholding will equal the amounts that would have been received in the absence of such deduction or withholding.

5.11 Other Charges

Unless expressly stipulated otherwise, any charges due under this Agreement other than those set out in Clauses 5.3 and 5.8 will be paid by the Buyer at the same time as payment of the Balance of the Final Price or, if invoiced, within ***** after the invoice date.

5.12 *****

5.12.1 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(i) *****

(ii) *****

5.12.2 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

6 - MANUFACTURE PROCEDURE – INSPECTION

6.1 Manufacture Procedures

The Airframe will be manufactured in accordance with the requirements of the laws of the jurisdiction of incorporation of the Seller or of its relevant Affiliate as enforced by the Aviation Authority of such jurisdiction.

6.2 Inspection

6.2.1 The Buyer or its duly authorized representatives (the “**Buyer’s Inspector(s)**”) will be entitled to inspect the manufacture of the Airframe and all materials and parts obtained by the Seller for the manufacture of the Airframe (the “**Inspection**”) on the following terms and conditions;

- (i) any Inspection will be conducted pursuant to the Seller’s system of inspection and the relevant Airbus Procedures, as developed under the supervision of the relevant Aviation Authority and generally applicable to commercial airline customers of Seller for A320 family aircraft;
- (ii) the Buyer’s Inspector(s) will have access to such relevant technical documentation solely to the extent reasonably necessary for the purpose of the Inspection;
- (iii) any Inspection and any related discussions with the Seller and other relevant personnel by the Buyer’s Inspector(s) will be at reasonable times during business hours and will take place in the presence of the relevant inspection department personnel of the Seller;
- (iv) the Inspections will be performed in a manner not to unduly delay or hinder the manufacture or assembly of the Aircraft or the performance of this Agreement by the Seller or any other work in progress at the Manufacture Facilities.

6.2.2 Location of Inspections

The Buyer’s Inspector(s) will be entitled to conduct any such Inspection at the relevant Manufacture Facility of the Seller or the Affiliates and where possible at the Manufacture Facilities of the sub-contractors provided that if access to any part of the Manufacture Facilities where the Airframe manufacture is in progress or materials or parts are stored are restricted for security or confidentiality reasons, the Seller will be allowed reasonable time to make the relevant items available elsewhere.

6.3 Seller’s Service for Buyer’s Inspector(s)

For the purpose of the Inspections with respect to an Aircraft, and starting from a mutually agreed date until the Delivery Date of such Aircraft, the Seller will furnish without additional charge suitable space and office equipment in or conveniently

located with respect to the Delivery Location for the use of a reasonable number of Buyer's Inspector(s).

PA-2

7 - **CERTIFICATION**

Except as set forth in this Clause 7, the Seller will not be required to obtain any certificate or approval with respect to the Aircraft.

7.1 Type Certification

The Seller will obtain or cause to be obtained (i) a type certificate under EASA procedures for joint certification in the transport category and (ii) an FAA type certificate (the “**Type Certificate**”) to allow the issuance of the Export Certificate of Airworthiness.

7.2 Export Certificate of Airworthiness

Subject to the provisions of Clause 7.3, each Aircraft will be delivered to the Buyer with an Export Certificate of Airworthiness issued by EASA in a condition enabling the Buyer to obtain at the time of Delivery a Standard Airworthiness Certificate issued pursuant to Part 21 of the US Federal Aviation Regulations and a Certificate of Sanitary Construction issued by the U.S. Public Health Service of the Food and Drug Administration. However, the Seller will have no obligation to make and will not be responsible for any costs of alterations or modifications to such Aircraft to enable such Aircraft to meet FAA or U.S. Department of Transportation requirements for specific operation on the Buyer’s routes, whether before, at or after Delivery of any Aircraft.

If the FAA requires additional or modified data before the issuance of the Export Certificate of Airworthiness, the Seller will provide such data or implement the required modification to the data, in either case, *****.

7.3 Specification Changes before Aircraft Ready for Delivery

7.3.1 If, any time before the date on which an Aircraft is Ready for Delivery, any law, rule or regulation is enacted, promulgated, becomes effective and/or an interpretation of any law, rule or regulation is issued by the EASA that requires any change to the Specification for the purposes of obtaining the Export Certificate of Airworthiness (a “**Change in Law**”), the Seller will make the required modification and the parties hereto will sign an SCN pursuant to Clause 2.2.1.

7.3.2 The Seller will as far as practicable, but at its sole discretion and without prejudice to Clause 7.3.3(ii), take into account the information available to it concerning any proposed law, rule or regulation or interpretation that could become a Change in Law, in order to minimize the costs of changes to the Specification as a result of such proposed law, regulation or interpretation becoming effective before the applicable Aircraft is Ready for Delivery.

7.3.3 The cost of implementing the required modifications referred to in Clause 7.3.1 will be:

(i) *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(ii) *****

7.3.4 Notwithstanding the provisions of Clause 7.3.3, if a Change in Law relates to an item of BFE or to the Propulsion System the costs related thereto will *****.

7.4 Specification Changes after Aircraft Ready For Delivery

Nothing in Clause 7.3 will require the Seller to make any changes or modifications to, or to make any payments or take any other action with respect to, any Aircraft that is Ready for Delivery before the compliance date of any law or regulation referred to in Clause 7.3. Any such changes or modifications made to an Aircraft after it is Ready for Delivery will be at the *****.

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8 - TECHNICAL ACCEPTANCE

8.1 Technical Acceptance Process

8.1.1 Prior to Delivery, the Aircraft will undergo a technical acceptance process developed by the Seller (the “**Technical Acceptance Process**”). Completion of the Technical Acceptance Process will demonstrate the satisfactory functioning of the Aircraft and will be deemed to demonstrate compliance with the Specification. Should it be established that the Aircraft does not comply with the Technical Acceptance Process requirements, the Seller will without hindrance from the Buyer be entitled to carry out any necessary changes and, as soon as practicable thereafter, resubmit the Aircraft to such further Technical Acceptance Process as is necessary to demonstrate the elimination of the noncompliance.

8.1.2 The Technical Acceptance Process will:

- (i) commence on a date notified by the Seller to the Buyer not later than ***** notice prior thereto,
- (ii) take place at the Delivery Location,
- (iii) be carried out by the personnel of the Seller, and
- (iv) include a technical acceptance flight that will ***** (the “**Technical Acceptance Flight**”), and

8.2 Buyer’s Attendance

8.2.1 The Buyer is entitled to elect to attend the Technical Acceptance Process.

8.2.2 If the Buyer elects to attend the Technical Acceptance Process, the Buyer:

- (i) will comply with the reasonable requirements of the Seller, with the intention of completing the Technical Acceptance Process within ***** after its commencement, and
- (ii) may have a maximum of ***** of its representatives (no more than ***** of whom will have access to the cockpit at any one time) accompany the Seller’s representatives on the Technical Acceptance Flight, during which the Buyer’s representatives will comply with the instructions of the Seller’s representatives.

8.2.3 If the Buyer does not attend or fails to cooperate in the Technical Acceptance Process, the Seller will be entitled to complete the Technical Acceptance Process and the Buyer will be deemed to have accepted that the Technical Acceptance Process has been satisfactorily completed, in all respects.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

8.3 Certificate of Acceptance

Upon successful completion of the Technical Acceptance Process, the Buyer will, on or before the Delivery Date, sign and deliver to the Seller a certificate of acceptance in respect of the Aircraft in the form of Exhibit D (the "**Certificate of Acceptance**").

8.4 Finality of Acceptance

The Buyer's signature of the Certificate of Acceptance for the Aircraft will constitute waiver by the Buyer of any right it may have, under the Uniform Commercial Code as adopted by the State of New York or otherwise, to revoke acceptance of the Aircraft for any reason, whether known or unknown to the Buyer at the time of acceptance.

8.5 Aircraft Utilization

The Seller will, *****, be entitled to use the Aircraft prior to Delivery as may be necessary to obtain the certificates required under Clause 7. Such use will not limit the Buyer's obligation to accept Delivery of the Aircraft hereunder.

The Seller will be authorized to use the Aircraft for ***** for any other purpose without the specific agreement of the Buyer.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

9 - DELIVERY

9.1 Delivery Schedule

Subject to Clauses 2, 7, 8 10 and 18:

the Seller will have the Aircraft listed in the table below Ready for Delivery at the Delivery Location within the following months (each a "Scheduled Delivery Month") or quarters (each a "Scheduled Delivery Quarter"):

| Aircraft Rank | | Scheduled Delivery | |
|---------------|---------------|--------------------|-------|
| | | Quarter | Year |
| 1 | A321 Aircraft | ***** | ***** |
| 2 | A321 Aircraft | ***** | ***** |
| 3 | A321 Aircraft | ***** | ***** |
| 4 | A321 Aircraft | ***** | ***** |
| 5 | A321 Aircraft | ***** | ***** |
| 6 | A321 Aircraft | ***** | ***** |
| 7 | A321 Aircraft | ***** | ***** |
| 8 | A321 Aircraft | ***** | ***** |
| 9 | A321 Aircraft | ***** | ***** |

The Seller will give the Buyer the Scheduled Delivery Month of each Aircraft ***** before the first day of the Scheduled Delivery Quarter of the respective Aircraft or upon execution of this Agreement for Aircraft to be delivered earlier than ***** before the first day of the Scheduled Delivery Quarter. The Seller will give the Buyer at least ***** written notice of the anticipated date on which the Aircraft will be Ready for Delivery. Thereafter, the Seller will notify the Buyer of any change to such dates.

9.2 Delivery Process

9.2.1 The Buyer will, when the Aircraft is Ready for Delivery, pay the Balance of the Final Price, take Delivery of the Aircraft and remove the Aircraft from the Delivery Location.

9.2.2 The Seller will deliver and transfer title to the Aircraft to the Buyer free and clear of all encumbrances (except for any liens or encumbrances created by or on behalf of the Buyer) provided that the Balance of the Final Price of such Aircraft has been paid by the Buyer pursuant to Clause 5.4 and that the Certificate of Acceptance has been signed and delivered to the Seller pursuant to Clause 8.3. The Seller will provide the Buyer with a bill of sale in the form of Exhibit E (the "Bill of Sale") and such other documentation confirming transfer of title and receipt of the Final Price of the Aircraft

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as may reasonably be requested by the Buyer. Title to, property in and risk of loss of or damage to the Aircraft will transfer to the Buyer contemporaneously with the delivery by the Seller to the Buyer of such Bill of Sale.

9.2.3 If the Buyer fails to (i) deliver the signed Certificate of Acceptance with respect to an Aircraft to the Seller when required pursuant to Clause 8.3, or (ii) pay the Balance of the Final Price of such Aircraft to the Seller and take Delivery of the Aircraft, then the Buyer will be deemed to have rejected Delivery wrongfully when such Aircraft was duly tendered to the Buyer hereunder. If such a deemed rejection arises, then in addition to the remedies of Clause 5.8.1, (a) the Seller will retain title to such Aircraft and (b) the Buyer will indemnify and hold the Seller harmless against any and all costs (including but not limited to any parking, storage, and insurance costs) and consequences resulting from the Buyer's rejection (including but not limited to risk of loss of or damage to such Aircraft), it being understood that the Seller will be under no duty to the Buyer to store, park, insure or otherwise protect such Aircraft. These rights of the Seller will be in addition to the Seller's other rights and remedies in this Agreement.

9.2.4 If the Buyer fails to remove the Aircraft from the Delivery Location, then, without prejudice to the Seller's other rights and remedies under this Agreement or at law, the provisions of Clause 9.2.3 (b) shall apply.

9.3 Flyaway

9.3.1 The Buyer and the Seller will cooperate to obtain any licenses that may be required by the Aviation Authority of the Delivery Location for the purpose of exporting the Aircraft.

9.3.2 All expenses of, or connected with, flying the Aircraft from the Delivery Location after Delivery will be borne by the Buyer. The Buyer will make direct arrangements with the supplying companies for the fuel and oil required for all post-Delivery flights.

10 - EXCUSABLE DELAY AND TOTAL LOSS

10.1 Scope of Excusable Delay

Neither the Seller nor any Affiliate of the Seller, will be responsible for or be deemed to be in default on account of delays in delivery of the Aircraft or failure to deliver or otherwise in the performance of this Agreement or any part hereof due to causes beyond the Seller's, or any Affiliate's control or not occasioned by the Seller's, fault or negligence ("Excusable Delay"), including, but not limited to: *****.

10.2 Consequences of Excusable Delay

If an Excusable Delay occurs:

- (i) the Seller will notify the Buyer of such Excusable Delay as soon as practicable after becoming aware of the same;
- (ii) the Seller will not be responsible for any damages arising from or in connection with such Excusable Delay suffered or incurred by the Buyer;
- (iii) the Seller will not be deemed to be in default in the performance of its obligations hereunder as a result of such Excusable Delay;
- (iv) the Seller will as soon as practicable after the removal of the cause of such delay resume performance of its obligations under this Agreement and in particular will notify the Buyer of the revised Scheduled Delivery Month.

10.3 Termination on Excusable Delay

10.3.1 If any Delivery is delayed as a result of an Excusable Delay for a period of more than ***** after the last day of the Scheduled Delivery Month, then either party may terminate this Agreement with respect to the affected Aircraft, by giving written notice to the other party ***** after the ***** However, the Buyer will not be entitled to terminate this Agreement pursuant to this Clause 10.3.1 if the Excusable Delay is caused directly or indirectly by the action or inaction of the Buyer.

10.3.2 If the Seller advises the Buyer in its notice of a revised Scheduled Delivery Month pursuant to Clause 10.2.1(iv) that there will be a delay in Delivery of an Aircraft of more than ***** after the last day of the Scheduled Delivery Month, then either party may terminate this Agreement with respect to the affected Aircraft. Termination will be made by giving written notice to the other party ***** after the Buyer's receipt of the notice of a revised Scheduled Delivery Month.]

10.3.3 If this Agreement is not terminated under the terms of Clause 10.3.1 or 10.3.2, then the Seller will be entitled to reschedule Delivery. The Seller will notify the Buyer of the new Scheduled Delivery Month after the ***** referred to in Clause 10.3.1 or 10.3.2, and this new Scheduled Delivery Month will be deemed to be an amendment to the applicable Scheduled Delivery Month in Clause 9.1.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

10.4 Total Loss, Destruction or Damage

If, prior to Delivery, any Aircraft is lost or destroyed or in the reasonable opinion of the Seller is damaged beyond economic repair (“Total Loss”), the Seller will notify the Buyer to this effect within ***** of such occurrence. The Seller will include in said notification (or as soon after the issue of the notice as such information becomes available to the Seller) the earliest date consistent with the Seller’s other commitments and production capabilities that an aircraft to replace the Aircraft may be delivered to the Buyer, and the Scheduled Delivery Month will be extended as specified in the Seller’s notice to accommodate the delivery of the replacement aircraft; provided, however, that if the Scheduled Delivery Month is extended to a month that is later than ***** after the last day of the original Scheduled Delivery Month then this Agreement will terminate with respect to said Aircraft unless:

- (i) the Buyer notifies the Seller within ***** of the date of receipt of the Seller’s notice that it desires the Seller to provide a replacement aircraft during the month quoted in the Seller’s notice; and
- (ii) the parties execute an amendment to this Agreement recording the change in the Scheduled Delivery Month.

Nothing herein will require the Seller to manufacture and deliver a replacement aircraft if such manufacture would require the reactivation of its production line for the model or series of aircraft that includes the Aircraft.

10.5 Termination Rights Exclusive

If this Agreement is terminated as provided for under the terms of Clauses 10.3 or 10.4, such termination will discharge all obligations and liabilities of the parties hereunder with respect to such affected Aircraft and undelivered material, services, data or other items applicable thereto and to be furnished under the Agreement.

10.6 Remedies

THIS CLAUSE 10 SETS FORTH THE SOLE AND EXCLUSIVE REMEDY OF THE BUYER FOR DELAYS IN DELIVERY OR FAILURE TO DELIVER, OTHER THAN SUCH DELAYS AS ARE COVERED BY CLAUSE 11, AND THE BUYER HEREBY WAIVES ALL RIGHTS TO WHICH IT WOULD OTHERWISE BE ENTITLED IN RESPECT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY RIGHTS TO INCIDENTAL AND CONSEQUENTIAL DAMAGES OR SPECIFIC PERFORMANCE. THE BUYER WILL NOT BE ENTITLED TO CLAIM THE REMEDIES AND RECEIVE THE BENEFITS PROVIDED IN THIS CLAUSE 10 WHERE THE DELAY REFERRED TO IN THIS CLAUSE 10 IS CAUSED BY THE NEGLIGENCE OR FAULT OF THE BUYER OR ITS REPRESENTATIVES.

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11 - INEXCUSABLE DELAY

11.1 *****

11.2 Renegotiation

If, as a result of an Inexcusable Delay, the Delivery does not occur within ***** of the Delivery Period the Buyer will have the right, exercisable by written notice to the Seller given between ***** to require from the Seller a renegotiation of the Scheduled Delivery Month for the affected Aircraft. Unless otherwise agreed between the Seller and the Buyer during such renegotiation, the said renegotiation will not prejudice the Buyer's right to receive liquidated damages in accordance with Clause 11.1.

11.3 Termination

If, as a result of an Inexcusable Delay, the Delivery does not occur within ***** of the Delivery Period and the parties have not renegotiated the Delivery Date pursuant to Clause 11.2, then both parties will have the right exercisable by written notice to the other party, given between ***** to terminate this Agreement in respect of the affected Aircraft. In the event of termination, *****

11.4 Remedies

THIS CLAUSE 11 SETS FORTH THE SOLE AND EXCLUSIVE REMEDY OF THE BUYER FOR DELAYS IN DELIVERY OR FAILURE TO DELIVER, OTHER THAN SUCH DELAYS AS ARE COVERED BY CLAUSE 10, AND THE BUYER HEREBY WAIVES ALL RIGHTS TO WHICH IT WOULD OTHERWISE BE ENTITLED IN RESPECT THEREOF, INCLUDING WITHOUT LIMITATION ANY RIGHTS TO INCIDENTAL AND CONSEQUENTIAL DAMAGES OR SPECIFIC PERFORMANCE. THE BUYER WILL NOT BE ENTITLED TO CLAIM THE REMEDIES AND RECEIVE THE BENEFITS PROVIDED IN THIS CLAUSE 11 WHERE THE DELAY REFERRED TO IN THIS CLAUSE 11 IS CAUSED BY THE NEGLIGENCE OR FAULT OF THE BUYER OR ITS REPRESENTATIVES.

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12 - WARRANTIES AND SERVICE LIFE POLICY

This Clause covers the terms and conditions of the warranty and service life policy.

12.1 Standard Warranty

12.1.1 Nature of Warranty

12.1.1.1 For the purpose of this Agreement the term “**Warranted Part**” will mean any Seller proprietary component, equipment, accessory or part, which is installed on an Aircraft at Delivery thereof and

- (i) which is manufactured to the detailed design of the Seller or a subcontractor of the Seller and
- (ii) which bears a part number of the Seller at the time of such Delivery.

12.1.1.2 Subject to the conditions and limitations as hereinafter provided for and except as provided for in Clause 12.1.2, the Seller warrants to the Buyer that each Aircraft and each Warranted Part will at Delivery to the Buyer be free from defects:

- (i) in material;
- (ii) in workmanship, including without limitation processes of manufacture;
- (iii) in design (including without limitation the selection of materials) having regard to the state of the art at the date of such design; and
- (iv) arising from failure to conform to the Specification, except to those portions of the Specification relating to performance or where it is expressly stated that they are estimates or approximations or design aims.

12.1.2 Exclusions

The warranties set forth in Clause 12.1.1 will not apply to Buyer Furnished Equipment, nor to the Propulsion System, nor to any component, equipment, accessory or part installed on the Aircraft at Delivery that is not a Warranted Part except that:

- (i) any defect in the Seller’s workmanship in respect of the installation of such items in the Aircraft, including any failure by the Seller to conform to the installation instructions of the manufacturers of such items, that invalidates any applicable warranty from such manufacturers, will constitute a defect in workmanship for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1.2(ii); and
- (ii) any defect inherent in the Seller’s design of the installation, in consideration of the state of the art at the date of such design, which impairs the use of such

items, will constitute a defect in design for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1.2(iii).

12.1.3 Warranty Period

The warranties set forth in Clauses 12.1.1 and 12.1.2 will be limited to those defects that ***** of the affected Aircraft (the “**Warranty Period**”).

12.1.4 Limitations of Warranty

12.1.4.1 The Buyer’s remedy and the Seller’s obligation and liability under Clauses 12.1.1 and are limited to, at the Seller’s expense and option, the repair, replacement or correction of any Warranted Part which is defective (or to the supply of modification kits, rectifying the defect), together with a credit to the Buyer’s account with the Seller of an amount equal to the mutually agreed direct labor costs expended in performing the removal and reinstallation thereof on the Aircraft at the labor rate defined in Clause 12.1.7.5.

The Seller may alternatively furnish to the Buyer’s account with the Seller a credit equal to the price at which the Buyer is then entitled to purchase a replacement for the defective Warranted Part.

12.1.4.2 In the event of a defect covered by Clauses 12.1.1.2(iii), 12.1.1.2(iv) and 12.1.2(ii) becoming apparent within the Warranty Period, the Seller shall also, if so requested by the Buyer in writing, correct such defect in any Aircraft which has not yet been delivered to the Buyer, *****

(i) *****

(ii) *****

12.1.4.3 Cost of Inspection

In addition to the remedies set forth in Clauses 12.1.4.1 and 12.1.4.2, the Seller will reimburse the direct labor costs incurred by the Buyer in performing inspections of the Aircraft to determine whether or not a defect exists in any Warranted Part within the Warranty Period subject to the following conditions:

- (i) such inspections are recommended by a Seller Service Bulletin to be performed within the Warranty Period;
- (ii) the reimbursement will not apply for any inspections performed as an alternative to accomplishing corrective action as recommended by the Seller prior to the date of such inspection.
- (iii) the labor rate for the reimbursement will be the Inhouse Warranty Labor Rate, and

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- (iv) the manhours used to determine such reimbursement will not exceed the Seller's estimate of the manhours required for such inspections.

12.1.5 Warranty Claim Requirements

The Buyer's remedy and the Seller's obligation and liability under this Clause 12.1 with respect to any warranty claim submitted by the Buyer (each a "**Warranty Claim**") are subject to the following conditions:

- (i) the defect having become apparent within the Warranty Period;
- (ii) the Buyer having filed a warranty claim within ***** of discovering the defect;
- (iii) *****
- (iv) the Seller having received a Warranty Claim complying with the provisions of Clause 12.1.6 below.

12.1.6 Warranty Administration

The warranties set forth in Clause 12.1 will be administered as hereinafter provided for:

12.1.6.1 Claim Determination

Determination as to whether any claimed defect in any Warranted Part is a valid Warranty Claim will be made by the Seller and will be based upon the claim details, reports from the Seller's Representatives, historical data logs, inspections, tests, findings during repair, defect analysis and other relevant documents.

12.1.6.2 Transportation Costs

The cost of transporting a Warranted Part claimed to be defective to the facilities designated by the Seller and for the return therefrom of a repaired or replaced Warranted Part will be *****.

12.1.6.3 Return of an Aircraft

If the Buyer and the Seller mutually agree, prior to such return, that it is necessary to return an Aircraft to the Seller for consideration of a Warranty Claim, the Seller ***** The Buyer will make reasonable efforts to minimize the duration of the corresponding flights.

12.1.6.4 On Aircraft Work by the Seller

If the Seller determines that a defect subject to this Clause 12.1 justifies the dispatch by the Seller of a working team to repair or correct such defect through the embodiment of one or several Seller's Service Bulletins at the Buyer's facilities, or if

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the Seller accepts the return of an Aircraft to perform or have performed such repair or correction, then the *****.

The condition which has to be fulfilled for on-Aircraft work by the Seller is that, in the reasonable opinion of the Seller, the work necessitates the technical expertise of the Seller as manufacturer of the Aircraft.

If said condition is fulfilled and if the Seller is requested to perform the work, the Seller and the Buyer will agree on a schedule and place for the work to be performed.

12.1.6.5 Warranty Claim Substantiation

Each Warranty Claim filed by the Buyer under this Clause 12.1 will contain at least the following data:

- (i) description of defect and any action taken, if any,
- (ii) date incident and/or removal date,
- (iii) description of Warranted Part claimed to be defective,
- (iv) part number,
- (v) serial number (if applicable),
- (vi) position on Aircraft,
- (vii) total flying hours or calendar time, as applicable, at the date of defect appearance,
- (viii) time since last shop visit at the date of defect appearance,
- (ix) Manufacturer Serial Number of the Aircraft and/or its registration,
- (x) Aircraft total flying hours and/or number of landings at the date of defect appearance,
- (xi) Warranty Claim number,
- (xii) date of Warranty Claim,
- (xiii) Delivery Date of Aircraft or Warranted Part to the Buyer,

Warranty Claims are to be addressed as follows:

AIRBUS

CUSTOMER SERVICES DIRECTORATE
WARRANTY ADMINISTRATION

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Rond Point Maurice Bellonte
B.P. 33
F 31707 BLAGNAC CEDEX
FRANCE

12.1.6.6 Replacements

Replaced components, equipment, accessories or parts will become the Seller's property.

Title to and risk of loss of any Aircraft, component, accessory, equipment or part and returned by the Buyer to the Seller will at all times remain with the Buyer, except that:

- (i) when the Seller has possession of a returned Aircraft, component, accessory, equipment or part to which the Buyer has title, the Seller will have such responsibility therefor as is chargeable by law to a bailee for hire, but the Seller will not be liable for loss of use; and
- (ii) title to and risk of loss of a returned component, accessory, equipment or part will pass to the Seller upon shipment by the Seller to the Buyer of any item furnished by the Seller to the Buyer as a replacement therefor.

Upon the Seller's shipment to the Buyer of any replacement component, accessory, equipment or part provided by the Seller pursuant to this Clause 12.1, title to and risk of loss of such replacement component, accessory, equipment or part will pass to the Buyer.

12.1.6.7 Rejection

The Seller will provide reasonable written substantiation in case of rejection of a Warranty Claim. In such event the Buyer will refund to the Seller reasonable inspection and test charges incurred in connection therewith.

12.1.6.8 Inspection

The Seller will have the right to inspect the affected Aircraft, documents and other records relating thereto in the event of any Warranty Claim under this Clause 12.1.

12.1.7 Inhouse Warranty

12.1.7.1 Seller's Authorization

The Seller hereby authorizes the Buyer to repair Warranted Parts ("**Inhouse Warranty**") subject to the terms of this Clause 12.1.7.

12.1.7.2 Conditions for Seller's Authorization

The Buyer will be entitled to repair such Warranted Parts:

- (i) provided the Buyer notifies the Seller Representative of its intention to perform Inhouse Warranty repairs before any such repairs are started where the estimated cost of such repair is *****. The Buyer's notification will include sufficient detail regarding the defect, estimated labor hours and material to allow the Seller to ascertain the reasonableness of the estimate. The Seller agrees to use all reasonable efforts to ensure a prompt response and will not unreasonably withhold authorization;
- (ii) if adequate facilities and qualified personnel are available to the Buyer;
- (iii) if repairs are performed in accordance with the Seller's Technical Data or written instructions; and
- (iv) only to the extent specified by the Seller, or, in the absence of such specification, to the extent reasonably necessary to correct the defect, in accordance with the standards set forth in Clause 12.1.10.

12.1.7.3 Seller's Rights

The Seller will have the right to require the return of any Warranted Part, or any part removed therefrom, which is claimed to be defective if, in the judgment of the Seller, the nature of the claimed defect requires technical investigation. Such return will be subject to the provisions of Clause 12.1.6.2. Furthermore, the Seller will have the right to have a Seller representative present during the disassembly, inspection and testing of any Warranted Part claimed to be defective, subject to such presence being practical and not unduly delaying the repair.

12.1.7.4 Inhouse Warranty Claim Substantiation

Claims for Inhouse Warranty credit will be filed within the time period set forth in 12.1.5(ii) and will contain the same information as that required for Warranty Claims under Clause 12.1.6.5 and in addition will include:

- (i) a report of technical findings with respect to the defect,
- (ii) for parts required to remedy the defect:
 - part numbers, serial numbers (if applicable),
 - parts description,
 - quantity of parts,
 - unit price of parts,
 - related Seller's or third party's invoices (if applicable),
 - total price of parts,
- (iii) detailed number of labor hours,
- (iv) Inhouse Warranty Labor Rate,

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(v) total claim value.

12.1.7.5

The Buyer's sole remedy and the Seller's sole obligation and liability with respect to Inhouse Warranty Claims will be ***** determined as set forth below:

(i) *****

(ii) *****

The Inhouse Warranty Labor Rate is *****. For the purposes of this Clause 12.1.7.5 only, *****, defined in the Seller's Price Revision Formula set forth in Exhibit C to the Agreement.

(iii) *****

12.1.7.6

Limitation

The Buyer will in *****.

12.1.7.7

Scrapped Material

The Buyer will retain any defective Warranted Part beyond economic repair and any defective part removed from a Warranted Part during repair for a period of either ***** of the Seller's request to that effect.

Notwithstanding the foregoing, the Buyer may scrap any such defective parts, which are beyond economic repair and not required for technical evaluation locally, with the agreement of the Seller Representative(s).

Scrapped Warranted Parts will be evidenced by a record of scrapped material certified by an authorized representative of the Buyer and will be kept in the Buyer's file for a least the duration of the applicable Warranty Period.

12.1.8

Standard Warranty in case of Pooling or Leasing Arrangements

Without prejudice to Clause 21.1, the warranties provided for in this Clause 12.1 for any Warranted Part will accrue to the benefit of any airline in revenue service, other than the Buyer, if the Warranted Part enters into the possession of any such airline as a result of a pooling or leasing agreement between such airline and the Buyer, in

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accordance with the terms and subject to the limitations and exclusions of the foregoing warranties and to the extent permitted by any applicable law or regulations.

12.1.9 Warranty for Corrected, Replaced or Repaired Warranted Parts

Whenever any Warranted Part, which contains a defect for which the Seller is liable under Clause 12.1, has been corrected, replaced or repaired pursuant to the terms of this Clause 12.1, *****.

If a defect is attributable to a defective repair or replacement by the Buyer, a Warranty Claim with respect to such defect will be rejected, notwithstanding any subsequent correction or repair, and will immediately terminate the remaining warranties under this Clause 12.1 in respect of the affected Warranted Part.

12.1.10 Accepted Industry Standard Practices Normal Wear and Tear

The Buyer's rights under this Clause 12.1 are subject to the Aircraft and each component, equipment, accessory and part thereof being maintained, overhauled, repaired and operated in accordance with accepted industry standard practices, all Technical Data and any other instructions issued by the Seller, the Suppliers and the Propulsion System Manufacturer and all applicable rules, regulations and directives of the relevant Aviation Authorities.

The Seller's liability under this Clause 12.1 will not extend to normal wear and tear nor to:

- (i) any Aircraft or component, equipment, accessory or part thereof, which has been repaired, altered or modified after Delivery, except by the Seller or in a manner approved by the Seller;
- (ii) any Aircraft or component, equipment, accessory or part thereof, which has been operated in a damaged state; or
- (iii) any component, equipment, accessory and part from which the trademark, name, part or serial number or other identification marks have been removed.

12.1.11 DISCLAIMER OF SELLER LIABILITY

THE SELLER WILL NOT BE LIABLE FOR, AND THE BUYER WILL INDEMNIFY THE SELLER AGAINST, THE CLAIMS OF ANY THIRD PARTIES FOR LOSSES DUE TO ANY DEFECT, NONCONFORMANCE OR PROBLEM OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH ANY REPAIR OF WARRANTED PARTS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12.1 OR ANY OTHER ACTIONS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12, WHETHER SUCH CLAIM IS ASSERTED IN CONTRACT OR IN TORT, OR IS PREMISED ON ALLEGED, ACTUAL, IMPUTED, ORDINARY OR INTENTIONAL ACTS OR OMISSIONS OF THE BUYER OR THE SELLER.

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12.2 Seller Service Life Policy

In addition to the warranties set forth in Clause 12.1, the Seller further agrees that should a Failure occur in any Item (as these terms are defined herein below) that has not suffered from an extrinsic force, then, subject to the general conditions and limitations set forth in Clause 12.2.4, the provisions of this Clause 12.2 will apply.

For the purposes of this Clause 12.2:

- (i) **“Item”** means any item listed in Exhibit F;
- (ii) **“Failure”** means a breakage or defect that can reasonably be expected to occur on a fleetwide basis and which materially impairs the utility of the Item.

12.2.1 Periods and Seller’s Undertakings

Subject to the general conditions and limitations set forth in Clause 12.2.4, the Seller agrees that if a Failure occurs in an Item before ***** after the Delivery of said Aircraft, whichever will first occur, the Seller will, at its discretion and as promptly as practicable and with the Seller’s financial participation as hereinafter provided, either:

- (a) design and furnish to the Buyer a correction for such Item with a Failure and provide any parts required for such correction (including Seller designed standard parts but excluding industry standard parts), or
- (b) replace such Item.

12.2.2 Seller’s Participation in the Costs

Subject to the general conditions and limitations set forth in Clause 12.2.4, any part or Item that the Seller is required to furnish to the Buyer under this Service Life Policy in connection with the correction or replacement of an Item will be furnished to the Buyer ***** therefor, ***** determined in accordance with the following formula:

- (i) *****
- (ii) *****
- (iii) *****

12.2.3 General Conditions and Limitations

12.2.3.1 The undertakings set forth in this Clause 12.2 will be valid after the period of the Seller’s warranty applicable to an Item under Clause 12.1.

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- 12.2.3.2 The Buyer's remedies and the Seller's obligations and liabilities under this Service Life Policy are subject to the prior compliance by the Buyer with the following conditions:
- (i) the Buyer will maintain log books and other historical records with respect to each Item, adequate to enable the Seller to determine whether the alleged Failure is covered by this Service Life Policy and, if so, to define the portion of the costs to be borne by the Seller in accordance with Clause 12.2.3;
 - (ii) the Buyer will keep the Seller informed of any significant incidents relating to an Aircraft, howsoever occurring or recorded;
 - (iii) the Buyer will comply with the conditions of Clause 12.1.10;
 - (iv) the Buyer will implement specific structural inspection programs for monitoring purposes as may be established from time to time by the Seller. Such programs will be as compatible as possible with the Buyer's operational requirements and will be carried out at the Buyer's expense. Reports relating thereto will be regularly furnished to the Seller;
 - (v) the Buyer will report any breakage or defect in a Item in writing to the Seller within ***** after such breakage or defect becomes apparent, whether or not said breakage or defect can reasonably be expected to occur in any other aircraft, and the Buyer will have provided to the Seller sufficient detail on the breakage or defect to enable the Seller, acting reasonably, to determine whether said breakage or defect is subject to this Service Life Policy.
- 12.2.3.3 Except as otherwise provided for in this Clause 12.2, any claim under this Service Life Policy will be administered as provided for in, and will be subject to the terms and conditions of, Clause 12.1.6.
- 12.2.3.4 In the event of the Seller having issued a modification applicable to an Aircraft, the purpose of which is to avoid a Failure, the Seller may elect to supply the necessary modification kit ***** established by the Seller. If such a kit is so offered to the Buyer, then, to the extent of such Failure and any Failures that could ensue therefrom, the validity of the Seller's commitment under this Clause 12.2 will be subject to the Buyer incorporating such modification in the relevant Aircraft, as promulgated by the Seller and in accordance with the Seller's instructions, within a reasonable time.
- 12.2.3.5 THIS SERVICE LIFE POLICY IS NEITHER A WARRANTY, PERFORMANCE GUARANTEE, NOR AN AGREEMENT TO MODIFY ANY AIRCRAFT OR AIRFRAME COMPONENTS TO CONFORM TO NEW DEVELOPMENTS OCCURRING IN THE STATE OF AIRFRAME DESIGN AND MANUFACTURING ART. THE SELLER'S OBLIGATION UNDER THIS CLAUSE 12.2 IS TO MAKE ONLY THOSE CORRECTIONS TO THE ITEMS OR FURNISH REPLACEMENTS THEREFOR AS PROVIDED FOR IN THIS CLAUSE 12.2. THE BUYER'S SOLE REMEDY AND RELIEF FOR THE NON-PERFORMANCE OF ANY OBLIGATION OR LIABILITY OF THE SELLER

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ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY WILL BE IN A CREDIT FOR GOODS AND SERVICES (NOT INCLUDING AIRCRAFT), LIMITED TO THE AMOUNT THE BUYER REASONABLY EXPENDS IN PROCURING A CORRECTION OR REPLACEMENT FOR ANY ITEM THAT IS THE SUBJECT OF A FAILURE COVERED BY THIS SERVICE LIFE POLICY AND TO WHICH SUCH NON-PERFORMANCE IS RELATED, LESS THE AMOUNT THAT THE BUYER OTHERWISE WOULD HAVE BEEN REQUIRED TO PAY UNDER THIS CLAUSE 12.2 IN RESPECT OF SUCH CORRECTED OR REPLACEMENT ITEM. WITHOUT LIMITING THE EXCLUSIVITY OF WARRANTIES AND GENERAL LIMITATIONS OF LIABILITY PROVISIONS SET FORTH IN CLAUSE 12.5, THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL CLAIMS TO ANY FURTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES, ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY.

12.3 Supplier Warranties and Service Life Policies

Prior to or at Delivery of the first Aircraft, the Seller will provide the Buyer, in accordance with the provisions of Clause 17, with the warranties and, where applicable, service life policies that the Seller has obtained for Supplier Parts pursuant to the Supplier Product Support Agreements.

12.3.1 Definitions

12.3.1.1 “**Supplier**” means any supplier of Supplier Parts.

12.3.1.2 “**Supplier Part**” means any component, equipment, accessory or part installed in an Aircraft at the time of Delivery thereof and for which there exists a Supplier Product Support Agreement. For the sake of clarity, Propulsion System and Buyer Furnished Equipment and other equipment selected by the Buyer to be supplied by suppliers with whom the Seller has no existing enforceable warranty agreements are not Supplier Parts.

12.3.1.3 “**Supplier Product Support Agreements**” means agreements between the Seller and Suppliers, as described in Clause 17.1.2, containing enforceable and transferable warranties and, in the case of landing gear suppliers, service life policies for selected structural landing gear elements.

12.3.2 Supplier’s Default

12.3.2.1 *****

12.3.2.2 *****

12.3.2.3 *****

12.4 Interface Commitment

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12.4.1 Interface Problem

If the Buyer experiences any technical problem in the operation of an Aircraft or its systems due to a malfunction, the cause of which, after due and reasonable investigation, is not readily identifiable by the Buyer but which the Buyer reasonably believes to be attributable to the design characteristics of one or more components of the Aircraft (“**Interface Problem**”), the Seller will, if so requested by the Buyer, and without additional charge to the Buyer except for transportation of the Seller’s or its designee’s personnel to the Buyer’s facilities, promptly conduct or have conducted an investigation and analysis of such problem to determine, if possible, the cause or causes of the problem and to recommend such corrective action as may be feasible. The Buyer will furnish to the Seller all data and information in the Buyer’s possession relevant to the Interface Problem and will cooperate with the Seller in the conduct of the Seller’s investigations and such tests as may be required.

At the conclusion of such investigation, the Seller will promptly advise the Buyer in writing of the Seller’s opinion as to the cause or causes of the Interface Problem and the Seller’s recommendations as to corrective action.

12.4.2 Seller’s Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of a Warranted Part, the Seller will, if so requested by the Buyer and pursuant to the terms and conditions of Clause 12.1, correct the design of such Warranted Part to the extent of the Seller’s obligation as defined in Clause 12.1.

12.4.3 Supplier’s Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of any Supplier Part, the Seller will, if so requested by the Buyer, reasonably assist the Buyer in processing any warranty claim the Buyer may have against the Supplier.

12.4.4 Joint Responsibility

If the Seller determines that the Interface Problem is attributable partially to the design of a Warranted Part and partially to the design of any Supplier Part, the Seller will, if so requested by the Buyer, seek a solution to the Interface Problem through cooperative efforts of the Seller and any Supplier involved.

The Seller will promptly advise the Buyer of such corrective action as may be proposed by the Seller and any such Supplier. Such proposal will be consistent with any then existing obligations of the Seller hereunder and of any such Supplier towards the Buyer. Such corrective action, unless reasonably rejected by the Buyer, will constitute full satisfaction of any claim the Buyer may have against either the Seller or any such Supplier with respect to such Interface Problem.

12.4.5 General

- 12.4.5.1 All requests under this Clause 12.4 will be directed to both the Seller and the affected Supplier.
- 12.4.5.2 Except as specifically set forth in this Clause 12.4, this Clause will not be deemed to impose on the Seller any obligations not expressly set forth elsewhere in this Agreement.
- 12.4.5.3 All reports, recommendations, data and other documents furnished by the Seller to the Buyer pursuant to this Clause 12.4 will be deemed to be delivered under this Agreement and will be subject to the terms, covenants and conditions set forth in this Clause 12 and in Clause 22.11.
- 12.5 *****

- (I) *****
 - (II) *****
 - (III) *****
 - (IV) *****
 - (V) *****
 - (VI) *****
 - (VII) *****
 - (A) *****
 - (B) *****
 - (C) *****
 - (D) *****

12.6 Duplicate Remedies

The remedies provided to the Buyer under Clause 12.1 and Clause 12.2 as to any defect in respect of the Aircraft or any part thereof are mutually exclusive and not cumulative. The Buyer will be entitled to the remedy that provides the maximum benefit to it, as the Buyer may elect, pursuant to the terms and conditions of this Clause 12 for any particular defect for which remedies are provided under this Clause 12; provided, however, that the Buyer will not be entitled to elect a remedy under both Clause 12.1 and Clause 12.2 for the same defect. The Buyer's rights and remedies herein for the nonperformance of any obligations or liabilities of the Seller arising under these warranties will be in monetary damages limited to the amount the Buyer

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expends in procuring a correction or replacement for any covered part subject to a defect or nonperformance covered by this Clause 12, and the Buyer will not have any right to require specific performance by the Seller.

12.7 Negotiated Agreement

The Buyer specifically recognizes that:

- (i) the Specification has been agreed upon after careful consideration by the Buyer using its judgment as a professional operator of aircraft used in public transportation and as such is a professional within the same industry as the Seller;
- (ii) this Agreement, and in particular this Clause 12, has been the subject of discussion and negotiation and is fully understood by the Buyer; and
- (iii) the price of the Aircraft and the other mutual agreements of the Buyer set forth in this Agreement were arrived at in consideration of, inter alia, the provisions of this Clause 12, specifically including the waiver, release and renunciation by the Buyer set forth in Clause 12.5.

12.8 Disclosure to Third Party Entity

In the event of the Buyer intending to designate a third party entity (a “**Third Party Entity**”) to administer this Clause 12, the Buyer will notify the Seller of such intention prior to any disclosure of this Clause to the selected Third Party Entity and will cause such Third Party Entity to enter into a confidentiality agreement and or any other relevant documentation with the Seller solely for the purpose of administrating this Clause 12.

12.9 Transferability

Without prejudice to Clause 21.1, the Buyer’s rights under this Clause 12 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller’s prior written consent, which will not be unreasonably withheld.

Any transfer in violation of this Clause 12.9 will, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 12 and any and all other warranties that might arise under or be implied in law.

13 - PATENT AND COPYRIGHT INDEMNITY

13.1 Indemnity

13.1.1 *****

(i) *****

(ii) *****

(a) *****

(b) *****

(iii) *****

13.1.2 *****

(i) *****

(ii) *****

(iii) *****

13.1.3 *****

(i) *****

(ii) *****

13.2 Administration of Patent and Copyright Indemnity Claims

13.2.1 If the Buyer receives a written claim or a suit is threatened or commenced against the Buyer for infringement of a patent or copyright referred to in Clause 13.1, the Buyer will:

- (i) forthwith notify the Seller giving particulars thereof;
- (ii) furnish to the Seller all data, papers and records within the Buyer's control or possession relating to such patent or claim;
- (iii) refrain from admitting any liability or making any payment or assuming any expenses, damages, costs or royalties or otherwise acting in a manner prejudicial to the defense or denial of such suit or claim provided always that nothing in this sub-Clause (iii) will prevent the Buyer from paying such sums as may be required in order to obtain the release of the Aircraft, provided such payment is accompanied by a denial of liability and is made without prejudice;

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- (iv) fully co-operate with, and render all such assistance to, the Seller as may be pertinent to the defense or denial of the suit or claim;
- (v) act in such a way as to mitigate damages, costs and expenses and / or reduce the amount of royalties which may be payable.

13.2.2 The Seller will be entitled either in its own name or on behalf of the Buyer to conduct negotiations with the party or parties alleging infringement and may assume and conduct the defense or settlement of any suit or claim in the manner which, in the Seller's opinion, it deems proper.

13.2.3 The Seller's liability hereunder will be conditional upon the strict and timely compliance by the Buyer with the terms of this Clause and is in lieu of any other liability to the Buyer express or implied which the Seller might incur at law as a result of any infringement or claim of infringement of any patent or copyright.

THE INDEMNITY PROVIDED IN THIS CLAUSE 13 AND THE OBLIGATIONS AND LIABILITIES OF THE SELLER UNDER THIS CLAUSE 13 ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER INDEMNITIES, WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES ON THE PART OF THE SELLER AND RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY ARISING FROM OR WITH RESPECT TO LOSS OF USE OR REVENUE OR CONSEQUENTIAL DAMAGES), WITH RESPECT TO ANY ACTUAL OR ALLEGED PATENT INFRINGEMENT OR THE LIKE BY ANY AIRFRAME, PART OR SOFTWARE INSTALLED THEREIN AT DELIVERY, OR THE USE OR SALE THEREOF, PROVIDED THAT, IN THE EVENT THAT ANY OF THE AFORESAID PROVISIONS SHOULD FOR ANY REASON BE HELD UNLAWFUL OR OTHERWISE INEFFECTIVE, THE REMAINDER OF THIS CLAUSE WILL REMAIN IN FULL FORCE AND EFFECT. THIS INDEMNITY AGAINST PATENT AND COPYRIGHT INFRINGEMENTS WILL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY THE SELLER AND THE BUYER.

14 - TECHNICAL DATA AND SOFTWARE SERVICES

14.1 Scope

This Clause 14 covers the terms and conditions for the supply of technical data (hereinafter “**Technical Data**”) and software services described hereunder (hereinafter “**Software Services**”) to support the Aircraft operation.

14.1.1 The Technical Data will be supplied in the English language using the aeronautical terminology in common use.

14.1.2 Range, form, type, format, quantity and delivery schedule of the Technical Data to be provided under this Agreement are outlined in Exhibit G hereto.

14.2 Aircraft Identification for Technical Data

14.2.1 For those Technical Data that are customized to the Buyer’s Aircraft, the Buyer agrees to the allocation of fleet serial numbers (“**Fleet Serial Numbers**”) in the form of block of numbers selected in the range from 001 to 999.

14.2.2 The sequence will not be interrupted unless two (2) different Propulsion Systems or two (2) different models of Aircraft are selected.

14.2.3 The Buyer will indicate to the Seller the Fleet Serial Number allocated to each Aircraft corresponding to the delivery schedule set forth in Clause 9.1 no later than ***** before the Scheduled Delivery Month of the first Aircraft. Neither the designation of such Fleet Serial Numbers nor the subsequent allocation of the Fleet Serial Numbers to Manufacturer Serial Numbers for the purpose of producing certain customized Technical Data will constitute any property, insurable or other interest of the Buyer in any Aircraft prior to the Delivery of such Aircraft as provided for in this Agreement.

The customized Technical Data that are affected thereby are the following:

- (i) Aircraft Maintenance Manual,
- (ii) Illustrated Parts Catalogue,
- (iii) Trouble Shooting Manual,
- (iv) Aircraft Wiring Manual,
- (v) Aircraft Schematics Manual,
- (vi) Aircraft Wiring Lists.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 14.3 Integration of Equipment Data
- 14.3.1 Supplier Equipment

Information, including revisions, relating to Supplier equipment that is installed on the Aircraft at Delivery, or through Airbus Service Bulletins thereafter, will be introduced into the customized Technical Data to the extent necessary for understanding of the affected systems, at no additional charge to the Buyer.
- 14.3.2 Buyer Furnished Equipment
- 14.3.2.1 The Seller will introduce Buyer Furnished Equipment data for Buyer Furnished Equipment that is installed on the Aircraft by the Seller (hereinafter “**BFE Data**”) into the customized Technical Data, ***** to the Buyer for the initial issue of the Technical Data provided at or before Delivery of the first Aircraft, provided such BFE Data is provided in accordance with the conditions set forth in Clauses 14.3.2.2 through 14.3.2.6.
- 14.3.2.2 The Buyer will supply the BFE Data to the Seller at least ***** prior to the Scheduled Delivery Month of the first Aircraft.
- 14.3.2.3 The Buyer will supply the BFE Data to the Seller in English and will be established in compliance with the then applicable revision of ATA iSpecification 2200 (iSpec 2200), Information Standards for Aviation Maintenance.
- 14.3.2.4 The Buyer and the Seller will agree on the requirements for the provision to the Seller of BFE Data for “on-aircraft maintenance”, such as but not limited to timeframe, media and format in which the BFE Data will be supplied to the Seller, in order to manage the BFE Data integration process in an efficient, expeditious and economic manner.
- 14.3.2.5 The BFE Data will be delivered in digital format (SGML) and/or in Portable Document Format (PDF), as agreed between the Buyer and the Seller.
- 14.3.2.6 *****
- 14.4 Supply
- 14.4.1 Technical Data will be supplied on-line and/or off-line, as set forth in Exhibit G hereto.
- 14.4.2 The Buyer will not receive any credit or compensation for any unused or only partially used Technical Data supplied pursuant to this Clause 14.
- 14.4.3 Delivery
- 14.4.3.1 For Technical Data provided off-line, such Technical Data and corresponding revisions will be sent to up to two (2) addresses as indicated by the Buyer.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 14.4.3.2 Technical Data provided off-line will be delivered by the Seller at the Buyer's named place of destination under DDU conditions.
- 14.4.3.3 The Technical Data will be delivered according to a mutually agreed schedule to correspond with the Deliveries of Aircraft. The Buyer will provide no less than ***** notice when requesting a change to such delivery schedule.
- 14.4.3.4 It will be the responsibility of the Buyer to coordinate and satisfy local Aviation Authorities' requirements with respect to Technical Data. Reasonable quantities of such Technical Data will be supplied by the Seller at no charge to the Buyer at the Buyer's named place of destination.
- Notwithstanding the foregoing, and in agreement with the relevant Aviation Authorities, preference will be given to the on-line access to such Buyer's Technical Data through AirbusWorld.
- 14.5 Revision Service
- For each firmly ordered Aircraft covered under this Agreement, revision service for the Technical Data will be provided ***** (each a "**Revision Service Period**").
- Thereafter revision service will be provided in accordance with the terms and conditions set forth in the Seller's then current Customer Services Catalog.
- 14.6 Service Bulletins (SB) Incorporation
- During Revision Service Period and upon the Buyer's request, which will be made ***** of the applicable Service Bulletin, Seller Service Bulletin information will be incorporated into the Technical Data, provided that the Buyer notifies the Seller through the relevant AirbusWorld on-line Service Bulletin Reporting application that it intends to accomplish such Service Bulletin. The split effectivity for the corresponding Service Bulletin will remain in the Technical Data until notification from the Buyer that embodiment has been completed on all of the Buyer's Aircraft. The foregoing is applicable for Technical Data relating to maintenance only. For operational Technical Data either the pre or post Service Bulletin status will be shown.
- 14.7 Technical Data Familiarization
- Upon request by the Buyer, the Seller will provide up to ***** of Technical Data familiarization training at the Seller's or the Buyer's facilities. The basic familiarization course is tailored for maintenance and engineering personnel.
- 14.8 Customer Originated Changes (COC)
- If the Buyer wishes to introduce Buyer originated data (hereinafter "**COC Data**") into any of the customized Technical Data that are identified as eligible for such incorporation in the Seller's then current Customer Services Catalog, the Buyer will notify the Seller of such intention.

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The incorporation of any COC Data will be performed under the methods and tools for achieving such introduction and the conditions specified in the Seller's then current Customer Services Catalog.

14.9 AirN@v Family products

14.9.1 The Technical Data listed herebelow are provided on DVD and include integrated software (hereinafter together referred to as "**AirN@v Family**").

14.9.2 The AirN@v Family covers several Technical Data domains, reflected by the following AirN@v Family products:

- (i) AirN@v / Maintenance,
- (ii) AirN@v / Planning,
- (iii) AirN@v / Repair,
- (iv) AirN@v / Workshop,
- (v) AirN@v / Associated Data,
- (vi) AirN@v / Engineering.

14.9.3 Further details on the Technical Data included in such products are set forth in Exhibit G.

14.9.4 The licensing conditions for the use of AirN@v Family integrated software will be set forth in a separate agreement to be executed by the parties the earlier of *****, the "**End-User License Agreement for Airbus Software**".

14.9.5 The revision service and the license to use AirN@v Family products will be granted ***** Revision Service Period. At the end of such Revision Service Period, *****.

14.10 On-Line Technical Data

14.10.1 The Technical Data defined in Exhibit G as being provided on-line will be made available to the Buyer through the Airbus customer portal AirbusWorld ("**AirbusWorld**") as set forth in a separate agreement to be executed by the parties the earlier of *****.

14.10.2 Access to Technical Data through AirbusWorld will be ***** Revision Service Period.

14.10.3 Access to AirbusWorld will be subject to the General Terms and Conditions of Access to and Use of AirbusWorld (hereinafter the "**GTC**"), as set forth in a separate agreement to be executed by the parties the earlier of (i) *****.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

14.10.4 The list of the Technical Data provided on-line may be extended from time to time. For any Technical Data which is or becomes available on-line, the Seller reserves the right to eliminate other formats for the concerned Technical Data.

14.10.5 Access to AirbusWorld will be granted ***** for the Technical Data related to the Aircraft which will be operated by the Buyer.

14.10.6 For the sake of clarification, Technical Data accessed through AirbusWorld – which access will be covered by the terms and conditions set forth in the GTC – will remain subject to the conditions of this Clause 14.

In addition, should AirbusWorld provide access to Technical Data in software format, the use of such software will be subject to the conditions of the End-User License Agreement for Airbus Software.

14.11 Waiver, Release and Renunciation

The Seller warrants that the Technical Data are prepared in accordance with the state of the art at the date of their development. Should any Technical Data prepared by the Seller contain a non-conformity or defect, the sole and exclusive liability of the Seller will be to take all reasonable and proper steps to correct such Technical Data. Irrespective of any other provisions herein, no warranties of any kind will be given for the Customer Originated Changes, as set forth in Clause 14.8.

THE WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER (AS DEFINED BELOW FOR THE PURPOSES OF THIS CLAUSE) [AND REMEDIES OF THE BUYER SET FORTH IN THIS CLAUSE 14] ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER AND RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, EXPRESS OR IMPLIED, ARISING BY LAW, CONTRACT OR OTHERWISE, WITH RESPECT TO ANY NON-CONFORMITY OR DEFECT OF ANY KIND, IN ANY TECHNICAL DATA OR SERVICES DELIVERED UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO:

- (I) ANY WARRANTY AGAINST HIDDEN DEFECTS;
- (II) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS;
- (III) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OR TRADE;
- (IV) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY, WHETHER IN CONTRACT OR IN TORT, WHETHER OR NOT ARISING FROM THE SELLER'S NEGLIGENCE, ACTUAL OR IMPUTED; AND

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(V) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY FOR LOSS OF OR DAMAGE TO ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA OR SERVICES DELIVERED UNDER THIS AGREEMENT, FOR LOSS OF USE, REVENUE OR PROFIT, OR FOR ANY OTHER [DIRECT,] INCIDENTAL OR CONSEQUENTIAL DAMAGES;

PROVIDED THAT, IN THE EVENT THAT ANY OF THE AFORESAID PROVISIONS SHOULD FOR ANY REASON BE HELD UNLAWFUL OR OTHERWISE INEFFECTIVE, THE REMAINDER OF THIS AGREEMENT WILL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSES OF THIS CLAUSE 14, THE "SELLER" WILL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS AND SUBCONTRACTORS, ITS AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

14.12 Proprietary Rights

14.12.1 All proprietary rights relating to Technical Data, including but not limited to patent, design and copyrights, will remain with the Seller and/or its Affiliates, as the case may be.

These proprietary rights will also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

14.12.2 Whenever this Agreement and/or any Technical Data provides for manufacturing by the Buyer, the consent given by the Seller will not be construed as any express or implicit endorsement or approval whatsoever of the Buyer or of the manufactured products. The supply of the Technical Data will not be construed as any further right for the Buyer to design or manufacture any Aircraft or part thereof, including any spare part.

14.13 Performance Engineer's Program

14.13.1 In addition to the Technical Data provided under Clause 14, the Seller will provide to the Buyer Software Services, which will consist of the Performance Engineer's Programs ("**PEP**") for the Aircraft type covered under this Agreement. Such PEP is composed of software components and databases, and its use is subject to the license conditions set forth in the End-User License Agreement for Airbus Software.

14.13.2 Use of the PEP will be limited to one (1) copy to be used on the Buyer's computers for the purpose of computing performance engineering data. The PEP is intended for use on ground only and will not be placed or installed on board the Aircraft.

14.13.3 The license to use the PEP and the revision service will be provided ***** Revision Service Period as set forth in Clause 14.5.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

14.13.4 At the end of such PEP Revision Service Period, the PEP will be provided to the Buyer at the standard commercial conditions set forth in the Seller's then current Customer Services Catalog.

14.14 Future Developments

The Seller continuously monitors technological developments and applies them to Technical Data, document and information systems' functionalities, production and methods of transmission.

The Seller will implement and the Buyer will accept such new developments, it being understood that the Buyer will be informed in due time by the Seller of such new developments and their application and of the date by which the same will be implemented by the Seller.

14.15 Confidentiality

14.15.1 This Clause, the Technical Data, the Software Services and their content are designated as confidential. All such Technical Data and Software Services are provided to the Buyer for the sole use of the Buyer who undertakes not to disclose the contents thereof to any third party without the prior written consent of the Seller, except as permitted therein or pursuant to any government or legal requirement imposed upon the Buyer.

14.15.2 If the Seller authorizes the disclosure of this Clause or of any Technical Data or Software Services to third parties either under this Agreement or by an express prior written authorization or, specifically, where the Buyer intends to designate a maintenance and repair organization or a third party to perform the maintenance of the Aircraft or to perform data processing on its behalf (each a "**Third Party**"), the Buyer will notify the Seller of such intention prior to any disclosure of this Clause and/or the Technical Data and/or the Software Services to such Third Party.

The Buyer hereby undertakes to cause such Third Party to agree to be bound by the conditions and restrictions set forth in this Clause 14 with respect to the disclosed Clause, Technical Data or Software Services and will in particular cause such Third Party to enter into a confidentiality agreement with the Seller and appropriate licensing conditions, and to commit to use the Technical Data solely for the purpose of maintaining the Buyer's Aircraft and the Software Services exclusively for processing the Buyer's data.

14.16 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 14 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent.

Any transfer in violation of this Clause 14.16 will, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 14 and any and all other warranties that might arise under or be implied in law.

15 - SELLER REPRESENTATIVE SERVICES

The Seller will ***** to the Buyer the services described in this Clause 15, at the Buyer's main base or at other locations to be mutually agreed.

15.1 Customer Support Representative(s)

15.1.1 The Seller will ***** to the Buyer the services of Seller customer support representative(s), as defined in Appendix A to this Clause 15 (each a "**Seller Representative**"), at the Buyer's main base or such other locations as the parties may agree.

15.1.2 In providing the services as described herein, any Seller Representatives, or any Seller employee(s) providing services to the Buyer hereunder, are deemed to be acting in an advisory capacity only and at no time will they be deemed to be acting as Buyer's employees, contractors or agents, either directly or indirectly.

15.1.3 The Seller will provide to the Buyer an annual written accounting of the consumed man- months and any remaining man-month balance from the ***** defined in Appendix A to this Clause 15. Such accounting will be deemed final and accepted by the Buyer unless the Seller receives written objection from the Buyer within ***** of receipt of such accounting.

15.1.4 In the event of a need for Aircraft On Ground ("**AOG**") technical assistance after the end of the assignment referred to in Appendix A to this Clause 15, the Buyer will have non-exclusive access to:

(i) AIRTAC (Airbus Technical AOG Center);

(ii) The Seller Representative network closest to the Buyer's main base. A list of contacts of the Seller Representatives closest to the Buyer's main base will be provided to the Buyer.

As a matter of reciprocity, the Buyer agrees that Seller Representative(s) may provide services to other airlines during any assignment with the Buyer.

15.1.5 Should the Buyer request Seller Representative services exceeding the allocation specified in Appendix A to this Clause 15, the Seller may provide such additional services subject to terms and conditions to be mutually agreed.

15.1.6 The Seller will cause similar services to be provided by representatives of the Propulsion System Manufacturer and Suppliers, when necessary and applicable.

15.2 Buyer's Support

15.2.1 From the date of arrival of the first Seller Representative and for the duration of the assignment, the Buyer will ***** a suitable, lockable office, conveniently located with respect to the Buyer's principal maintenance facilities for the Aircraft, with complete

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

office furniture and equipment including telephone, internet, email and facsimile connections for the sole use of the Seller Representative(s). All related communication costs will be *****.

15.2.2 Intentionally omitted.

15.2.3 Intentionally omitted.

15.2.4 Should the Buyer request any Seller Representative referred to in Clause 15.1 above to travel on business to a city other than his usual place of assignment, the ***** will be responsible for all related transportation costs and expenses.

15.2.5 Absence of an assigned Seller Representative during normal statutory vacation periods will be covered by other seller representatives on the same conditions as those described in Clause 15.1.4, and such services will be counted against the total allocation provided in Appendix A to this Clause 15.

15.2.6 The Buyer will assist the Seller in obtaining from the civil authorities of the Buyer's country those documents that are necessary to permit the Seller Representative to live and work in the Buyer's country.

15.2.7 *****

(i) *****

(ii) *****

(iii) *****

15.3 Withdrawal of the Seller Representative

The Seller will have the right to withdraw its assigned Seller Representatives as it sees fit if conditions arise, which are in the Seller's reasonable opinion dangerous to their safety or health or prevent them from fulfilling their contractual tasks.

15.4 Indemnities

INDEMNIFICATION PROVISIONS APPLICABLE TO THIS CLAUSE 15 ARE SET FORTH IN CLAUSE 19.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

SELLER REPRESENTATIVE ALLOCATION

The Seller Representative allocation provided to the Buyer pursuant to Clause 15.1 is defined hereunder.

1. *****
2. *****
3. *****

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16 - TRAINING SUPPORT AND SERVICES

16.1 General

16.1.1 This Clause 16 sets forth the terms and conditions for the supply of training support and services for the Buyer's personnel to support the Aircraft operation.

16.1.2 The range, quantity and validity of training to be ***** under this Agreement are covered in Appendix A to this Clause 16.

16.1.3 Scheduling of training courses covered in Appendix A to this Clause 16 will be mutually agreed during a training conference (the "**Training Conference**") that will be held no later than ***** prior to Delivery of the first Aircraft.

16.2 Training Location

16.2.1 The Seller will provide training at its training center in ***** (individually a "**Seller's Training Center**" and collectively the "**Seller's Training Centers**").

16.2.2 If the unavailability of facilities or scheduling difficulties make training by the Seller at any Seller's Training Center impractical, the Seller will ensure that the Buyer is provided with such training at another location designated by the Seller.

16.2.2.1 Upon the Buyer's request, the Seller may also provide certain training at a location other than the Seller's Training Centers, including one of the Buyer's bases, if and when practicable for the Seller, under terms and conditions to be mutually agreed upon. In such event, all additional charges listed in Clauses 16.5.2 and 16.5.3 will be *****.

16.2.2.2 If the Buyer requests training at a location as indicated in Clause 16.2.2.1 and requires such training to be an Airbus approved course, the Buyer undertakes that the training facilities will be approved prior to the performance of such training. The Buyer will, as necessary and with adequate time prior to the performance of such training, provide access to the training facilities set forth in Clause 16.2.2.1 to the Seller's and the competent Aviation Authority's representatives for approval of such facilities.

16.3 Training Courses

16.3.1 Training courses will be as described in the Seller's customer services catalog (the "**Seller's Customer Services Catalog**"). The Seller's Customer Services Catalog also sets forth the minimum and maximum number of trainees per course.

All training requests or training course changes made outside of the scope of the Training Conference will be submitted by the Buyer with a minimum of ***** prior notice.

16.3.2 The following terms and conditions will apply to training performed by the Seller:

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (i) Training courses will be the Seller's standard courses as described in the Seller's Customer Services Catalog valid at the time of execution of the course. The Seller will be responsible for all training course syllabi, training aids and training equipment necessary for the organization of the training courses. For the avoidance of doubt, such training equipment does not include provision of aircraft for the purpose of performing training.
- (ii) The training equipment and the training curricula used for the training of flight, cabin and maintenance personnel will not be fully customized but will be configured in order to obtain the relevant Aviation Authority's approval and to support the Seller's training programs.
- (iii) Training data and documentation for trainees receiving the training at the Seller's Training Centers will be *****. Training data and documentation will be marked "FOR TRAINING ONLY" and as such are supplied for the sole and express purpose of training; training data and documentation will not be revised.

16.3.3 When the Seller's training courses are provided by the Seller's instructors (individually an "Instructor" and collectively "Instructors") the Seller will deliver a Certificate of Recognition or a Certificate of Course Completion (each a "Certificate") or an attestation (an "Attestation"), as applicable, at the end of any such training course. Any such Certificate or Attestation will not represent authority or qualification by any Aviation Authority but may be presented to such Aviation Authority in order to obtain relevant formal qualification.

In the event of training courses being provided by a training provider selected by the Seller as set forth in Clause 16.2.2, the Seller will cause such training provider to deliver e a Certificate or Attestation, which will not represent authority or qualification by any Aviation Authority, but may be presented to such Aviation Authority in order to obtain relevant formal qualification.

16.3.3.1 Should the Buyer wish to exchange any of the training courses provided under Appendix A to this Clause 16, the Buyer will place a request for exchange to this effect with the Seller. The Buyer may exchange, subject to the Seller's confirmation, the ***** under Appendix A to this Clause 16 as follows:

- (i) flight operations training courses as listed under Article 1 of Appendix A to this Clause 16 may be exchanged for any flight operations training courses described in the Seller's Customer Services Catalog current at the time of the Buyer's request;
- (ii) maintenance training courses as listed under Article 3 of Appendix A to this Clause 16 may be exchanged for any maintenance training courses described in the Seller's Customer Services Catalog current at the time of the Buyer's request;
- (iii) should any one of the ***** thereunder (flight operations or maintenance) have been fully drawn upon, the Buyer will be entitled to exchange for flight

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operations or maintenance training courses as needed against the remaining allowances.

The exchange value will be based on the Seller's Training Course Exchange Matrix applicable at the time of the request for exchange and which will be provided to the Buyer at such time.

It is understood that the above provisions will apply to the extent that ***** granted under Appendix A to this Clause 16 remain available to the full extent necessary to perform the exchange.

All requests to exchange training courses will be submitted by the Buyer with a minimum of ***** prior notice. The requested training will be subject to the Seller's then existing planning constraints.

16.3.3.2 Should the Buyer use none or only part of the training to be provided pursuant to this Clause 16, no compensation or non-training credit of any nature will be provided.

16.3.3.3 Should the Buyer decide to cancel or reschedule a training course, fully or partially, and irrespective of the location of the training, a minimum advance notification of at least ***** prior to the relevant training course start date is required.

16.3.3.4 If the notification occurs ***** prior to such training, a ***** of such training will be, as applicable, either deducted from the training allowance defined in Appendix A to this Clause 16 or invoiced at the Seller's then applicable price.

16.3.3.5 If the notification occurs ***** calendar days prior to such training, a ***** of such training will be, as applicable, either deducted from the training allowance defined in Appendix A to this Clause 16 or invoiced at the Seller's then applicable price.

16.3.3.6 All courses exchanged under Clause 16.3.3.1 will remain subject to the provisions of this Clause 16.3.3.

16.4 Prerequisites and Conditions

16.4.1 Training will be conducted in English and all training aids used during such training will be written in English using common aeronautical terminology.

16.4.2 The Buyer hereby acknowledges that all training courses conducted pursuant to this Clause 16 are "Standard Transition Training Courses" and not "Ab Initio Training Courses".

16.4.3 Trainees will have the prerequisite knowledge and experience specified for each course in the Seller's Customer Services Catalog.

16.4.3.1 The Buyer will be responsible for the selection of the trainees and for any liability with respect to the entry knowledge level of the trainees.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 16.4.3.2 The Seller reserves the right to verify the trainees' proficiency and previous professional experience.
- 16.4.3.3 The Seller will provide to the Buyer during the Training Conference an Airbus PreTraining Survey for completion by the Buyer for each trainee.
- The Buyer will provide the Seller with an attendance list of the trainees for each course, with the validated qualification of each trainee, at the time of reservation of the training course and in no event any later than ***** before the start of the training course. The Buyer will return concurrently thereto the completed Airbus Pre-Training Survey, detailing the trainees' associated background. If the Seller determines through the Airbus Pre-Training Survey that a trainee does not match the prerequisites set forth in the Seller's Customer Services Catalog, following consultation with the Buyer, such trainee will be withdrawn from the program or directed through a relevant entry level training (ELT) program, which will be at the Buyer's expense.
- 16.4.3.4 If the Seller determines at any time during the training that a trainee lacks the required level, following consultation with the Buyer, such trainee will be withdrawn from the program or, upon the Buyer's request, the Seller may be consulted to direct the above mentioned trainee(s), if possible, to any other required additional training, which will be at the Buyer's expense.
- 16.4.4 The Seller will in no case warrant or otherwise be held liable for any trainee's performance as a result of any training provided.
- 16.5 Logistics
- 16.5.1 Trainees
- 16.5.1.1 Living and travel expenses for the Buyer's trainees will be *****.
- 16.5.1.2 It will be the responsibility of the Buyer to make all necessary arrangements relative to authorizations, permits and/or visas necessary for the Buyer's trainees to attend the training courses to be provided hereunder. Rescheduling or cancellation of courses due to the Buyer's failure to obtain any such authorizations, permits and/or visas will be subject to the provisions of Clauses 16.3.3.3 thru 16.3.3.5.
- 16.5.2 Training at External Location – Seller's Instructors
- 16.5.2.1 In the event of training being provided at the Seller's request at any location other than the Seller's Training Centers, as provided for in Clause 16.2.2, the expenses of the Seller's Instructors will be *****.
- 16.5.2.2 In the event of training being provided by the Seller's Instructor(s) at any location other than the Seller's Training Centers at the Buyer's request, the Buyer will reimburse the Seller for all the expenses related to the assignment of such Seller Instructors and the performance of their duties as aforesaid.

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Such per diem will include, but will not be limited to, lodging, food and local transportation to and from the place of lodging and the training course location.

16.5.2.3 *****

16.5.2.4 *****

16.5.2.5 Buyer's Indemnity

Except in case of gross negligence or willful misconduct of the Seller, the Seller will not be held liable to the Buyer for any delay or cancellation in the performance of any training outside of the Seller's Training Centers associated with any transportation described in this Clause 16.5.2, and the Buyer will indemnify and hold harmless the Seller from any such delay and/or cancellation and any consequences arising therefrom.

16.5.3 Training Material and Equipment Availability – Training at External Location

Training material and equipment necessary for course performance at any location other than the Seller's Training Centers or the facilities of a training provider selected by the Seller will be provided by the Buyer ***** in accordance with the Seller's specifications.

Notwithstanding the foregoing, should the Buyer request the performance of a course at another location as per Clause 16.2.2.1, the Seller may, upon the Buyer's request, provide the training material and equipment necessary for such course's performance. Such provision will be *****.

16.6 Flight Operations Training

The Seller will provide training for the Buyer's flight operations personnel as further detailed in Appendix A to this Clause 16, including the courses described in this Clause 16.6.

16.6.1 Flight Crew Training Course

The Seller will perform a flight crew training course program for the Buyer's flight crews, each of which will consist of ***** crew members, who will be either captain(s) or first officer(s).

16.6.2 Base Flight Training

16.6.2.1 The Buyer will provide at its own cost its delivered Aircraft, or any other aircraft it operates, for any base flight training, which will consist of ***** per pilot, performed

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in accordance with the related Airbus training course definition (the “**Base Flight Training**”).

16.6.2.2 Should it be necessary to ferry the Buyer’s delivered Aircraft to the location where the Base Flight Training will take place, the additional flight time required for the ferry flight to and/or from the Base Flight Training field will not be deducted from the Base Flight Training time.

16.6.2.3 If the Base Flight Training is performed outside of the zone where the Seller usually performs such training, the ferry flight to the location where the Base Flight Training will take place will be performed by a crew composed of the Seller’s and/or the Buyer’s qualified pilots, in accordance with the relevant Aviation Authority’s regulations related to the place of performance of the Base Flight Training.

16.6.3 Flight Crew Line Initial Operating Experience

In order to assist the Buyer with initial operating experience after Delivery of the first Aircraft, the Seller will provide to the Buyer pilot Instructor(s) as set forth in Appendix A to this Clause 16.

Should the Buyer request, subject to the Seller’s consent, such Seller pilot Instructors to perform any other flight support during the flight crew line initial operating period, such as but not limited to line assistance, demonstration flight(s), ferry flight(s) or any flight(s) required by the Buyer during the period of entry into service of the Aircraft, it is understood that such flight(s) ***** set forth in Appendix A to this Clause 16.

It is hereby understood by the Parties that the Seller’s pilot Instructors will only perform the above flight support services to the extent they bear the relevant qualifications to do so.

16.6.4 Type Specific Cabin Crew Training Course

The Seller will provide type specific training for cabin crews at one of the locations defined in Clause 16.2.1.

If the Buyer’s Aircraft is to incorporate special features, the type specific cabin crew training course will be performed no earlier than ***** before the scheduled Delivery Date of the Buyer’s first Aircraft.

16.6.5 Training on Aircraft

During any and all flights performed in accordance with this Clause 16.6, the Buyer will bear full responsibility for the aircraft upon which the flight is performed, including but not limited to any required maintenance, ***** in line with Clause 16.13.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The Buyer will assist the Seller, if necessary, in obtaining the validation of the licenses of the Seller's pilots performing Base Flight Training or initial operating experience by the Aviation Authority of the place of registration of the Aircraft.

16.7 Performance / Operations Courses

The Seller will provide performance/operations training for the Buyer's personnel as defined in Appendix A to this Clause 16.

The available courses will be listed in the Seller's Customer Services Catalog current at the time of the course.

16.8 Maintenance Training

16.8.1 The Seller will provide maintenance training for the Buyer's ground personnel as further set forth in Appendix A to this Clause 16.

The available courses will be as listed in the Seller's Customer Services Catalog current at the time of the course.

The practical training provided in the frame of maintenance training will be performed on the training devices in use in the Seller's Training Centers.

16.8.2 Practical Training on Aircraft

Notwithstanding Clause 16.8.1 above, upon the Buyer's request, the Seller may provide Instructors for the performance of practical training on aircraft ("**Practical Training**").

Irrespective of the location at which the training takes place, the Buyer will provide at its own cost an aircraft for the performance of the Practical Training.

Should the Buyer require the Seller's Instructors to provide Practical Training at facilities selected by the Buyer, such training will be subject to prior approval of the facilities by the Seller. All costs related to such Practical Training, including but not limited to the Seller's approval of the facilities, will be borne by the Buyer.

The provision of a Seller Instructor for the Practical Training will be deducted from the trainee days allowance defined in Appendix A to this Clause 16, subject to the conditions detailed in Paragraph 4.4 thereof.

16.9 Supplier and Propulsion System Manufacturer Training

Upon the Buyer's request, the Seller will provide to the Buyer the list of the maintenance and overhaul training courses provided by major Suppliers and the applicable Propulsion System Manufacturer on their respective products.

16.10 Proprietary Rights

All proprietary rights, including but not limited to patent, design and copyrights, relating to the Seller's training data and documentation will remain with the Seller and/or its Affiliates and/or its Suppliers, as the case may be.

These proprietary rights will also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

16.11 Confidentiality

The Seller's training data and documentation are designated as confidential and as such are provided to the Buyer for the sole use of the Buyer, for training of its own personnel, who undertakes not to disclose the content thereof in whole or in part, to any third party without the prior written consent of the Seller, save as permitted herein or otherwise pursuant to any government or legal requirement imposed upon the Buyer.

In the event of the Seller having authorized the disclosure of any training data and documentation to third parties either under this Agreement or by an express prior written authorization, the Buyer will cause such third party to agree to be bound by the same conditions and restrictions as the Buyer with respect to the disclosed training data and documentation and to use such training data and documentation solely for the purpose for which they are provided.

16.12 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 16 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent.

16.13 Indemnities and Insurance

INDEMNIFICATION PROVISIONS AND INSURANCE REQUIREMENTS APPLICABLE TO THIS CLAUSE 16 ARE AS SET FORTH IN CLAUSE 19.

THE BUYER WILL PROVIDE THE SELLER WITH AN ADEQUATE INSURANCE CERTIFICATE PRIOR TO ANY TRAINING ON AIRCRAFT.

APPENDIX A TO CLAUSE 16

TRAINING ALLOWANCE

For the avoidance of doubt, all quantities indicated below are the total quantities *****, unless otherwise specified.

The contractual training courses defined in this Appendix A will be provided up to ***** under this Agreement.

Notwithstanding the above, flight operations training courses ***** in this Appendix A will be provided by the Seller within a period starting ***** before and ending ***** after Delivery of such Aircraft.

Any deviation to said training delivery schedule will be mutually agreed between the Buyer and the Seller.

1. FLIGHT OPERATIONS TRAINING

1.1. Flight Crew Training (standard transition course)

The Seller will provide flight crew training (standard transition course) ***** for ***** of the Buyer's flight crews ***** Aircraft as of the date hereof.

1.2. Flight Crew Line Initial Operating Experience

The Seller will provide to the Buyer pilot Instructor(s) ***** for a period of *****.

Unless otherwise agreed during the Training Conference, in order to follow the Aircraft Delivery schedule, the maximum number of pilot Instructors present at any one time will be limited to ***** pilot Instructors.

1.3. Type Specific Cabin Crew Training Course

The Seller will provide to the Buyer ***** type specific training for cabin crews for ***** of the Buyer's cabin crew instructors, pursers or cabin attendants.

1.4. Airbus Pilot Instructor Course (APIC)

The Seller will provide to the Buyer transition Airbus Pilot Instructor Course(s) (APIC), for flight and synthetic instruction, ***** for ***** of the Buyer's flight instructors. APIC courses will be performed in a group of ***** trainees.

2. PERFORMANCE / OPERATIONS COURSE(S)

The Seller will provide to the Buyer ***** of performance / operations training ***** for the Buyer's personnel.

3. MAINTENANCE TRAINING

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

3.1. The Seller will provide to the Buyer ***** of maintenance training ***** for the Buyer's personnel.

3.2. The Seller will provide to the Buyer ***** Engine Run-up course.

4. **TRAINEE DAYS ACCOUNTING**

Trainee days are counted as follows:

4.1. For instruction at the Seller's Training Centers: one (1) day of instruction for one (1) trainee equals one (1) trainee day. The number of trainees originally registered at the beginning of the course will be counted as the number of trainees to have taken the course.

4.2. For instruction outside of the Seller's Training Centers: one (1) day of instruction by one (1) Seller Instructor equals ***** trainee days, except for structure maintenance training course(s).

4.3. For structure maintenance training courses outside the Seller's Training Center(s), one (1) day of instruction by one (1) Seller Instructor equals the actual number of trainees attending the course or the minimum number of trainees as indicated in the Seller's Customer Services Catalog.

4.4. For practical training, whether on training devices or on aircraft, one (1) day of instruction by one (1) Seller Instructor equals ***** trainee days.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

17 - EQUIPMENT SUPPLIER PRODUCT SUPPORT

17.1 Equipment Supplier Product Support Agreements

17.1.1 The Seller has obtained enforceable and transferable Supplier Product Support Agreements from Suppliers of Supplier Parts, the benefit of which is hereby accepted by the Buyer. Said Supplier Product Support Agreements become enforceable by Buyer from the date of this Agreement and for as long as Buyer is an operator of Airbus aircraft.

17.1.2 These agreements are based on the World Airlines Suppliers Guide, are made available to the Buyer through the SPSA Application, and include Supplier commitments as contained in the Supplier Product Support Agreements which include the following provisions:

17.1.2.1 Technical data and manuals required to operate, maintain, service and overhaul the Supplier Parts will be prepared in accordance with the applicable provisions of ATA Specification including revision service and be published in the English language. The Seller will recommend that a software user guide, where applicable, be supplied in the form of an appendix to the Component Maintenance Manual. Such data will be provided in compliance with the applicable ATA Specification;

17.1.2.2 Warranties and guarantees, including standard warranties. In addition, landing gear Suppliers will provide service life policies for selected structural landing gear elements;

17.1.2.3 Training to ensure efficient operation, maintenance and overhaul of the Supplier Parts for the Buyer's instructors, shop and line service personnel;

17.1.2.4 Spares data in compliance with ATA Specification 2200, initial provisioning recommendations, spare parts and logistic service including routine and expedite deliveries;

17.1.2.5 Technical service to assist the Buyer with maintenance, overhaul, repair, operation and inspection of Supplier Parts as well as required tooling and spares provisioning.

17.2 Supplier Compliance

The Seller will monitor Suppliers' compliance with support commitments defined in the Supplier Product Support Agreements and will, if necessary, jointly take remedial action with the Buyer.

17.3 Nothing in this Clause 17 shall be construed to prevent or limit the Buyer from entering into direct negotiations with a Supplier with respect to different or additional terms and conditions applicable to Suppliers Parts selected by the Buyer to be installed on the Aircraft.

Familiarization Training

Upon the Buyer's request, the Seller will provide the Buyer with Supplier Product Support Agreements familiarization training at the Seller's facilities in Blagnac, France. An on-line training module will be further available through AirbusWorld, access to which will be subject to the GTC.

18 - BUYER FURNISHED EQUIPMENT

18.1 Administration

18.1.1 In accordance with the Specification, the Seller will install those items of equipment that are identified in the Specification as being furnished by the Buyer ("**Buyer Furnished Equipment**" or "**BFE**"), provided that the BFE and the supplier of such BFE (the "**BFE Supplier**") are referred to in the Airbus BFE Product Catalog valid at the time the BFE Supplier is selected.

18.1.2 Notwithstanding the foregoing and without prejudice to Clause 2.4, if the Buyer wishes to install BFE manufactured by a supplier who is not referred to in the Airbus BFE Product Catalog, the Buyer will so inform the Seller and the Seller will conduct a feasibility study of the Buyer's request, in order to consider approving such supplier, provided that such request is compatible with the Seller's industrial planning and the associated Scheduled Delivery Month for the Buyer's Aircraft. In addition, it is a prerequisite to such approval that the considered supplier be qualified by the Seller's Aviation Authorities to produce equipment for installation on civil aircraft. Any approval of a supplier by the Seller under this Clause 18.1.2 will be *****. The Buyer will cause any BFE supplier approved under this Clause 18.1.2 (each an "**Approved BFE Supplier**") to comply with the conditions set forth in this Clause 18 and specifically Clause 18.2.

Except for the specific purposes of this Clause 18.1.2, the term "**BFE Supplier**" will be deemed to include Approved BFE Suppliers.

18.1.3 The Seller will advise the Buyer of the dates by which, in the planned release of engineering for the Aircraft, the Seller requires from each BFE Supplier a written detailed engineering definition encompassing a Declaration of Design and Performance (the "**BFE Engineering Definition**"). The Seller will reasonably provide to the Buyer and/or the BFE Supplier(s), the interface documentation necessary for development of the BFE Engineering Definition.

The BFE Engineering Definition will include the description of the dimensions and weight of BFE, the information related to its certification and the information necessary for the installation and operation thereof, including when applicable 3D models compatible with the Seller's systems. The Buyer will furnish, or cause the BFE Suppliers to furnish, the BFE Engineering Definition by the dates advised by the Seller pursuant to the preceding paragraph after which the BFE Engineering Definition will not be revised, except through an SCN executed in accordance with Clause 2.

18.1.4 The Seller will also provide in due time to the Buyer a schedule of dates and the shipping addresses for delivery of the BFE and, where requested by the Seller, additional spare BFE to permit installation in the Aircraft in a timely manner. The Buyer will provide, or cause the BFE Suppliers to provide, the BFE by such dates in a serviceable condition. The Buyer will, upon the Seller's request, provide to the Seller dates and references of all BFE purchase orders placed by the Buyer.

****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The Buyer will also provide, when requested by the Seller, at Airbus Operations S.A.S. in Toulouse, France, and/or at Airbus Operations GmbH, Division Hamburger Flugzeugbau in Hamburg, Germany, adequate field service including support from BFE Suppliers to act in a technical advisory capacity to the Seller in the installation, calibration and possible repair of a BFE.

18.1.5 Without prejudice to the Buyer's obligations hereunder, in order to facilitate the development of the BFE Engineering Definition, the Seller will organize meetings between the Buyer and BFE Suppliers. The Buyer hereby agrees to participate in such meetings and to provide adequate technical and engineering expertise to reach decisions within a timeframe specified by the Seller.

In addition, prior to Delivery of the Aircraft to the Buyer, the Buyer agrees:

- (i) to monitor the BFE Suppliers and ensure that they will enable the Buyer to fulfil its obligations, including but not limited to those set forth in the Customization Milestone Chart;
- (ii) that, should a timeframe, quality or other type of risk be identified at a given BFE Supplier, the Buyer will allocate resources to such BFE Supplier so as not to jeopardize the industrial schedule of the Aircraft;
- (iii) for major BFE, including, but not being limited to, seats, galleys and IFE ("**Major BFE**") to participate on a mandatory basis in the specific meetings that take place between BFE Supplier selection and BFE delivery, namely:
 - (a) Preliminary Design Review ("**PDR**"),
 - (b) Critical Design Review ("**CDR**");
- (iv) to attend the First Article Inspection ("**FAI**") for the first shipset of all Major BFE. Should the Buyer not attend such FAI, the Buyer will delegate the FAI to the BFE Supplier thereof and confirmation thereof will be supplied to the Seller in writing;
- (v) to attend the Source Inspection ("**SI**") that takes place at the BFE Supplier's premises prior to shipping, for each shipset of all Major BFE. Should the Buyer not attend such SI, the Buyer will delegate the SI to the BFE Supplier and confirmation thereof will be supplied to the Seller in writing. Should the Buyer not attend the SI, the Buyer will be deemed to have accepted the conclusions of the BFE Supplier with respect to such SI.

The Seller will be entitled to attend the PDR, the CDR and the FAI. In doing so, the Seller's employees will be acting in an advisory capacity only and at no time will they be deemed to be acting as Buyer's employees or agents, either directly or indirectly.

18.1.6 The BFE will be imported into France or into Germany by the Buyer under a suspensive customs system (Régime de l'entrepôt douanier ou régime de

perfectionnement actif or Zollverschluss) without application of any French or German tax or customs duty, and will be delivered on a DDU basis, to the following shipping addresses:

Airbus Operations S.A.S.
316 Route de Bayonne
31300 Toulouse
France

or

Airbus Operations GmbH
Kreetslag 10
21129 Hamburg
Germany

Or such other location as may be specified by the Seller.

18.2

Applicable Requirements

The Buyer is responsible for ensuring, at its expense, and warrants that the BFE will:

- (i) be manufactured by either a BFE Supplier referred to in the Airbus BFE Product Catalog or an Approved BFE Supplier, and
- (ii) meet the requirements of the applicable Specification of the Aircraft, and
- (iii) be delivered with the relevant certification documentation, including but not limited to the DDP, and
- (iv) comply with the BFE Engineering Definition, and
- (v) comply with applicable requirements incorporated by reference to the Type Certificate and listed in the Type Certificate Data Sheet, and
- (vi) be approved by the Aviation Authority issuing the Export Certificate of Airworthiness and by the Buyer's Aviation Authority for installation and use on the Aircraft at the time of Delivery of the Aircraft, and
- (vii) not infringe any patent, copyright or other intellectual property right of the Seller or any third party, and
- (viii) not be subject to any legal obligation or other encumbrance that may prevent, hinder or delay the installation of the BFE in the Aircraft and/or the Delivery of the Aircraft.

The Seller will be entitled to refuse any item of BFE that it considers incompatible with the Specification, the BFE Engineering Definition or the certification requirements.

18.3 Buyer's Obligation and Seller's Remedies

18.3.1 Any delay or failure by the Buyer or the BFE Suppliers in:

- (i) complying with the foregoing warranty or in providing the BFE Engineering Definition or field service mentioned in Clause 18.1.4, or
- (ii) furnishing the BFE in a serviceable condition at the requested delivery date, or
- (iii) obtaining any required approval for such BFE equipment under the above mentioned Aviation Authorities' regulations,

may delay the performance of any act to be performed by the Seller, including Delivery of the Aircraft. The Seller will not be responsible for such delay which will cause the Final Price of the affected Aircraft to be adjusted in accordance with the updated delivery schedule and to include in particular the amount of the Seller's additional costs attributable to such delay or failure by the Buyer or the BFE Suppliers, such as storage, taxes, insurance and costs of out-of sequence installation.

18.3.2 In addition, in the event of any delay or failure mentioned in 18.3.1 above, the Seller may:

- (i) select, purchase and install equipment similar to the BFE at issue, in which event the Final Price of the affected Aircraft will also be increased by the purchase price of such equipment plus reasonable costs and expenses incurred by the Seller for handling charges, transportation, insurance, packaging and, if so required and not already provided for in the Final Price of the Aircraft, for adjustment and calibration; or
- (ii) if the BFE is delayed by more than ***** beyond, or is not approved within ***** of the dates specified in Clause 18.1.4, deliver the Aircraft without the installation of such BFE, notwithstanding applicable terms of Clauses 7 and 8, and the Seller will thereupon be relieved of all obligations to install such equipment.

18.4 Title and Risk of Loss

Title to and risk of loss of any BFE will at all times remain with the Buyer except that risk of loss (limited to cost of replacement of said BFE) will be with the Seller for as long as such BFE is under the care, custody and control of the Seller.

18.5 Disposition of BFE Following Termination

18.5.1 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 18.5.2 The Buyer will cooperate with the Seller in facilitating the sale of BFE pursuant to Clause 18.5.1 and will be responsible for all costs incurred by the Seller in removing and facilitating the sale of such BFE. *****
- 18.5.3 The Seller will notify the Buyer as to those items of BFE not sold by the Seller pursuant to Clause 18.5.1 above and, at the Seller's request, the Buyer will undertake to remove such items from the Seller's facility within ***** of the date of such notice. The Buyer will have no claim against the Seller for damage, loss or destruction of any item of BFE removed from the Aircraft and not removed from Seller's facility within such period.
- 18.5.4 The Buyer will have no claim against the Seller for damage to or destruction of any item of BFE damaged or destroyed in the process of being removed from the Aircraft, provided that the Seller will use reasonable care in such removal.
- 18.5.5 The Buyer will grant the Seller title to any BFE items that cannot be removed from the Aircraft without causing damage to the Aircraft or rendering any system in the Aircraft unusable.

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INDEMNITIES AND INSURANCE

The Seller and the Buyer will each be liable for Losses (as defined below) arising from the acts or omissions of their respective directors, officers, agents or employees occurring during or incidental to such party's exercise of its rights and performance of its obligations under this Agreement, except as provided in Clauses 19.1 and 19.2.

19.1 Seller's Indemnities

The Seller will, except in the case of gross negligence or wilful misconduct of the Buyer, its directors, officers, agents and/or employees, be solely liable for and will indemnify and hold the Buyer, its Affiliates and each of their respective directors, officers, agents, employees and insurers harmless against all losses, liabilities, claims, damages, costs and expenses, including court costs and reasonable attorneys' fees ("**Losses**"), arising from:

- (i) claims for injuries to, or death of, the Seller's directors, officers, agents or employees, or loss of, or damage to, property of the Seller or its employees when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and
- (ii) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to the Technical Acceptance Flights.

19.2 Buyer's Indemnities

The Buyer will, except in the case of gross negligence or wilful misconduct of the Seller, its directors, officers, agents and/or employees, be solely liable for and will indemnify and hold the Seller, its Affiliates, its subcontractors, and each of their respective directors, officers, agents, employees and insurers, harmless against all Losses arising from:

- (i) claims for injuries to, or death of, the Buyer's directors, officers, agents or employees, or loss of, or damage to, property of the Buyer or its employees, when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and
- (ii) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to (a) the provision of Seller Representatives services under Clause 15 including services performed on board the aircraft or (b) the provision of Aircraft Training Services to the Buyer.

19.3 Notice and Defense of Claims

If any claim is made or suit is brought against a party or entity entitled to indemnification under this Clause 19 (the "**Indemnitee**") for damages for which liability has been assumed by the other party under this Clause 19 (the "**Indemnitor**"),

the Indemnitee will promptly give notice to the Indemnitor and the Indemnitor (unless otherwise requested by the Indemnitee) will assume and conduct the defense, or settlement, of such claim or suit, as the Indemnitor will deem prudent. Notice of the claim or suit will be accompanied by all information pertinent to the matter as is reasonably available to the Indemnitee and will be followed by such cooperation by the Indemnitee as the Indemnitor or its counsel may reasonably request, at the expense of the Indemnitor.

19.4 Insurance

19.4.1 For all Aircraft Training Services, to the extent of the Buyer's undertaking set forth in Clause 19.2, the Buyer will:

- (i) cause the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents and employees to be named as additional insured under the Buyer's Comprehensive Aviation Legal Liability insurance policies, including War Risks and Allied Perils (such insurance to include the AVN 52E Extended Coverage Endorsement Aviation Liabilities or any further Endorsement replacing AVN 52E as may be available as well as any excess coverage in respect of War and Allied Perils Third Parties Legal Liabilities Insurance), and
- (ii) with respect to the Buyer's Hull All Risks and Hull War Risks insurances and Allied Perils, cause the insurers of the Buyer's hull insurance policies to waive all rights of subrogation against the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents, employees and insurers.

19.4.2 Any applicable deductible will be borne by the Buyer. The Buyer will furnish to the Seller, not less than ***** prior to the start of any Aircraft Training Services, certificates of insurance, in English, evidencing the limits of liability cover and period of insurance coverage in a form acceptable to the Seller from the Buyer's insurance broker(s), certifying that such policies have been endorsed as follows:

- (i) under the Comprehensive Aviation Legal Liability Insurances, the Buyer's policies are primary and non-contributory to any insurance maintained by the Seller,
- (ii) such insurance can only be cancelled or materially altered by the giving of not less than ***** (but ***** or such lesser period as may be customarily available in respect of War Risks and Allied Perils) prior written notice thereof to the Seller, and
- (iii) under any such cover, all rights of subrogation against the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents, employees and insurers have been waived.

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20 - TERMINATION

20.1 Termination Events

Each of the following will constitute a “**Termination Event**”

- (1) *****
- (2) *****
- (3) *****
- (4) *****
- (5) *****
- (6) *****
- (7) *****
- (8) *****
- (9) *****
- (10) *****
- (11) *****

20.2 Remedies in Event of Termination

20.2.1 If a Termination Event occurs, the Buyer will be in material breach of this Agreement, and the Seller can elect any of the following remedies under the applicable law:

- A. *****
- B. *****
- C. *****
- D. *****

20.2.2 *****

- A. *****
- B. *****
- C. *****

20.2.3 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

A. *****

i. *****

ii. *****

iii. *****

iv. *****

v. *****

vi. *****

vii. *****

B. *****

20.2.4 The parties to this Agreement are commercially sophisticated parties acting within the same industry, and represented by competent counsel and the parties expressly agree and declare as follows:

A. *****

B. *****

C. *****

20.3 Definitions

i. *****

ii. *****

iii. *****.

20.4 Notice of Termination Event

Within ***** of becoming aware of the occurrence of a Termination Event by the Buyer, the Buyer will notify the Seller of such occurrence in writing, provided, that any failure by the Buyer to notify the Seller will not prejudice the Seller's rights or remedies hereunder.

20.5 Information Covenants

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The Buyer hereby covenants and agrees that, from the date of this Agreement until no further Aircraft are to be delivered hereunder, the Buyer will furnish or cause to be furnished to the Seller the following:

- a. *****
- b. *****
- c. *****
- d. *****
- e. *****

For the purposes of this Clause 20, (x) an "Authorized Officer" of the Buyer will mean the Chief Executive Officer, the Chief Financial Officer or any Vice President and above who reports directly or indirectly to the Chief Financial Officer and (y) "Subsidiaries" will mean, as of any date of determination, those companies owned by the Buyer whose financial results the Buyer is required to include in its statements of consolidated operations and consolidated balance sheets.

20.6 Nothing contained in this Clause 20 will be deemed to waive or limit the Seller's rights or ability to request adequate assurance under Article 2, Section 609 of the Uniform Commercial Code (the "UCC"). It is further understood that any commitment of the Seller or the Propulsion Systems manufacturer to provide financing to the Buyer shall not constitute adequate assurance under Article 2, Section 609 of the UCC.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

21 - ASSIGNMENTS AND TRANSFERS

21.1 Assignments Except as hereinafter provided, neither party may sell, assign, novate or transfer its rights or obligations under this Agreement to any person without the prior written consent of the other, except that the Seller may sell, assign, novate or transfer its rights or obligations under this Agreement to any Affiliate without the Buyer's consent.

21.2 Assignments on Sale, Merger or Consolidation

The Buyer will be entitled to assign its rights under this Agreement at any time due to a merger, consolidation or a sale of all or substantially all of its assets, provided the Buyer first obtains the written consent of the Seller. The Buyer will provide the Seller with no less than ***** notice if the Buyer wishes the Seller to provide such consent. The Seller will provide its consent if

- (i) the surviving or acquiring entity is organized and existing under the laws of the United States;
- (ii) the surviving or acquiring entity has executed an assumption agreement, in form and substance reasonably acceptable to the Seller, agreeing to assume all of the Buyer's obligations under this Agreement;
- (iii) at the time, and immediately following the consummation, of the merger, consolidation or sale, no Termination Event exists or will have occurred and be continuing;
- (iv) there exists with respect to the surviving or acquiring entity no basis for a Termination Event;
- (v) the surviving or acquiring entity is an air carrier holding an operating certificate issued by the FAA at the time, and immediately following the consummation, of such sale, merger or consolidation; and
- (vi) *****

21.3 Designations by Seller

The Seller may at any time by notice to the Buyer designate facilities or personnel of the Seller or any other Affiliate of the Seller at which or by whom the services to be performed under this Agreement will be performed. Notwithstanding such designation, the Seller will remain ultimately responsible for fulfilment of all obligations undertaken by the Seller in this Agreement.

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In the event that the Seller is subject to a corporate restructuring having as its object the transfer of, or succession by operation of law in, all or a substantial part of its assets and liabilities, rights and obligations, including those existing under this Agreement, to a person (the "**Successor**") that is an Affiliate of the Seller at the time of that restructuring, for the purpose of the Successor carrying on the business carried on by the Seller at the time of the restructuring, such restructuring will be completed without consent of the Buyer following notification by the Seller to the Buyer in writing. The Buyer recognizes that succession of the Successor to the Agreement by operation of law that is valid under the law pursuant to which that succession occurs will be binding upon the Buyer.

22 - MISCELLANEOUS PROVISIONS

22.1 Data Retrieval

On the Seller's reasonable request no more frequently than *****, the Buyer will provide the Seller with all the necessary data, as customarily compiled by the Buyer and pertaining to the operation of the Aircraft, to assist the Seller in making an efficient and coordinated survey of all reliability, maintenance, operational and cost data with a view to monitoring the efficient and cost effective operations of the Airbus fleet worldwide

22.2 Notices

All notices, requests and other communications required or authorized hereunder will be given in writing either by personal delivery to an authorized officer of the party to whom the same is given or by commercial courier, certified air mail (return receipt requested) or facsimile at the addresses and numbers set forth below. The date on which any such notice or request is received (or delivery is refused), will be deemed to be the effective date of such notice or request.

The Seller will be addressed at:

Airbus S.A.S.
Attention: Senior Vice President Contracts
1, Rond Point Maurice Bellonte
31707 Blagnac Cedex,
France

Telephone: +*****

Facsimile: +*****

The Buyer will be addressed at:

Frontier Airlines Inc.
7001 Tower Road
Denver, Colorado 80249-7312
Attention: SVP – General Counsel

Telephone: *****

Facsimile: *****

From time to time, the party receiving the notice or request may designate another address or another person.

22.3 Waiver

The failure of either party to enforce at any time any of the provisions of this Agreement, to exercise any right herein provided or to require at any time performance

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by the other party of any of the provisions hereof will in no way be construed to be a present or future waiver of such provisions nor in any way to affect the validity of this Agreement or any part hereof or the right of the other party thereafter to enforce each and every such provision. The express waiver by either party of any provision, condition or requirement of this Agreement will not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

22.4 International Supply Contract

The Buyer and the Seller recognize that this Agreement is an international supply contract which has been the subject of discussion and negotiation, that all its terms and conditions are fully understood by the parties, and that the Specification and price of the Aircraft and the other mutual agreements of the parties set forth herein were arrived at in consideration of, inter alia, all provisions hereof specifically including all waivers, releases and remunerations by the Buyer set out herein.

22.5 Certain Representations of the Parties

22.5.1 Buyer's Representations

The Buyer represents and warrants to the Seller:

- (i) the Buyer is a corporation organized and existing in good standing under the laws of the State of Colorado and has the corporate power and authority to enter into and perform its obligations under this Agreement;
- (ii) neither the execution and delivery by the Buyer of this Agreement, nor the consummation of any of the transactions by the Buyer contemplated thereby, nor the performance by the Buyer of the obligations thereunder, constitutes a breach of any agreement to which the Buyer is a party or by which its assets are bound;
- (iii) this Agreement has been duly authorized, executed and delivered by the Buyer and constitutes the legal, valid and binding obligation of the Buyer enforceable against the Buyer in accordance with its terms.

22.5.2 Seller's Representations

The Seller represents and warrants to the Buyer:

- (i) the Seller is organized and existing in good standing under the laws of the Republic of France and has the corporate power and authority to enter into and perform its obligations under the Agreement;
- (ii) neither the execution and delivery by the Seller of this Agreement, nor the consummation of any of the transactions by the Seller contemplated thereby, nor the performance by the Seller of the obligations thereunder, constitutes a breach of any agreement to which the Seller is a party or by which its assets are bound;

(iii) this Agreement has been duly authorized, executed and delivered by the Seller and constitutes the legal, valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms.

22.6 Interpretation and Law

22.6.1 THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED AND THE PERFORMANCE THEREOF WILL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS CONFLICTS OF LAWS PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

Each of the Seller and the Buyer (i) hereby irrevocably submits itself to the nonexclusive jurisdiction of the courts of the state of New York, New York County, and of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto, and (ii) hereby waives, and agrees not to assert, by way of motion, as a defense or otherwise, in any such suit, action or proceeding, to the extent permitted by applicable law, any defense based on sovereign or other immunity or that the suit, action or proceeding which is referred to in clause (i) above is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by these courts.

THE PARTIES HEREBY ALSO AGREE THAT THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS WILL NOT APPLY TO THIS TRANSACTION.

22.6.2 Service of process in any suit, action or proceeding in respect of any matter as to which the Seller or the Buyer has submitted to jurisdiction under Clause 22.6 may be made (i) on the Seller by delivery of the same personally or by dispatching the same via Federal Express, UPS, or similar international air courier service prepaid to, CT Corporation, New York City offices as agent for the Seller, it being agreed that service upon CT Corporation will constitute valid service upon the Seller or by any other method authorized by the laws of the State of New York, and (ii) on the Buyer by delivery of the same personally or by dispatching the same by Federal Express, UPS, or similar international air courier service prepaid, return receipt requested to its address for notices designated pursuant to Clause 22.2, or by any other method authorized by the laws of the State of New York; provided in each case that failure to deliver or mail such copy will not affect the validity or effectiveness of the service of process made as aforesaid.

22.7 Headings

All headings in this Agreement are for convenience of reference only and do not constitute a part of this Agreement.

22.8 Waiver of Jury Trial
EACH OF THE PARTIES HERETO WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM OR CROSS-CLAIM THEREIN.

22.9 Waiver of Consequential Damages
In no circumstances shall either party claim or receive incidental (other than as provided in Clause 20) or consequential damages under this Agreement.

22.10 No Representations Outside of this Agreement
The parties declare that, prior to the execution of this Agreement, they, with the advice of their respective counsel, apprised themselves of sufficient relevant data in order that they might intelligently exercise their own judgments in deciding whether to execute this Agreement and in deciding on the contents of this Agreement. Each party further declares that its decision to execute this Agreement is not predicated on or influenced by any declarations or representations by any other person, party, or any predecessors in interest, successors, assigns, officers, directors, employees, agents or attorneys of any said person or party, except as set forth in this Agreement. This Agreement resulted from negotiation involving counsel for all of the parties hereto and no term herein will be construed or interpreted against any party under the contra proferentum or any related doctrine.

22.11 Confidentiality
Subject to any legal or governmental requirements of disclosure (whether imposed by applicable law, court order otherwise), the parties (which for this purpose will include their employees and legal counsel) will maintain the terms and conditions of this Agreement and any reports or other data furnished hereunder strictly confidential, including but not limited to, the Aircraft pricing and all confidential, proprietary or trade secret information contained in any reports or other data furnished to it by the other party hereunder (the “**Confidential Information**”), provided that disclosure may be made to each party’s respective accountants and lawyers so long as such accountants and lawyers have agreed to maintain the Confidential Information as strictly confidential. To the extent the Buyer furnishes any Confidential Information to its accountants or lawyers in accordance with this Clause 22.11, the Buyer agrees that it shall be liable to the Seller for damages resulting from unauthorized disclosures of Confidential Information by such parties. Without limiting the generality of the foregoing, the Buyer and the Seller will use their best efforts to limit the disclosure of the contents of this Agreement to the extent legally permissible in (i) any filing required to be made by the Buyer or the Seller with any governmental agency and will make such applications as will be necessary to implement the foregoing, and (ii) any press release concerning the whole or any part of the contents and/or subject matter hereof or of any future addendum hereto. With respect to any public disclosure or filing, each party agrees to submit to the other a copy of the proposed document to be

filed or disclosed and will give the other party a reasonable period of time in which to review said document. The Buyer and the Seller will consult with each other prior to the making of any public disclosure or filing, permitted hereunder, of this Agreement or the terms and conditions thereof.

The provisions of this Clause 22.11 will survive any termination of this Agreement.

22.12 Severability

If any provision of this Agreement should for any reason be held ineffective, the remainder of this Agreement will remain in full force and effect. To the extent permitted by applicable law, each party hereto hereby waives any provision of law that renders any provision of this Agreement prohibited or unenforceable in any respect.

22.13 Entire Agreement

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any previous understanding, commitments or representations whatsoever, whether oral or written. This Agreement will not be amended or modified except by an instrument in writing of even date herewith or subsequent hereto executed by both parties or by their fully authorized representatives.

22.14 Inconsistencies

In the event of any inconsistency between the terms of this Agreement and the terms contained in either (i) the Specification, or (ii) any other Exhibit, in each such case the terms of this Agreement will prevail over the terms of the Specification or any other Exhibit. For the purpose of this Clause 22.14, the term Agreement will not include the Specification or any other Exhibit hereto.

22.15 Language

All correspondence, documents and any other written matters in connection with this Agreement will be in English.

22.16 Counterparts

This Agreement has been executed in two (2) original copies.

Notwithstanding the foregoing, this Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including counterparts delivered by electronic mail or by facsimile transmission) will be an original, but all such counterparts will together constitute but one and the same instrument.

IN WITNESS WHEREOF, this A321 Aircraft Purchase Agreement was entered into as of the day and year first above written.

AIRBUS S.A.S.

By: /s/ Christophe Mourey
Christophe Mourey
Senior Vice President Contracts

FRONTIER AIRLINES, INC.

By: /s/ James G. Dempsey
James G. Dempsey
Chief Financial Officer

EXHIBIT A-1

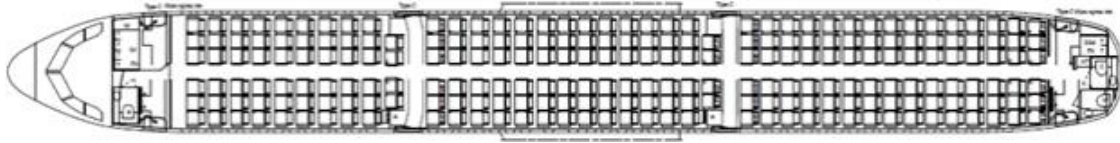
A321 SPECIFICATION

The A321 Standard Specification is contained in a separate folder.

[LOGO]
 FRONTIER AIRLINES - A321-200
 Customization budget

Based on A321-200 *****

Total SCN Price *****
 Prices in ***** Delivery Conditions (USD)



| ATA | Description | List Price in USD (*****) | Comments |
|-------|-------------|------------------------------|----------|
| ***** | ***** | ***** | |
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | |
| ***** | ***** | ***** | |
| ***** | ***** | ***** | |
| ***** | ***** | ***** | |
| ***** | ***** | ***** | |
| ***** | ***** | ***** | |
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| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | |
| ***** | ***** | ***** | |
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | |
| ***** | ***** | ***** | |
| ***** | ***** | ***** | |
| ***** | ***** | ***** | |
| ***** | ***** | ***** | |
| ***** | ***** | ***** | |

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

| <u>ATA</u> | <u>Description</u> | <u>List Price in USD (*****)</u> | <u>Comments</u> |
|---|--------------------|---|-----------------|
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | |
| ***** | ***** | ***** | |
| | | | |
| <u>Additional Options as per PA</u> | <u>Description</u> | <u>List Price in USD (dc 01/2014)</u> | <u>Comments</u> |
| ***** | ***** | ***** | ***** |

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

FORM OF
SPECIFICATION CHANGE NOTICE

EXH B-1 -1

[LOGO]
SPECIFICATION CHANGE NOTICE
(SCN)

For
SCN Number
Issue
Dated
Page

Title:

Description:

Remarks/References

Specification changed by this SCN

This SCN requires prior or concurrent acceptance of the following SCN(s):

Price per aircraft

US DOLLARS:
AT DELIVERY CONDITIONS:

This change will be effective on

AIRCRAFT No. and subsequent.

Provided approval is received by

Buyer approval

Seller approval

By:

By:

Date:

Date:

[LOGO]
SPECIFICATION CHANGE NOTICE
(SCN)

For
SCN Number
Issue
Dated
Page

Specification repercussion:

After contractual agreement with respect to weight, performance, delivery, etc, the indicated part of the specification wording will read as follows:

[LOGO]
SPECIFICATION CHANGE NOTICE
(SCN)

For
SCN Number
Issue
Dated
Page

Scope of change (FOR INFORMATION ONLY)

| | | | |
|---|---|--|---|
| <p>AIRBUS MANUFACTURER'S SPECIFICATION CHANGE NOTICE (SCN)</p> | <p>Airline</p> <p>MSCN Number Issue Dated Page 1 of 3</p> | | |
| <p>Title:</p> <p>Description:</p> <p>Effect on weight</p> <p style="margin-left: 40px;">Manufacturer's Weight Empty Change:</p> <p style="margin-left: 40px;">Operational Weight Empty Change:</p> <p style="margin-left: 40px;">Allowable Payload Change:</p> <p>Remarks/References</p> <p>Specification changed by this MSCN</p> | | | |
| <p>Price per aircraft</p> <p>US DOLLARS: AT DELIVERY CONDITIONS:</p> <p>This change will be effective on _____ AIRCRAFT No. _____ and subsequent.</p> <p>Provided MSCN is not rejected by _____</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Buyer Approval</p> <p>By: _____</p> <p>Date: _____</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Seller Approval</p> <p>By: _____</p> <p>Date: _____</p> </td> </tr> </table> | | <p>Buyer Approval</p> <p>By: _____</p> <p>Date: _____</p> | <p>Seller Approval</p> <p>By: _____</p> <p>Date: _____</p> |
| <p>Buyer Approval</p> <p>By: _____</p> <p>Date: _____</p> | <p>Seller Approval</p> <p>By: _____</p> <p>Date: _____</p> | | |

**AIRBUS
MANUFACTURER'S SPECIFICATION
CHANGE NOTICE
(MSCN)**

Airline
MSCN Number
Issue
Dated
Page 2 of 3

Specification repercussion:

After contractual agreement with respect to weight, performance, delivery, etc, the indicated part of the specification wording will read as follows:

**AIRBUS
MANUFACTURER'S SPECIFICATION
CHANGE NOTICE
(MSCN)**

Airline
MSCN Number
Issue
Dated
Page 3 of 3

Scope of change (FOR INFORMATION ONLY)

PART 1 SELLER PRICE REVISION FORMULA**1. BASE PRICE**

The Base Price of the A321 Airframe quoted in Clause 3.1.1.1 of the Agreement and ***** (each a, “**Base Price**”) are subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics, and in accordance with the provisions hereof.

2. BASE PERIOD

Each Base Price has been established in accordance with the average economic conditions prevailing in ***** as defined by “ECIb” and “ICb” index values indicated hereafter.

3. INDEXES

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS”, and found in Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group”, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100).

The quarterly value released for a certain month (March, June, September and December) shall be the one deemed to apply for the two preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU2023211000000I.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI Detailed Report” (found in Table 6. “Producer price indexes and percent changes for commodity and service groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

4. REVISION FORMULA

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5. GENERAL PROVISIONS**5.1 Roundings**

The Labor Index average and the Material Index average shall be computed to the first decimal. If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

Each quotient (*****) and (*****) shall be rounded to the nearest ten-thousandth (4 decimals). If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

The final factor shall be rounded to the nearest ten-thousandth (4 decimals).

The final price shall be rounded to the nearest whole number (0.5 or more rounded to 1).

5.2 Substitution of Indexes for Seller Price Revision Formula

If:

- (i) the United States Department of Labor substantially revises the methodology of calculation of the Labor Index or the Material Index as used in the Seller Price Revision Formula, or
- (ii) the United States Department of Labor discontinues, either temporarily or permanently, such Labor Index or such Material Index, or
- (iii) the data samples used to calculate such Labor Index or such Material Index are substantially changed;

the Seller shall select a substitute index for inclusion in the Seller Price Revision Formula (the "Substitute Index").

The Substitute Index shall reflect as closely as possible the actual variance of the Labor Costs or of the material costs used in the calculation of the original Labor Index or Material Index as the case may be.

As a result of the selection of the Substitute Index, the Seller shall make an appropriate adjustment to the Seller Price Revision Formula to combine the successive utilization of the original Labor Index or Material Index (as the case may be) and of the Substitute Index.

5.3 Final Index Values

The Index values as defined in Clause 4 above shall be considered final and no further adjustment to the base prices as revised at Delivery of the Aircraft shall be made after Aircraft Delivery for any subsequent changes in the published Index values.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5.4

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXH C-1 -3

PART 2 PROPULSION SYSTEM PRICE REVISION FORMULA CFM INTERNATIONAL**1. REFERENCE PRICE OF THE PROPULSION SYSTEM**

The “**Reference Price**” (as such term is used in this Exhibit C Part 2) of a set of two (2) CFM International CFM56-5B3/3Engines is *****.

The Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics and in accordance with the provisions of this Exhibit C Part 2.

2. REFERENCE PERIOD

The Reference Price has been established in accordance with the economic conditions prevailing for ***** as defined by CFM International by the Reference *****.

3. INDEXES

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS”, and found in: Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group”, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100, *****).

The quarterly value released for a certain month (March, June, September and December) will be the one deemed to apply for the two (2) preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU20232110000001.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI detailed report” (found in Table 6. “Producer price indexes and percent changes for commodity groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

4. REVISION FORMULA

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5. GENERAL PROVISIONS**5.1 Roundings**

- (i) The Material Index average (*****) will be rounded to the nearest second decimal place and the Labor Index average (*****) will be rounded to the nearest first decimal place.
- (ii) *****) will be rounded to the nearest second decimal place.
- (iii) The final factor (*****) will be rounded to the nearest fourth decimal place.

If the next succeeding place is five (5) or more, the preceding decimal place will be raised to the next higher figure. After final computation, *****) will be rounded to the nearest whole number (0.5 rounds to 1).

5.2 Final Index Values

The revised Reference Price at the date of Aircraft delivery will not be subject to any further adjustment in the indexes.

5.3 Interruption of Index Publication

If the US Department of Labor substantially revises the methodology of calculation or discontinues any of the indexes referred to hereabove, the Seller will reflect the substitute for the revised or discontinued index selected by CFM International, such substitute index to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original index as it may have fluctuated had it not been revised or discontinued.

Appropriate revision of the formula will be made to accomplish this result.

5.4 Annulment of the Formula

Should the above *****) provisions become null and void by action of the US Government, the Reference Price will be adjusted due to increases in the costs of labor and material which have occurred from the period represented by the applicable Reference *****) to the *****) prior to the scheduled month of Aircraft delivery.

5.5 ***)**

*****)

*****)Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

PART 3 PROPULSION SYSTEM PRICE REVISION FORMULA INTERNATIONAL AERO ENGINES**1. INTERNATIONAL AERO ENGINES PRICE REVISION FORMULA****Engines Reference Price**

The “**Reference Price**” (as such term is used in this Exhibit C Part 3) for a set of two (2) INTERNATIONAL AERO ENGINES IAE V2533-A5 Engines is *****.

This Reference Price applies to the Engine type as specified Clause 3.1.2.2 of the Agreement.

This Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics, and in accordance with the provisions hereof.

1.2 Reference Period

The above Reference Price has been established in accordance with the averaged economic conditions prevailing in *****, as defined, according to INTERNATIONAL AERO ENGINES by the ECib and ICb, index values indicated in Clause 3.4. hereof.

1.3 Indexes

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS”, and found in: Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group”, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100).

The quarterly value released for a certain month (March, June, September and December) shall be the one deemed to apply for the two preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU2023211000000I.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI detailed report” (found in Table 6. “Producer price indexes and percent changes for commodity groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

1.4 Revision Formula

1.5 General Provisions**1.5.1 Roundings**

- (i) ***** shall be calculated to the nearest tenth (1 decimal).
- (ii) Each quotient (*****) shall be calculated to the nearest ten-thousandth (4 decimals).
- (iii) The final factor shall be rounded to the nearest ten-thousandth (4 decimals).

If the next succeeding place is five (5) or more the preceding decimal place shall be raised to the nearest higher figure.

After final computation ***** shall be rounded to the nearest whole number (0.5 rounds to 1).

1.5.2 Final Index Values

The revised Reference Price at the date of Aircraft delivery shall be the final price and shall not be subject to any further adjustments in the indexes.

If no final index values are available for any of the applicable month, the then published preliminary figures shall be the basis on which the Revised Reference Price shall be computed.

1.5.3 Interruption of Index Publication

If the US Department of Labor substantially revises the methodology of calculation or discontinues any of these indexes referred to hereabove, AIRBUS shall reflect the substitute for the revised or discontinued index selected by INTERNATIONAL AERO ENGINES, such substitute index to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original index as it may have fluctuated had it not been revised or discontinued.

Appropriate revision of the formula shall be made to accomplish this result.

1.5.4 Annulment of Formula

Should the above ***** provisions become null and void by action of the US Government, the Reference Price shall be adjusted due to increases in the costs of labor and materiel which have occurred from the period represented by the applicable ***** to the ***** prior to the scheduled Aircraft delivery.

1.5.5 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXH C PT3 -3

CERTIFICATE OF ACCEPTANCE

In accordance with the terms of Clause 8.3 of the Purchase Agreement dated [day] October 2014 and made between Frontier Airlines, Inc. (the “**Customer**”) and Airbus S.A.S. as amended and supplemented from time to time (the “**Purchase Agreement**”), the technical acceptance tests relating to one Airbus A321- [] aircraft, bearing manufacturer’s serial number [], and registration mark [] (the “**Aircraft**”) have taken place in ***** (the “**Owner**”).

In view of said tests having been carried out successfully, the undersigned accepts the Aircraft for delivery in accordance with Clause 8.1.1 and the other provisions of the Purchase Agreement.

Such acceptance shall not impair the rights that may be derived from the warranties relating to the Aircraft set forth in the Purchase Agreement.

Any right at law or otherwise to revoke this acceptance of the Aircraft is hereby irrevocably waived.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized representative this day of [month], [year] in *****.

[OWNER].

Name:

Title:

Signature:

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

BILL OF SALE

Know all men by these presents that Airbus S.A.S., a *Société par Actions Simplifiée* existing under French law and having its principal office at 1 rond-point Maurice Bellonte, 31707 Blagnac Cedex, FRANCE (the “**Seller**”), was this [day] [month] [year] the owner of the title to the following airframe (the “**Airframe**”), the propulsion system as specified (the “**Propulsion System**”) and all appliances, components, parts, instruments, accessories, furnishings, modules and other equipment of any nature, ***** incorporated therein, installed thereon or attached thereto on the date hereof (the “**Parts**”):

AIRFRAME:

AIRBUS Model A3[]-[]

PROPULSION SYSTEMS:

[propulsion system manufacturer] Model []

MANUFACTURERS**SERIAL NUMBER:** []**ENGINE SERIAL NUMBERS**

LH: []

RH: []

REGISTRATION MARK: []

The Airframe, [Propulsion System] and Parts are hereafter together referred to as the “**Aircraft**”.

The Seller did this day of [month] [year], sell, transfer and deliver all of its rights, title and interest in and to the Aircraft ***** to the following entity and to its successors and assigns forever, said Aircraft ***** to be the property thereof:

[]
(the “**Buyer**”)

The Seller hereby warrants to the Buyer, its successors and assigns that it had [(i)] good and lawful right to sell, deliver and transfer title to the Aircraft to the Buyer and that there was conveyed to the Buyer good, legal and valid title to the Aircraft, free and clear of all liens, claims, charges, encumbrances and rights of others and that the Seller will warrant and defend such title forever against all claims and demands whatsoever *****.

This Bill of Sale shall be governed by and construed in accordance with the laws of the State of New York, United States of America.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized representative this day of [month], [year] in *****.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

AIRBUS S.A.S.

Name:

Title:

Signature:

SERVICE LIFE POLICY

LIST OF ITEMS

EXH F -1

SELLER SERVICE LIFE POLICY

1. The Items covered by the Service Life Policy pursuant to Clause 12.2 are those Seller Items of primary and auxiliary structure described hereunder.

2. WINGS - CENTER AND OUTER WING BOX (LEFT AND RIGHT)

2.1 *****

2.1.1 *****

2.1.2 *****

2.1.3 *****

2.2 *****

2.2.1 *****

2.2.2 *****

2.2.3 *****

2.2.4 *****

2.3 *****

2.3.1 *****

2.3.1.1 *****

2.3.1.2 *****

2.3.2 *****

2.3.2.1 *****

2.3.2.2 *****

2.3.3 *****

2.3.3.1 *****

2.3.3.2 *****

2.4 *****

2.4.1 *****

2.4.1.1 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

2.4.1.2 *****
2.4.1.3 *****
2.4.1.4 *****

3. FUSELAGE

3.1 *****
3.1.1 *****
3.1.2 *****
3.1.3 *****
3.1.4 *****
3.1.5 *****
3.1.6 *****
3.1.7 *****
3.1.8 *****
3.2 *****
3.2.1 *****
3.2.2 *****
3.2.3 *****

4. STABILIZERS

4.1 *****
4.1.1 *****
4.1.2 *****
4.1.3 *****
4.1.4 *****
4.1.5 *****
4.1.5.1 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

4.1.5.2 *****

4.2 *****

4.2.1 *****

4.2.2 *****

4.2.3 *****

4.2.4 *****

4.2.5 *****

4.2.5.1 *****

4.2.5.2 *****

5. EXCLUSIONS

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

TECHNICAL DATA & SOFTWARE

EXH G -1

TECHNICAL DATA & SOFTWARE

Where applicable, data shall be established in general compliance with the ATA 100 Information Standards for Aviation Maintenance and the applicable provisions for digital standard of ATA Specification 2200 (iSpec2200).

The Seller shall provide the Buyer with the following Technical Data (or such other equivalent Technical Data as may be applicable at the time of their provision to the Buyer).

1. AIRBUS FLIGHT OPERATIONS DATA PACKAGE

The Airbus Flight Operations Data Package encompasses the following customised operational manuals required to operate the Aircraft:

- Flight Manual (FM),
- Flight Crew Operating Manual (FCOM),
- Flight Crew Training Manual (FCTM),
- Quick Reference Handbook (QRH),
- Cabin Crew Operating Manual (CCOM),
- Master Minimum Equipment List (MMEL),
- Weight and Balance Manual (WBM).

1.1 Format of Data

The Flight Operations Data Package shall be available on-line through the Seller's customer portal AirbusWorld in eXtensible Mark-up Language (XML), for downloading and further data processing and customization, and/or in Portable Document Format (PDF), as applicable.

In addition, the Seller shall make available up to a maximum of two (2) QRH sets per Aircraft in paper format.

Upon the Buyer's request, a back-up copy of the manuals of the Flight Operations Data Package may be provided off-line on CD or DVD.

1.2 Availability Schedule

The Airbus Flight Operations Data Package, reflecting the Buyer's Aircraft configuration, shall be available to the Buyer ***** before the Scheduled Delivery Month of the first Aircraft.

A preliminary customized MMEL shall be available ***** prior to the Scheduled Delivery Month of the first Aircraft.

The final issue of WBM and FM shall be made available at the time of each Aircraft Delivery.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

2. AIRBUS MAINTENANCE TECHNICAL DATA PACKAGE

The Airbus Maintenance Technical Data Package encompasses the following customised maintenance data required for on-aircraft maintenance to ensure the continued airworthiness of the Aircraft:

- Aircraft Maintenance Manual (AMM),
- Aircraft Wiring Manual (AWM),
- Aircraft Schematics Manual (ASM),
- Aircraft Wiring Lists (AWL),
- Illustrated Part Catalog (IPC),
- Trouble Shooting Manual (TSM).
- Format of Data

The Airbus Maintenance Technical Data Package shall be available in the Airn@v/Maintenance module of the AirN@v software and shall be accessible on-line through the Seller's customer portal AirbusWorld.

In addition, if so requested by the Buyer, the corresponding raw data in Standard Generalized Mark-up Language (SGML) format shall also be made available for download from the Seller's customer portal AirbusWorld.

Upon the Buyer's request, a back-up copy of the data of the Airbus Maintenance Technical Data Package may be provided off-line on CD or DVD.

2.1 Availability Schedule

The Airbus Maintenance Technical Data Package, reflecting the Buyer's Aircraft configuration, shall be available to the Buyer ***** before the Scheduled Delivery Month of the first Aircraft.

Upon the Buyer's request, where applicable, preliminary customized maintenance data may be available ***** prior to the Scheduled Delivery Month of the first Aircraft.

3. NON-CUSTOMIZED TECHNICAL DATA

Non-customised Technical Data, provided as part of the Maintenance Technical Data Package, shall be made available to the Buyer either in the corresponding Airn@v software module, as detailed in Clause 14.9 of the Agreement, or in PDF format, as applicable.

The Technical Data belonging to each AirN@v module and/or available in PDF format shall be as listed in the Seller's Customer Services Catalog current at the time of the delivery of the Technical Data.

Non-customised Technical Data shall be made available to the Buyer in accordance with a schedule to be mutually agreed between the Buyer and Seller no later than ***** prior to the Scheduled Delivery Month of the first Aircraft.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

4. ADDITIONAL TECHNICAL DATA

4.1 In addition to the Flight Operations Data Package and the Maintenance Technical Data Package, the Seller shall provide, at Delivery of each Aircraft, on-line access to the Aircraft mechanical drawings that cover installation of structure and systems fitted on the Buyer's Aircraft at Delivery.

4.2 Within ***** after the Delivery of each Aircraft, the Seller shall provide:

- the weighing report, for integration into the WBM by the Buyer,
- the Electrical Load Analysis (ELA), in a format allowing further updating by the Buyer.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

**MATERIAL
SUPPLY AND SERVICES
EXH G -1**

1. GENERAL

1.1 Scope

- 1.1.1 This Exhibit H sets forth the terms and conditions for the support and services offered by the Seller to the Buyer with respect to Material (as defined below).
- 1.1.2 References made to Articles will be deemed to refer to articles of this Exhibit H unless otherwise specified.
- 1.1.3 For purposes of this Exhibit H:
- 1.1.4 The term “**Supplier**” will mean any supplier (other than the Seller) providing any of the Material listed in Article 1.2.1 and the term “**Supplier Part**” will mean an individual item of Material.
- 1.1.5 The term “**SPEC 2000**” means the “**E-Business Specification for Materials Management**” document published by the Air Transport Association of America.

1.2 Material Categories

1.2.1 Each of the following constitutes “**Material**” for purposes of this Exhibit H:

- (i) Seller Parts;
- (ii) Supplier Parts classified as Repairable Line Maintenance Parts (as defined in SPEC 2000);
- (iii) Supplier Parts classified as Expendable Line Maintenance Parts (as defined in SPEC 2000);
- (iv) Seller and Supplier ground support equipment and specific-to-type tools

where “**Seller Parts**” means Seller’s proprietary parts bearing a part number of the Seller or for which the Seller has the exclusive sales rights.

1.2.2 Propulsion Systems, engine exchange kits, their accessories and parts for any of the foregoing, are not covered under this Exhibit H.

1.3 Term

During a period commencing on the date hereof and continuing as long as at least ***** aircraft of the model of the Aircraft are operated in commercial air transport service, of which ***** (the “**Term**”), the Seller will maintain, or cause to be maintained, a reasonable stock of *****.

The Seller will use reasonable efforts to obtain a similar service from all Suppliers of Supplier Parts originally installed on an Aircraft at Delivery.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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1.4 Airbus Material Store

1.4.1 AACS Spares Center

The Seller has established and will maintain or cause to be maintained, during the Term, a US store (“**US Spares Center**”). The US Spares Center will be operated twenty-four (24) hours per day, seven (7) days per week, for the handling of AOG and critical orders for Seller Parts.

The Seller will make reasonable efforts to deliver Seller Parts to the Buyer from the US Spares Center.

1.4.2 Material Support Center, Germany

The Seller has established its material headquarters in Hamburg, Germany (the “**Airbus Material Center**”) and will, during the Term, maintain, or have maintained on its behalf, a central store of Seller Parts. The Airbus Material Center will be operated twenty-four (24) hours per day, seven (7) days per week.

1.4.3 Other Points of Shipment

1.4.3.1 In addition to the US Spares Center and the Airbus Material Center, the Seller and its Affiliates operate a global network of regional satellite stores (the “**Regional Satellite Stores**”). A list of such stores will be provided to the Buyer upon the Buyer’s request.

1.4.3.2 The Seller reserves the right to effect deliveries from distribution centers other than the US Spares Center or the Airbus Material Center, which may include the Regional Satellite Stores or any other production or Supplier’s facilities.

1.5 Customer Order Desk

The Seller operates a “**Customer Order Desk**”, the main functions of which are:

- (ii) Management of order entries for all priorities, including Aircraft On Ground (“**AOG**”);
- (iii) Management of order changes and cancellations;
- (iv) Administration of Buyer’s routing instructions;
- (v) Management of Material returns;
- (vi) Clarification of delivery discrepancies;
- (vii) Issuance of credit and debt notes.

The Buyer hereby agrees to communicate its orders for Material to the Customer Order Desk either in electronic format (SPEC 2000) or via the Internet.

1.7 **Commitments of the Buyer**

1.7.1 During the Term, the Buyer agrees to purchase Seller Parts from

- (a) the Seller, AACS or the Seller's licensee(s) that are required for the Buyer's own needs; or
- (b) other operators or from distributors, provided said Seller Parts were originally designed by the Seller and manufactured by the Seller or its licensees.

1.7.2 Subject to the express further agreement of the Seller in relation to Article 1.7.2 (ii) below, the Buyer may manufacture, exclusively for its own use parts that are equivalent to Seller Parts, provided, however, that it may only do so in one of the following circumstances:

- (i) *****
- (ii) *****
- (iii) *****

1.7.3

1.7.3.1 The rights granted to the Buyer in Article 1.7.2 will not in any way be construed as a license, nor will they in any way obligate the Buyer to pay any license fee or royalty, nor will they in any way be construed to affect the rights of third parties.

1.7.3.2 *****

1.7.3.3 The Buyer will allocate its own part number to any part manufactured in accordance with Article 1.7.2. The Buyer will under no circumstances be allowed to use the Airbus part number of the Seller Part to which such manufactured part is intended to be equivalent.

1.7.3.4 The Buyer will not be entitled to sell or lend any part manufactured under the provisions of Article 1.7.2 to any third party.

2. **INITIAL PROVISIONING**

2.1 **Period**

The initial provisioning period commences with the Pre-Provisioning Meeting, as defined in Article 2.2.1, and expires on the ***** under the Agreement as of the date hereof ("**Initial Provisioning Period**").

2.2 **Pre-Provisioning Meeting**

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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2.2.1 The Seller will organize a pre-provisioning meeting at US Spares Center or at the Airbus Material Center, or at any other agreed location, for the purpose of setting an acceptable schedule and working procedure for the preparation of the initial issue of the Provisioning Data and the Initial Provisioning Conference referred to, respectively, in Articles 2.4 and 2.3 below (the “**Pre-Provisioning Meeting**”).

During the Pre-Provisioning Meeting, the Seller will familiarize the Buyer with the provisioning processes, methods and formulae of calculation and documentation.

2.2.2 The Pre-Provisioning Meeting will take place on an agreed date that is no later than ***** prior to Scheduled Delivery Month of the first Aircraft, allowing a minimum preparation time of ***** for the Initial Provisioning Conference.

2.3 **Initial Provisioning Conference**

The Seller will organize an initial provisioning conference at the US Spares Center or at the Airbus Material Center (the “**Initial Provisioning Conference**”), the purpose of which will be to agree the material scope and working procedures to accomplish the initial provisioning of Material (the “**Initial Provisioning**”).

The Initial Provisioning Conference will take place at the earliest ***** after Aircraft Manufacturer Serial Number allocation or Contractual Definition Freeze, whichever occurs last and latest ***** before the Scheduled Delivery Month of the first Aircraft.

2.4 **Provisioning Data**

2.4.1 Provisioning data generally in accordance with SPEC 2000, Chapter 1, for Material described in Articles 1.2.1 (i) through 1.2.1 (iii) (“**Provisioning Data**”) will be supplied by the Seller to the Buyer in the English language, in a format and timeframe to be agreed during the Pre-Provisioning Meeting.

2.4.1.1 Unless a longer revision cycle has been agreed between the Buyer and the Seller, the Provisioning Data will be revised every ***** up to the end of the Initial Provisioning Period.

2.4.1.2 The Seller will ensure that Provisioning Data is provided to the Buyer in time to permit the Buyer to perform any necessary evaluation and to place orders in a timely manner.

2.4.1.3 Provisioning Data generated by the Seller will comply with the configuration of the Aircraft as documented ***** before the date of issue.

This provision will not cover:

- (i) Buyer modifications not known to the Seller,
- (ii) other modifications not approved by the Seller’s Aviation Authorities or by the FAA.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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2.4.2 Supplier-Supplied Data

Provisioning Data relating to each Supplier Part (both initial issue and revisions) will be produced by Supplier thereof and may be delivered to the Buyer either by the Seller or such Supplier. It is agreed and understood by the Buyer that the Seller will not be responsible for the substance, accuracy or quality of such data. Such Provisioning Data will be provided in either SPEC 2000 format or any other agreed format.

2.4.3 Supplementary Data

The Seller will provide the Buyer with data supplementary to the Provisioning Data, comprising local manufacture tables, ground support equipment, specific-to-type tools and a pool item candidate list.

2.5 **Commercial Offer**

Upon the Buyer's request, the Seller will submit a commercial offer for Initial Provisioning.

2.6 **Delivery of Initial Provisioning Material**

2.6.1 During the Initial Provisioning Period, Initial Provisioning Material will conform to the latest known configuration standard of the Aircraft for which such Material is intended as reflected in the Provisioning Data transmitted by the Seller.

2.6.2 The delivery of Initial Provisioning Material will take place according to the conditions specified in the commercial offer mentioned in Article 2.5.

2.6.3 All Initial Provisioning Material will be packaged in accordance with ATA 300 Specification.

2.7 **Buy-Back Period and Buy-Back of Initial Provisioning Surplus Material**

- a) *****
- b) *****
- c) *****
 - i) *****
 - ii) *****
 - iii) *****
 - iv) *****
 - v) *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- vi) *****
- vii) *****
- d) *****
 - *****
 - *****
- e) *****
- f) *****

3. OTHER MATERIAL SUPPORT

3.1 As of the date hereof, the Seller currently offers various types of parts support through the Customer Services Catalog on the terms and conditions set forth therein from time to time, including, but not limited to the lease of certain Seller Parts, the repair of Seller Parts and the sale or lease of ground support equipment and specific-to-type tools.

4. WARRANTIES

4.1 Seller Parts

Subject to the limitations and conditions as hereinafter provided, the Seller warrants to the Buyer that all Seller Parts, sold under this Exhibit H will at delivery to the Buyer:

- (i) be free from defects in material.
- (ii) be free from defects in workmanship, including without limitation processes of manufacture.
- (iii) be free from defects arising from failure to conform to the applicable specification for such part.
- (iv) *****

4.1.1 Warranty Period

4.1.1.1 The warranty period for Seller Parts is ***** for new Seller Parts and ***** for used Seller Parts from delivery of such parts to the Buyer.

4.1.1.2 Whenever any Seller Part that contains a defect for which the Seller is liable under Article 4.1 has been corrected, replaced or repaired pursuant to the terms of this Article 4.1, the period of the Seller's warranty with respect to such corrected, repaired or

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replacement Seller Part, as the case may be, will be the remaining portion of the original warranty period or *****, whichever is longer.

4.1.2 Buyer's Remedy and Seller's Obligation

The Buyer's remedy and Seller's obligation and liability under this Article 4.1 are limited to the repair, replacement or correction, at the Seller's expense and option, of any Seller Part that is defective.

The Seller may alternatively furnish to the Buyer's account with the Seller a *****.

The provisions of Clauses 12.1.5 through 12.1.11 of the Agreement will apply to claims made pursuant to this Article 4.1.

4.2 Supplier Parts

With respect to Supplier Parts to be delivered to the Buyer under this Exhibit H, the Seller agrees to transfer to the Buyer the benefit of any warranties, which the Seller may have obtained from the corresponding Suppliers and the Buyer hereby agrees that it will accept the same.

4.3 Waiver, Release and Renunciation

THIS ARTICLE 4 (INCLUDING ITS SUBPARTS) SETS FORTH THE EXCLUSIVE WARRANTIES, EXCLUSIVE LIABILITIES AND EXCLUSIVE OBLIGATIONS OF THE SELLER, AND THE EXCLUSIVE REMEDIES AVAILABLE TO THE BUYER, WHETHER UNDER THIS AGREEMENT OR OTHERWISE, ARISING FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN ANY SELLER PART, MATERIAL, OR SERVICES (IF ANY) DELIVERED BY THE SELLER UNDER THIS EXHIBIT H.

THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES OF THE SELLER AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER AND ITS SUPPLIERS, WHETHER EXPRESS OR IMPLIED BY CONTRACT, TORT, OR STATUTORY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMITY OR DEFECT OR PROBLEM OF ANY KIND IN ANY SELLER PART, MATERIAL, LEASED PART, OR SERVICES (IF ANY) DELIVERED BY THE SELLER UNDER THIS EXHIBIT H, INCLUDING BUT NOT LIMITED TO:

- (1) ANY IMPLIED WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR ANY GENERAL OR PARTICULAR PURPOSE;
- (2) ANY IMPLIED OR EXPRESS WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE;

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Confidential

- (3) ANY RIGHT, CLAIM OR REMEDY FOR BREACH OF CONTRACT;
- (4) ANY RIGHT, CLAIM OR REMEDY FOR TORT, UNDER ANY THEORY OF LIABILITY, HOWEVER ALLEGED, INCLUDING, BUT NOT LIMITED TO, ACTIONS AND/OR CLAIMS FOR NEGLIGENCE, GROSS NEGLIGENCE, INTENTIONAL ACTS, WILLFUL DISREGARD, IMPLIED WARRANTY, PRODUCT LIABILITY, STRICT LIABILITY OR FAILURE TO WARN;
- (5) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER STATE OR FEDERAL STATUTE;
- (6) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER ANY REGULATIONS OR STANDARDS IMPOSED BY ANY INTERNATIONAL, NATIONAL, STATE OR LOCAL STATUTE OR AGENCY;
- (7) ANY RIGHT, CLAIM OR REMEDY TO RECOVER OR BE COMPENSATED FOR:
 - (A) LOSS OF USE OR REPLACEMENT OF ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THE AGREEMENT;
 - (B) LOSS OF, OR DAMAGE OF ANY KIND TO, ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THE AGREEMENT;
 - (C) LOSS OF PROFITS AND/OR REVENUES;
 - (D) ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGE.

THE WARRANTIES PROVIDED BY THIS AGREEMENT WILL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY THE SELLER AND THE BUYER. IN THE EVENT THAT ANY PROVISION OF THIS ARTICLE 4 SHOULD FOR ANY REASON BE HELD UNLAWFUL, OR OTHERWISE UNENFORCEABLE, THE REMAINDER OF THIS ARTICLE 4 WILL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSES OF THIS ARTICLE 4, THE "SELLER" WILL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS, SUBCONTRACTORS, AND AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

4.4

Duplicate Remedies

The remedies provided to the Buyer under this Article 4 as to any part thereof are mutually exclusive and not cumulative. The Buyer will be entitled to the remedy that provides the maximum benefit to it, as the Buyer may elect, pursuant to the terms and conditions of this Article 4 for any particular defect for which remedies are provided under this Article 4; provided, however, that the Buyer will not be entitled to elect a remedy under one part of this Article 4 that constitutes a duplication of any remedy elected by it under any other part hereof for the same defect. The Buyer's rights and remedies herein for the nonperformance of any obligations or liabilities of the Seller arising under these warranties will be in monetary damages limited to the amount the Buyer expends in procuring a correction or replacement for any covered part subject to a defect or nonperformance covered by this Article 4, and the Buyer will not have any right to require specific performance by the Seller.

5. COMMERCIAL CONDITIONS

5.1 Delivery Terms

All Material prices are quoted on the basis of Free Carrier (FCA) delivery terms, without regard to the place from which such Material is shipped. The term "**Free Carrier (FCA)**" is as defined by publication n° 560 of the International Chamber of Commerce, published in January 2000.

5.2 Payment Procedures and Conditions

All payments under this Exhibit H will be made in accordance with the terms and conditions set forth in the then current Customer Services e-Catalog.

5.3 Title

Title to any Material purchased under this Exhibit H will remain with the Seller until full payment of the invoices and interest thereon, if any, has been received by the Seller.

The Buyer hereby undertakes that Material title to which has not passed to the Buyer will be kept free from any debenture or mortgage or any similar charge or claim in favour of any third party.

5.4 Cessation of Deliveries

The Seller has the right to restrict, stop or otherwise suspend deliveries of Material in this Exhibit H, or its other obligations under this Exhibit H, if the Buyer fails to meet its material obligations set forth in this Exhibit H.

6. EXCUSABLE DELAY

Clauses 10.1 and 10.2 of the Agreement will apply, mutatis mutandis, to all Material support and services provided under this Exhibit H.

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7. TERMINATION OF MATERIAL PROCUREMENT COMMITMENTS

7.1 If the Agreement is terminated with respect to any Aircraft, then the rights and obligations of the parties with respect to undelivered spare parts, services, data or other items to be purchased hereunder and which are applicable to those Aircraft for which the Agreement has been terminated will also be terminated. Unused Material in excess of the Buyer's requirements due to such termination may be repurchased by the Seller, at the Seller's option, as provided in Article 2.7.

8. INCONSISTENCY

In the event of any inconsistency between this Exhibit H and the Customer Services Catalog or any order placed by the Buyer, this Exhibit H will prevail to the extent of such inconsistency.

Confidential

LETTER AGREEMENT NO. 1

As of October 31, 2014

Frontier Airlines, Inc.
7001 Tower Road
Denver, Colorado 80249

Re: PAYMENTS

Dear Ladies and Gentlemen,

FRONTIER AIRLINES, INC. (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into an Airbus A321 Purchase Agreement dated of even date herewith (the "**Agreement**") which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 1 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

1. PAYMENT TERMS

1.1 For A321 Aircraft:

Clauses 5.3.2 and 5.3.3 of the Agreement are deleted in their entirety and replaced with the following quoted text:

QUOTE

5.3.2 The Predelivery Payment Reference Price for an Aircraft to be delivered in calendar year T is determined in accordance with the following formula:

5.3.3 For each Aircraft, Predelivery Payments will be paid to the Seller according to the following schedule:

| <u>Payment Date</u> | <u>Fixed Amount or Percentage of applicable Predelivery Payment Reference Price</u> |
|--|---|
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| Total payment prior to delivery | ***** |

If the schedule results in any Predelivery Payment falling due prior to the date of signature of the Agreement, such Predelivery Payments shall be made upon signature of the Agreement.

UNQUOTE

1.2 *****

Clause 5.3.5 is deleted in its entirety and replaced with the following quoted text:

QUOTE

5.3.5 *****

(i) *****

(ii) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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(iii) *****

UNQUOTE

1.3 Taxes

Clause 5.5 is deleted in its entirety and replaced with the following quoted text:

QUOTE

5.5.1 *****

5.5.2 *****

5.5.3 *****

“**Taxes**” means any present or future stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority or any political subdivision or taxing authority thereof or therein.

UNQUOTE

1.4 Application of Payments

Clause 5.6 is deleted in its entirety and replaced with the following quoted text:

QUOTE

5.6 Application of Payments

UNQUOTE

1.5 Clause 5.8 is deleted in its entirety and replaced with the following quoted text:

QUOTE

5.8 OVERDUE PAYMENTS

5.8.1 *****

5.8.2 *****

UNQUOTE

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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1.6 Payment in Full

Clause 5.10 is deleted in its entirety and replaced with the following quoted text:

QUOTE

5.10 Payment in Full

UNQUOTE

1.7 Cross Collateralization

2. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller, and any attempted assignment or transfer in contravention of the provisions of this Paragraph 2 will be void and of no force or effect.

3. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

4. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including counterparts delivered by electronic mail or by facsimile transmission) shall be an original, but all such counterparts shall together constitute one and the same instrument.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Christophe Mourey

Its: Senior Vice President Contracts

Accepted and Agreed

FRONTIER AIRLINES, INC.

By: /s/ James G. Dempsey

Its: Chief Financial Officer

Confidential

LETTER AGREEMENT NO. 2

As of October 31, 2014

Frontier Airlines, Inc.
7001 Tower Road
Denver, Colorado 80249

Re: PURCHASE INCENTIVES

Dear Ladies and Gentlemen,

FRONTIER AIRLINES, INC. (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into an Airbus A321 Purchase Agreement dated of even date herewith (the "**Agreement**") which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 2 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

1. A321 AIRCRAFT *****

1.1 *****

1.2 *****

1.3 *****

1.4 *****

1.5 *** are established in the Base Period *******

1.6 *****

2. *****

2.1 Clause 3.1.1.2 of the Agreement is revised to read as follows:

QUOTE

3.1.1.2 The Base Price of the A321 Airframe ***** are established in accordance with the average economic conditions prevailing in the ***** and corresponding to a theoretical delivery in ***** (the “**Base Period**”).

UNQUOTE

2.2 Clause 4.1 of the Agreement is revised to read as follows:

QUOTE

4.1 Seller Price Revision Formula

UNQUOTE

3. PRICE REVISION FORMULA

Part 1 of Exhibit C, Seller Price Revision Formula, is deleted in its entirety and replaced with the Part 1 of Exhibit C, annexed as Appendix 1 to this Letter Agreement.

4. *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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5. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller, and any attempted assignment or transfer in contravention of the provisions of this Paragraph 5 will be void and of no force or effect.

6. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

7. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including counterparts delivered by electronic mail or by facsimile transmission) will be an original, but all such counterparts will together constitute one and the same instrument.

Confidential

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Christophe Mourey

Its: Senior Vice President Contracts

Accepted and Agreed

FRONTIER AIRLINES, INC.

By: /s/ James G. Dempsey

Its: Chief Financial Officer

Confidential

PART 1 SELLER PRICE REVISION FORMULA**1. BASE PRICES**

The Base Price of the A321 Airframe, ***** (each, a “**Base Price**”) are subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics in accordance with the provisions hereof, *****.

2. BASE PERIOD

Each Base Price has been established in accordance with the average economic conditions prevailing in the ***** as defined by “ECIb” and “ICb” index values indicated hereafter.

3. INDEXES

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS”, and found in: Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group”, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100).

The quarterly value released for a certain month (March, June, September and December) shall be the one deemed to apply for the two (2) preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU20232110000001.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI Detailed report” (found in Table 6. “Producer price indexes and percent changes for commodity groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

4. REVISION FORMULA

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

5. GENERAL PROVISIONS

5.1 Rounding

The Labor Index average and the Material Index average shall be computed to the first decimal. If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

Each quotient shall be rounded to the nearest ten thousandth (4 decimals). If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

The final factor shall be rounded to the nearest ten thousandth (4 decimals).

The final price shall be rounded to the nearest whole number (0.5 or more rounded to 1).

5.2 Substitution of Indexes for Airframe Price Revision Formula

If:

- (i) the United States Department of Labor substantially revises the methodology of calculation of the Labor Index or the Material Index as used in the Airframe Price Revision Formula, or
- (ii) the United States Department of Labor discontinues, either temporarily or permanently, such Labor Index or such Material Index, or
- (iii) the data samples used to calculate such Labor Index or such Material Index are substantially changed;

The Seller shall select a substitute index for inclusion in the Seller Price Revision Formula (the "**Substitute Index**").

The Substitute Index shall reflect as closely as possible the actual variance of the Labor Costs or of the material costs used in the calculation of the original Labor Index or Material Index as the case may be.

As a result of the selection of the Substitute Index, the Seller shall make an appropriate adjustment to the Seller Price Revision Formula to combine the successive utilization of the original Labor Index or Material Index (as the case may be) and of the Substitute Index.

Confidential

5.3 Final Index Values

The index values as defined in Clause 4. hereof shall be considered final and no further adjustment to the Base Prices as revised at the Delivery Date of the Aircraft shall be made after Aircraft Delivery for any subsequent changes in the published index values.

5.4 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

LETTER AGREEMENT NO. 3

As of October 31, 2014

Frontier Airlines, Inc.
7001 Tower Road
Denver, Colorado 80249-7312

Re: *****

Dear Ladies and Gentlemen,

FRONTIER AIRLINES, INC. (the “**Buyer**”) and AIRBUS S.A.S. (the “**Seller**”) have entered into an Airbus A321 Purchase Agreement dated of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 3 (the “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Christophe Mourey

Its: Senior Vice President Contracts

Accepted and Agreed

FRONTIER AIRLINES, INC.

By: /s/ James G. Dempsey

Its: Chief Financial Officer

Confidential

LETTER AGREEMENT NO. 4

As of October 31, 2014

Frontier Airlines, Inc.
7001 Tower Road
Denver, Colorado 80249-7312

Re: SPECIFICATION MATTERS

Dear Ladies and Gentlemen,

FRONTIER AIRLINES, INC. (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into an Airbus A321 Purchase Agreement dated of even date herewith (the "**Agreement**") which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 4 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

1. AIRCRAFT ENHANCEMENT

(i) *****

(ii) *****

(iii) *****

(iv) *****

(v) *****

2. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller, and any attempted assignment or transfer in contravention of the provisions of this Paragraph 2 will be void and of no force or effect.

3. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

4. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including counterparts delivered by electronic mail or by facsimile transmission) will be an original, but all such counterparts will together constitute one and the same instrument.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Christophe Mourey

Its: Senior Vice President Contracts

Accepted and Agreed

FRONTIER AIRLINES, INC.

By: /s/ James G. Dempsey

Its: Chief Financial Officer

Confidential

LETTER AGREEMENT NO. 5

As of October 31, 2014

Frontier Airlines, Inc.
7001 Tower Road
Denver, Colorado 80249-7312

Re: *****

Dear Ladies and Gentlemen,

FRONTIER AIRLINES, INC. (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into an Airbus A321 Purchase Agreement dated of even date herewith (the "**Agreement**") which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 5 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

1. *****

The following sub-clause will be added to Clause 21 of the Agreement:

QUOTE

21.6 *****

(a) *****

(b) *****

(c) *****

(d) *****

(e) *****

i. *****

ii. *****

(A) *****

(B) *****

(C) *****

(D) *****

(f) *****

(g) *****

(h) *****

(i) *****

(j) *****

(k) *****

(l) *****

(m) *****

(n) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

UNQUOTE

2. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller, and any attempted assignment or transfer in contravention of the provisions of this Paragraph 2 will be void and of no force or effect.

3. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

4. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including counterparts delivered by electronic mail or by facsimile transmission) will be an original, but all such counterparts will together constitute one and the same instrument.

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Confidential

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Christophe Mourey

Its: Senior Vice President Contracts

Accepted and Agreed

FRONTIER AIRLINES, INC.

By: /s/ James G. Dempsey

Its: Chief Financial Officer

Confidential

LETTER AGREEMENT NO. 6A

As of October 31, 2014

Frontier Airlines, Inc.
7001 Tower Road
Denver, Colorado 80249-7312

Re: A321 AIRCRAFT PERFORMANCE GUARANTEE – CEO (CFM ENGINES)

Dear Ladies and Gentlemen,

FRONTIER AIRLINES (the “**Buyer**”) and AIRBUS S.A.S. (the “**Seller**”) have entered into an Airbus A321 Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 6A (the “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the A321 Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

1. AIRCRAFT CONFIGURATION

The guarantees defined in Paragraphs 2 and 3 below (the “**Guarantees**”) are applicable to the A321 Aircraft as described in the A321 Standard Specification ***** as amended by the following SCNs:

- ii) *****
- iii) *****
- iii) *****

hereinafter referred to as the “**Specification**” without taking into account any further changes thereto as provided in the Agreement except as provided in paragraph 6 below (for purposes of this Letter Agreement the “**A321 Aircraft**”).

2. *** GUARANTEES**

2.1 *****

2.1.1 *****

a) *****

b) *****

c) *****

d) *****

e) *****

f) *****

g) *****

h) *****

1) *****

2) *****

3) *****

4) *****

5) *****

2.1.2 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

2.2 *****

2.2.1 *****

a) *****

b) *****

c) *****

d) *****

e) *****

f) *****

g) *****

h) *****

1) *****

2) *****

3) *****

4) *****

5) *****

2.2.2 *****

2.3 *****

2.3.1 *****

a) *****

b) *****

c) *****

d) *****

e) *****

f) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

g) *****

h) *****

1) *****

2) *****

3) *****

4) *****

5) *****

2.3.2 *****

2.4 *****

2.4.1 *****

a) *****

b) *****

c) *****

d) *****

e) *****

f) *****

g) *****

h) *****

1) *****

2) *****

3) *****

4) *****

5) *****

2.4.2 *****

2.5 *****

2.5.1 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- a) *****
- b) *****
- c) *****
- d) *****
- e) *****
- f) *****
- g) *****
- h) *****

- 1) *****
- 2) *****
- 3) *****
- 4) *****
- 5) *****

2.5.2 *****

2.6 *****

3. ***** **GUARANTEE**

4. **GUARANTEE CONDITIONS**

- 4.1 *****
- 4.2 *****
- 4.3 *****
- 4.4 *****
- 4.5 *****

5. **GUARANTEE COMPLIANCE**

5.1 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 5.2 *****
- 5.3 *****
- 5.4 *****
- 5.5 *****
- 5.6 *****
- 5.7 *****

6. ADJUSTMENT OF GUARANTEES

- 6.1 *****
- 6.2 *****

7. EXCLUSIVE GUARANTEES

- 8. *****
- *****

8.1 *****

- 8.1.1 *****
- 8.1.2 *****

8.2 *****

8.3 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Christophe Mourey

Its: Senior Vice President Contracts

Accepted and Agreed

FRONTIER AIRLINES, INC.

By: /s/ James G. Dempsey

Its: Chief Financial Officer

Confidential

LETTER AGREEMENT NO. 6B

As of October 31, 2014

Frontier Airlines, Inc.
7001 Tower Road
Denver, Colorado 80249-7312

Re: A321 AIRCRAFT PERFORMANCE GUARANTEE – CEO (IAE ENGINES)

Dear Ladies and Gentlemen,

FRONTIER AIRLINES (the “**Buyer**”) and AIRBUS S.A.S. (the “**Seller**”) have entered into an Airbus A321 Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 6B (the “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the A321 Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

1. **AIRCRAFT CONFIGURATION**

The guarantees defined in Paragraphs 2 and 3 below (the “**Guarantees**”) are applicable to the A321 Aircraft as described in the A321 Standard Specification ***** as amended by the following SCNs:

- i) *****
- ii) *****
- iii) *****

hereinafter referred to as the “**Specification**” without taking into account any further changes thereto as provided in the Agreement except as provided in paragraph 6 below (for purposes of this Letter Agreement the “**A321 Aircraft**”).

2. ***** **GUARANTEES**

2.1 *****

2.1.1 *****

a) *****

b) *****

c) *****

d) *****

e) *****

f) *****

g) *****

h) *****

2.1.2 *****

2.2 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

2.2.1 *****

a) *****

b) *****

c) *****

d) *****

e) *****

f) *****

g) *****

h) *****

1) *****

2) *****

3) *****

4) *****

5) *****

2.2.2 *****

2.3 *****

2.3.1 *****

a) *****

b) *****

c) *****

d) *****

e) *****

f) *****

g) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

- h) *****
 - 1) *****
 - 2) *****
 - 3) *****
 - 4) *****
 - 5) *****

2.3.2 *****

2.4 *****

2.4.1 *****

2.4.2 *****

2.4.3 *****

2.4.4 *****

2.4.5 *****

e) *****

f) *****

g) *****

- h) *****
 - 1) *****
 - 2) *****
 - 3) *****
 - 4) *****
 - 5) *****

2.4.2 *****

2.5 *****

2.5.1 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- a) *****
- b) *****
- c) *****
- d) *****
- e) *****
- f) *****
- g) *****
- h) *****

- 1) *****
- 2) *****
- 3) *****
- 4) *****
- 5) *****

2.5.2 *****
2.6 *****

3. ***** **GUARANTEE**

4. **GUARANTEE CONDITIONS**

- 4.1 *****
- 4.2 *****
- 4.3 *****
- 4.4 *****
- 4.5 *****

5. **GUARANTEE COMPLIANCE**

- 5.1 *****
- 5.2 *****
- 5.3 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 5.4 *****
- 5.5 *****
- 5.6 *****
- 5.7 *****

6. **ADJUSTMENT OF GUARANTEES**

- 6.1 *****
- 6.2 *****

7. **EXCLUSIVE GUARANTEES**

- 8. *****
- *****

- 8.1 *****

- 8.1.1 *****

- 8.1.2 *****

- 8.2 *****

- 8.3 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Christophe Mourey

Its: Senior Vice President Contracts

Accepted and Agreed

FRONTIER AIRLINES, INC.

By: /s/ James G. Dempsey

Its: Chief Financial Officer

Confidential

LETTER AGREEMENT NO. 7

As of October 31, 2014

Frontier Airlines, Inc.
7001 Tower Road
Denver, Colorado 80249-7312

Re: SUPPORT MATTERS

Dear Ladies and Gentlemen,

FRONTIER AIRLINES, INC. (the “**Buyer**”) and AIRBUS S.A.S. (the “**Seller**”) have entered into an Airbus A321 Aircraft Purchase Agreement dated of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 7 (the “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

LA 7-1

1. WARRANTIES AND SERVICE LIFE POLICY

Clause 12 of the Agreement is deleted in its entirety and is replaced with Clause 12 attached hereto as Appendix 1.

2. TECHNICAL DATA AND SOFTWARE SERVICES

Clause 14 of the Agreement is deleted in its entirety and is replaced with Clause 14 attached hereto as Appendix 2.

3. SELLER REPRESENTATIVE SERVICES

Clause 15 of the Agreement is deleted in its entirety and is replaced with Clause 15 attached hereto as Appendix 3.

4. TRAINING SUPPORT AND SERVICES

Clause 16 of the Agreement is deleted in its entirety and is replaced with Clause 16 attached hereto as Appendix 4.

5. EXHIBIT H – MATERIAL AND SUPPLY SERVICES

5.1 Paragraph 1.7.2 of Exhibit H to the Agreement is deleted in its entirety and is replaced with the following text:

QUOTE

1.7.2 *****
 (i) *****
 (ii) *****
 (iii) *****
 (iv) *****

UNQUOTE

5.2 Paragraph 4.1.1.1 of Exhibit H to the Agreement is deleted in its entirety and is replaced with the following text:

QUOTE

4.1.1.1 The warranty period for Seller Parts is ***** for new Seller Parts and ***** for used Seller Parts from delivery of such parts to the Buyer.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

6. GOODS AND SERVICES *****

For each Aircraft delivered pursuant to the Agreement, the Seller will *****.

7. EXIT LIMIT INCREASE RETRO-FIT SERVICE BULLETIN

7.1 The Seller will *****.

7.2 *****

(i) *****,

(ii) *****,

(iii) *****,

(iv) *****,

(v) *****,

7.3 *****

8. *****

9. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller, and any attempted assignment or transfer in contravention of the provisions of this Paragraph 9 will be void and of no force or effect.

10. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

11. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including counterparts delivered by electronic mail or by facsimile transmission) will be an original, but all such counterparts will together constitute one and the same instrument.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Christophe Mourey

Its: Senior Vice President Contracts

Accepted and Agreed

FRONTIER AIRLINES, INC.

By: /s/ James G. Dempsey

Its: Chief Financial Officer

LA 7-4

12. WARRANTIES AND SERVICE LIFE POLICY

This Clause covers the terms and conditions of the warranty and service life policy.

12.1 Standard Warranty**12.1.1 Nature of Warranty**

12.1.1.1 For the purpose of this Agreement the term “**Warranted Part**” will mean any Seller proprietary component, equipment, accessory or part, which is installed on an Aircraft at Delivery thereof and

- (i) which is manufactured to the detailed design of the Seller or a subcontractor of the Seller and
- (ii) which bears a part number of the Seller at the time of such Delivery.

For the avoidance of doubt, “Warranted Parts” shall include, among other things, the parts listed on Exhibit F hereto.

12.1.1.2 Subject to the conditions and limitations as hereinafter provided for and except as provided for in Clause 12.1.2, the Seller warrants to the Buyer that each Aircraft and each Warranted Part will at Delivery to the Buyer be free from defects:

- (i) in material;
- (ii) in workmanship, including without limitation processes of manufacture;
- (iii) in design (including without limitation the selection of materials) having regard to the state of the art at the date of such design; and
- (iv) arising from failure to conform to the Specification, except to those portions of the Specification relating to performance or where it is expressly stated that they are estimates or approximations or design aims.

12.1.2 Exclusions

The warranties set forth in Clause 12.1.1 will not apply to Buyer Furnished Equipment, nor to the Propulsion System, nor to any component, equipment, accessory or part installed on the Aircraft at Delivery that is not a Warranted Part except that:

- (i) any defect in the Seller’s workmanship in respect of the installation of such items in the Aircraft, including any failure by the Seller to conform to the installation instructions of the manufacturers of such items, that invalidates any applicable warranty from such manufacturers, will constitute a defect in workmanship for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1.2(ii); and

- (ii) any defect inherent in the Seller's design of the installation, in consideration of the state of the art at the date of such design, which impairs the use of such items, will constitute a defect in design for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1.2(iii).

12.1.3 Warranty Period

The warranties set forth in Clauses 12.1.1 and 12.1.2 will be limited to those defects that become apparent within ***** after Delivery of the affected Aircraft (the "**Warranty Period**").

12.1.4 Limitations of Warranty

12.1.4.1 The Buyer's remedy and the Seller's obligation and liability under Clauses 12.1.1 and 12.1.2 are limited to, at the Seller's expense and option, the repair, replacement or correction of any Warranted Part which is defective (or to the supply of modification kits, rectifying the defect), together with a credit to the Buyer's account with the Seller of an amount equal to the mutually agreed direct labor costs expended in performing the removal and reinstallation thereof on the Aircraft at the labor rate defined in Clause 12.1.7.5.

The Seller may alternatively furnish to the Buyer's account with the Seller a credit equal to the price at which the Buyer is then entitled to purchase a replacement for the defective Warranted Part.

12.1.4.2 In the event of a defect covered by Clauses 12.1.1.2(iii), 12.1.1.2(iv) and 12.1.2(ii) becoming apparent within the Warranty Period, the Seller shall also, if so requested by the Buyer in writing and the Seller agrees, correct such defect in any Aircraft which has not yet been delivered to the Buyer, *****.

12.1.4.3 Cost of Inspection

In addition to the remedies set forth in Clauses 12.1.4.1 and 12.1.4.2, the Seller will reimburse the direct labor costs incurred by the Buyer in performing inspections of the Aircraft to determine whether or not a defect exists in any Warranted Part within the Warranty Period subject to the following conditions:

- (i) such inspections are recommended by a Seller Service Bulletin to be performed within the Warranty Period;
- (ii) *****
- (iii) the labor rate for the reimbursement will be ***** , and
- (iv) *****

12.1.5 Warranty Claim Requirements

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The Buyer's remedy and the Seller's obligation and liability under this Clause 12.1 with respect to any warranty claim submitted by the Buyer (each a "**Warranty Claim**") are subject to the following conditions:

- (i) the defect having become apparent within the Warranty Period;
- (ii) the Buyer having filed a warranty claim within ***** of discovering the defect;
- (iii) *****
- (iv) the Seller having received a Warranty Claim complying with the provisions of Clause 12.1.6 below.

12.1.6 Warranty Administration

The warranties set forth in Clause 12.1 will be administered as hereinafter provided for:

12.1.6.1 Claim Determination

Seller shall use commercially reasonable efforts to advise Buyer of Seller's determination as to whether any claimed defect in any Warranted Part is a valid Warranty Claim within 30 days after the submission of such Warranty Claim. Such determination will be based upon the claim details, reports from the Seller's Representatives, historical data logs, inspections, tests, findings during repair, defect analysis and other relevant documents.

12.1.6.2 Transportation Costs

The cost of transporting a Warranted Part claimed to be defective to the facilities designated by the Seller and for the return therefrom of a repaired or replaced Warranted Part will be *****.

12.1.6.3 Return of an Aircraft

If the Buyer and the Seller mutually agree, prior to such return, that it is necessary to return an Aircraft to the Seller for consideration of a Warranty Claim, *****.

12.1.6.4 On Aircraft

Work by the Seller If the Seller determines that a defect subject to this Clause 12.1 justifies the dispatch by the Seller of a working team to repair or correct such defect through the embodiment of one or several Seller's Service Bulletins at the Buyer's facilities, or if the Seller accepts the return of an Aircraft to perform or have performed such repair or correction, then the *****.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The condition which has to be fulfilled for on-Aircraft work by the Seller is that, in the reasonable opinion of the Seller, the work necessitates the technical expertise of the Seller as manufacturer of the Aircraft.

If said condition is fulfilled and if the Seller is requested to perform the work, the Seller and the Buyer will agree on a schedule and place for the work to be performed.

12.1.6.5 Warranty Claim Substantiation

Each Warranty Claim filed by the Buyer under this Clause 12.1 will contain at least the following data:

- (i) description of defect,
- (ii) date of Buyer's discovery of defect and/or removal date,
- (iii) description of Warranted Part claimed to be defective,
- (iv) part number,
- (v) serial number (if applicable),
- (vi) position on Aircraft,
- (vii) total flying hours or calendar time, as applicable, at the date of defect appearance,
- (viii) time since last shop visit at the date of defect discovery,
- (ix) Manufacturer Serial Number of the Aircraft and/or its registration number,
- (x) Aircraft total flying hours and/or number of landings at the date of defect discovery,
- (xi) Warranty Claim number,
- (xii) date of Warranty Claim,
- (xiii) Delivery Date of Aircraft or Warranted Part to the Buyer,

Warranty Claims are to be addressed as follows:

AIRBUS
CUSTOMER SERVICES DIRECTORATE
WARRANTY ADMINISTRATION
Rond Point Maurice Bellonte
B.P. 33
F 31707 BLAGNAC CEDEX
FRANCE

12.1.6.6 Replacements

Replaced components, equipment, accessories or parts will become the Seller's property effective upon installation of the replacement on the Aircraft.

Title to and risk of loss of any Aircraft, component, accessory, equipment or part subject to a Warranty Claim and returned by the Buyer to the Seller will at all times remain with the Buyer, except that:

- (i) when the Seller has possession of a returned Aircraft, component, accessory, equipment or part to which the Buyer has title, the Seller will have such responsibility therefor as is chargeable by law to a bailee for hire, but the Seller will not be liable for loss of use; and
- (ii) title to and risk of loss of a component, accessory, equipment or part subject to a Warranty Claim will pass to the Seller upon shipment by the Seller to the Buyer of any item furnished by the Seller to the Buyer as a replacement therefor.

Upon the Seller's shipment to the Buyer of any replacement component, accessory, equipment or part provided by the Seller pursuant to this Clause 12.1, title to and risk of loss of such replacement component, accessory, equipment or part will pass to the Buyer.

12.1.6.7 Rejection

The Seller will provide reasonable written substantiation in case of rejection of a Warranty Claim.

12.1.6.8 Inspection

The Seller will have the right to inspect the affected Aircraft, Aircraft technical documents and other records relating thereto in the event of any Warranty Claim under this Clause 12. *****.

12.1.7 Inhouse Warranty

12.1.7.1 Seller's Authorization

The Seller hereby authorizes the Buyer to repair Warranted Parts at the Buyer's option ("**Inhouse Warranty**") subject to the terms of this Clause 12.1.7.

12.1.7.2 Conditions for Seller's Authorization

The Buyer will be entitled to repair such Warranted Parts:

- (i) provided the Buyer notifies the Seller of its intention to perform Inhouse Warranty repairs before any such repairs are started where the estimated cost of

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

such repair is *****. The Buyer's notification will include sufficient detail regarding the defect, estimated labor hours and material to allow the Seller to ascertain the reasonableness of the estimate. The Seller agrees to use all reasonable efforts to ensure a prompt response and will not unreasonably withhold authorization;

- (ii) if adequate facilities and qualified personnel are available to the Buyer;
- (iii) if repairs are performed in accordance with the Seller's Technical Data or written instructions; and
- (iv) only to the extent specified by the Seller, or, in the absence of such specification, to the extent reasonably necessary to correct the defect, in accordance with the standards set forth in Clause 12.1.10.

12.1.7.3 Seller's Rights

The Seller will have the right to require the return of any Warranted Part, or any part removed therefrom, which is claimed to be defective if, in the reasonable judgment of the Seller, the nature of the claimed defect requires technical investigation. Such return will be subject to the provisions of Clause 12.1.6.2. Furthermore, the Seller will have the right to have a Seller representative present during the disassembly, inspection and testing of any Warranted Part claimed to be defective, subject to such presence being practical and not unduly delaying the repair.

12.1.7.4 Inhouse Warranty Claim Substantiation

Claims for Inhouse Warranty credit will be filed within the time period set forth in 12.1.5(ii) and will contain the same information as that required for Warranty Claims under Clause 12.1.6.5 and in addition will include:

- (i) a report of technical findings with respect to the defect,
- (ii) for parts required to remedy the defect:
 - part numbers, serial numbers (if applicable),
 - parts description,
 - quantity of parts,
 - unit price of parts,
 - related Seller's or third party's invoices (if applicable),
 - total price of parts,
- (iii) detailed number of labor hours,
- (iv) Inhouse Warranty Labor Rate,
- (v) total claim value.

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12.1.7.5 *****

The Buyer's sole remedy and the Seller's sole obligation and liability with respect to Inhouse Warranty Claims will be 88888 determined as set forth below:

(i) *****

(ii) *****

The Inhouse Warranty Labor Rate *****. ***** will have the meanings defined in the Seller's Price Revision Formula set forth in Exhibit C to the Agreement, *****.

(iii) *****

12.1.7.6 Limitation

The Buyer will in no event be credited for repair costs (including labor and material) for any Warranted Part in excess of ***** of the Seller's current catalogue price for a replacement of such defective Warranted Part.

12.1.7.7 Scrapped Material

The Buyer will retain any defective Warranted Part beyond economic repair and any defective part removed from a Warranted Part during repair for a period of either ***** after the date of completion of the repair or ***** after submission of a claim for Inhouse Warranty credit relating thereto, whichever is longer. Such parts will be returned to the Seller within ***** of receipt of the Seller's request to that effect.

Notwithstanding the foregoing, the Buyer may scrap any such defective parts, which are beyond economic repair and not required for technical evaluation locally, with the agreement of the Seller Representative(s).

Scrapped Warranted Parts will be evidenced by a record of scrapped material certified by an authorized representative of the Buyer and will be kept in the Buyer's file for a least the duration of the applicable Warranty Period.

12.1.8 Standard Warranty in case of Pooling or Leasing Arrangements

Without prejudice to Clause 21.1, the warranties provided for in this Clause 12.1 for any Warranted Part will accrue to the benefit of any airline in revenue service, other than the Buyer, if the Warranted Part enters into the possession of any such airline as a result of a pooling or leasing agreement between such airline and the Buyer, in accordance with the terms and subject to the limitations and exclusions of the foregoing warranties and to the extent permitted by any applicable law or regulations.

12.1.9 Warranty for Corrected, Replaced or Repaired Warranted Parts

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Whenever any Warranted Part, which contains a defect for which the Seller is liable under Clause 12.1, has been corrected, replaced or repaired pursuant to the terms of this Clause 12.1, the period of the Seller's warranty with respect to such corrected, repaired or replacement Warranted Part, whichever the case may be, *****.

If a defect is attributable to a defective repair or replacement by the Buyer, a Warranty Claim with respect to such defect will be rejected, notwithstanding any subsequent correction or repair, and will immediately terminate the remaining warranties under this Clause 12.1 in respect of the affected Warranted Part.

12.1.10 Accepted Industry Standard Practices Normal Wear and Tear

The Buyer's rights under this Clause 12.1 are subject to the Aircraft and each component, equipment, accessory and part thereof being maintained, overhauled, repaired and operated in accordance with accepted industry standard practices, all Technical Data and any other instructions generally applicable to, and generally adopted by, operators of aircraft of the same model as the Aircraft issued by the Seller, the Suppliers and the Propulsion System Manufacturer and all applicable rules, regulations and directives of the relevant Aviation Authorities, *****.

The Seller's liability under this Clause 12.1 will not extend to normal wear and tear or to:

- (i) any Aircraft or component, equipment, accessory or part thereof, which has been repaired, altered or modified after Delivery, except by the Seller or in a manner approved by the Seller unless Buyer furnishes evidence reasonably satisfactory to the Seller that such repair, alteration or modification was not a cause of the applicable defect;
- (ii) any Aircraft or component, equipment, accessory or part thereof, which has been operated in a damaged state, unless Buyer furnishes evidence reasonably satisfactory to the Seller that such operation was not a cause of the applicable defect; or
- (iii) any component, equipment, accessory and part from which the trademark, name, part or serial number or other identification marks have been removed.

12.1.11 DISCLAIMER OF SELLER LIABILITY

THE SELLER WILL NOT BE LIABLE FOR, AND THE BUYER WILL INDEMNIFY THE SELLER AGAINST, THE CLAIMS OF ANY THIRD PARTIES FOR LOSSES DUE TO ANY DEFECT, NONCONFORMANCE OR PROBLEM OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH ANY REPAIR OF WARRANTED PARTS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12.1, WHETHER SUCH CLAIM IS ASSERTED IN CONTRACT OR IN TORT, OR IS PREMISED ON ALLEGED, ACTUAL, IMPUTED, ORDINARY OR INTENTIONAL ACTS OR OMISSIONS OF THE BUYER OR THE SELLER.

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12.2 Seller Service Life Policy

In addition to the warranties set forth in Clause 12.1, the Seller further agrees that should a Failure occur in any Item (as these terms are defined herein below) that has not suffered from an extrinsic force then, subject to the general conditions and limitations set forth in Clause 12.2.4, the provisions of this Clause 12.2 will apply.

For the purposes of this Clause 12.2:

- (i) “**Item**” means any item listed in Exhibit F;
- (ii) “**Failure**” means a breakage or defect that can reasonably be expected to occur on a fleetwide basis and which materially impairs the utility of the Item.

12.2.2 Periods and Seller’s Undertakings

Subject to the general conditions and limitations set forth in Clause 12.2.4, the Seller agrees that if a Failure occurs in an Item ***** after the Delivery of said Aircraft in which such Item was originally installed, the Seller will, at its discretion and as promptly as practicable and with the Seller’s financial participation as hereinafter provided, either:

- (a) design and furnish to the Buyer a correction for such Item with a Failure and provide any parts required for such correction (including Seller designed standard parts but excluding industry standard parts), or
- (b) replace such Item.

12.2.3 Seller’s Participation in the Costs

Subject to the general conditions and limitations set forth in Clause 12.2.4, any part or Item that the Seller is required to furnish to the Buyer under this Service Life Policy in connection with the correction or replacement of an Item will be furnished to the Buyer ***** therefor, ***** determined in accordance with the following formula:

12.2.4 General Conditions and Limitations

12.2.4.1 The undertakings set forth in this Clause 12.2 will be valid after the period of the Seller’s warranty applicable to an Item under Clause 12.1.

12.2.4.2 The Buyer’s remedies and the Seller’s obligations and liabilities under this Service Life Policy are subject to the prior compliance by the Buyer with the following conditions:

- (i) the Buyer will maintain log books and other historical records with respect to each Item, adequate to enable the Seller, acting reasonably, to determine

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whether the alleged Failure is covered by this Service Life Policy and, if so, to define the portion of the costs to be borne by the Seller in accordance with Clause 12.2.3;

- (ii) the Buyer will keep the Seller informed of any significant incidents relating to an Aircraft, howsoever occurring or recorded;
- (iii) the Buyer will comply with the conditions of Clause 12.1.10;
- (iv) the Buyer will implement specific structural inspection programs for monitoring purposes as may be established from time to time by the Seller generally applicable and generally adopted by operators of the same model of aircraft. Such programs will be as compatible as possible with the Buyer's operational requirements and will be carried out at the Buyer's expense. Reports relating thereto will be regularly furnished to the Seller;
- (v) the Buyer will report any breakage or defect in a Item in writing to the Seller within ***** after such breakage or defect is discovered by Buyer, whether or not said breakage or defect can reasonably be expected to occur in any other aircraft, and the Buyer will have provided to the Seller sufficient detail on the breakage or defect to enable the Seller, acting reasonably, to determine whether said breakage or defect is subject to this Service Life Policy.

12.2.4.3 Except as otherwise provided for in this Clause 12.2, any claim under this Service Life Policy will be administered as provided for in, and will be subject to the terms and conditions of, Clause 12.1.6.

12.2.4.4 In the event of the Seller having issued a modification applicable to an Aircraft, the purpose of which is to avoid a Failure, the Seller may elect to supply the necessary modification kit *****. If such a kit is so offered to the Buyer, then, to the extent of such Failure and any Failures that could ensue therefrom, the validity of the Seller's commitment under this Clause 12.2 will be subject to the Buyer incorporating such modification in the relevant Aircraft, as promulgated by the Seller and in accordance with the Seller's instructions, within a reasonable time.

12.2.4.5 THIS SERVICE LIFE POLICY IS NEITHER A WARRANTY, PERFORMANCE GUARANTEE, NOR AN AGREEMENT TO MODIFY ANY AIRCRAFT OR AIRFRAME COMPONENTS TO CONFORM TO NEW DEVELOPMENTS OCCURRING IN THE STATE OF AIRFRAME DESIGN AND MANUFACTURING ART. THE SELLER'S OBLIGATION UNDER THIS CLAUSE 12.2 IS TO MAKE ONLY THOSE CORRECTIONS TO THE ITEMS OR FURNISH REPLACEMENTS THEREFOR AS PROVIDED FOR IN THIS CLAUSE 12.2. THE BUYER'S SOLE REMEDY AND RELIEF FOR THE NON-PERFORMANCE OF ANY OBLIGATION OR LIABILITY OF THE SELLER ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY WILL BE IN A CREDIT FOR GOODS AND SERVICES (NOT INCLUDING AIRCRAFT), LIMITED TO THE AMOUNT THE BUYER REASONABLY EXPENDS IN

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PROCURING A CORRECTION OR REPLACEMENT FOR ANY ITEM THAT IS THE SUBJECT OF A FAILURE COVERED BY THIS SERVICE LIFE POLICY AND TO WHICH SUCH NON-PERFORMANCE IS RELATED, LESS THE AMOUNT THAT THE BUYER OTHERWISE WOULD HAVE BEEN REQUIRED TO PAY UNDER THIS CLAUSE 12.2 IN RESPECT OF SUCH CORRECTED OR REPLACEMENT ITEM. WITHOUT LIMITING THE EXCLUSIVITY OF WARRANTIES AND GENERAL LIMITATIONS OF LIABILITY PROVISIONS SET FORTH IN CLAUSE 12.5, THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL CLAIMS TO ANY FURTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES, ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY.

12.3 Supplier Warranties and Service Life Policies

Prior to or at Delivery of the first Aircraft, the Seller will provide the Buyer, in accordance with the provisions of Clause 17, with the warranties and, where applicable, service life policies that the Seller has obtained for Supplier Parts pursuant to the Supplier Product Support Agreements.

12.3.1 Definitions

12.3.1.1 “**Supplier**” means any supplier of Supplier Parts.

12.3.1.2 “**Supplier Part**” means any component, equipment, accessory or part installed in an Aircraft at the time of Delivery thereof and for which there exists a Supplier Product Support Agreement. For the sake of clarity, Propulsion System and Buyer Furnished Equipment and other equipment selected by the Buyer to be supplied by suppliers with whom the Seller has no existing enforceable warranty agreements are not Supplier Parts.

12.3.1.3 “**Supplier Product Support Agreements**” means agreements between the Seller and Suppliers, as described in Clause 17.1.2, containing enforceable and transferable warranties and, in the case of landing gear suppliers, service life policies for selected structural landing gear elements.

12.3.2 Supplier’s Default

12.3.2.1 *****

12.3.2.2 *****

12.3.2.3 *****

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12.4 Interface Commitment

12.4.1 Interface Problem

If the Buyer experiences any technical problem in the operation of an Aircraft or its systems due to a malfunction, the cause of which, after due and reasonable investigation, is not readily identifiable by the Buyer but which the Buyer reasonably believes to be attributable to the design characteristics of one or more components of the Aircraft (“**Interface Problem**”), the Seller will, if so requested by the Buyer, and without additional charge to the Buyer except for transportation of the Seller’s or its designee’s personnel to the Buyer’s facilities, promptly conduct or have conducted an investigation and analysis of such problem to determine, if possible, the cause or causes of the problem and to recommend such corrective action as may be feasible. The Buyer will furnish to the Seller all data and information in the Buyer’s possession relevant to the Interface Problem and will cooperate with the Seller in the conduct of the Seller’s investigations and such tests as may be required.

At the conclusion of such investigation, the Seller will promptly advise the Buyer in writing of the Seller’s opinion as to the cause or causes of the Interface Problem and the Seller’s recommendations as to corrective action.

12.4.2 Seller’s Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of a Warranted Part, the Seller will, if so requested by the Buyer and pursuant to the terms and conditions of Clause 12.1, correct the design of such Warranted Part to the extent of the Seller’s obligation as defined in Clause 12.1.

12.4.3 Supplier’s Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of any Supplier Part, the Seller will, if so requested by the Buyer, reasonably assist the Buyer in processing any warranty claim the Buyer may have against the Supplier.

12.4.4 Joint Responsibility

If the Seller determines that the Interface Problem is attributable partially to the design of a Warranted Part and partially to the design of any Supplier Part, the Seller will, if so requested by the Buyer, seek a solution to the Interface Problem through cooperative efforts of the Seller and any Supplier involved.

The Seller will promptly advise the Buyer of such corrective action as may be proposed by the Seller and any such Supplier. Such proposal will be consistent with any then existing obligations of the Seller hereunder and of any such Supplier towards the Buyer. Such corrective action, unless reasonably rejected by the Buyer, will constitute full satisfaction of any claim the Buyer may have against either the Seller or any such Supplier with respect to such Interface Problem.

12.4.5 General

12.4.5.1 All requests under this Clause 12.4 will be directed to both the Seller and the affected Supplier.

12.4.5.2 Except as specifically set forth in this Clause 12.4, this Clause will not be deemed to impose on the Seller any obligations not expressly set forth elsewhere in this Agreement.

12.4.5.3 All reports, recommendations, data and other documents furnished by the Seller to the Buyer pursuant to this Clause 12.4 will be deemed to be delivered under this Agreement and will be subject to the terms, covenants and conditions set forth in this Clause 12 and in Clause 22.11.

12.5

(I) *****

(II) *****

(III) *****

(IV) *****

(V) *****

(VI) *****

(VII) *****

(A) *****

(B) *****

(C) *****

(D) *****

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12.6 Duplicate Remedies

The remedies provided to the Buyer under Clause 12.1 and Clause 12.2 as to any defect in respect of the Aircraft or any part thereof are mutually exclusive and not cumulative. The Buyer will be entitled to the remedy that provides the maximum benefit to it, as the Buyer may elect, pursuant to the terms and conditions of this Clause 12 for any particular defect for which remedies are provided under this Clause 12; provided, however, that the Buyer will not be entitled to elect a remedy under both Clause 12.1 and Clause 12.2 for the same defect. The Buyer's rights and remedies herein for the nonperformance of any obligations or liabilities of the Seller arising under these warranties will be in monetary damages limited to the amount the Buyer expends in procuring a correction or replacement for any covered part subject to a defect or nonperformance covered by this Clause 12, and the Buyer will not have any right to require specific performance by the Seller.

12.7 Negotiated Agreement

The Buyer specifically recognizes that:

- (i) the Specification has been agreed upon after careful consideration by the Buyer using its judgment as a professional operator of aircraft used in public transportation and as such is a professional within the same industry as the Seller;
- (ii) this Agreement, and in particular this Clause 12, has been the subject of discussion and negotiation and is fully understood by the Buyer; and
- (iii) the price of the Aircraft and the other mutual agreements of the Buyer set forth in this Agreement were arrived at in consideration of, inter alia, the provisions of this Clause 12, specifically including the waiver, release and renunciation by the Buyer set forth in Clause 12.5.

12.8 Disclosure to Third Party Entity

In the event of the Buyer intending to designate a third party entity (a "**Third Party Entity**") to administer this Clause 12, the Buyer will notify the Seller of such intention prior to any disclosure of this Clause to the selected Third Party Entity and will cause such Third Party Entity to enter into a confidentiality agreement and or any other relevant documentation with the Seller solely for the purpose of administrating this Clause 12.

12.9 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 12 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent, which will not be unreasonably withheld.

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Any transfer in violation of this Clause 12.9 will, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 12 and any and all other warranties that might arise under or be implied in law.

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14. TECHNICAL DATA AND SOFTWARE SERVICES**14.1** Scope

This Clause 14 covers the terms and conditions for the supply of technical data (hereinafter “Technical Data”) and software services described hereunder (hereinafter “Software Services”) to support the Aircraft operation.

14.1.1 The Technical Data will be supplied in the English language using the aeronautical terminology in common use.

14.1.2 Range, form, type, format, quantity and delivery schedule of the Technical Data to be provided under this Agreement are outlined in Exhibit G hereto.

14.2 Aircraft Identification for Technical Data

14.2.1 For those Technical Data that are customized to the Buyer’s Aircraft, the Buyer agrees to the allocation of fleet serial numbers (“**Fleet Serial Numbers**”) in the form of block of numbers selected in the range from 001 to 999.

14.2.2 The sequence will not be interrupted unless two (2) different Propulsion Systems or two (2) different models of Aircraft are selected.

14.2.3 The Buyer will indicate to the Seller the Fleet Serial Number allocated to each Aircraft corresponding to the delivery schedule set forth in Clause 9.1 ***** before the Scheduled Delivery Month of the first Aircraft. Neither the designation of such Fleet Serial Numbers nor the subsequent allocation of the Fleet Serial Numbers to Manufacturer Serial Numbers for the purpose of producing certain customized Technical Data will constitute any property, insurable or other interest of the Buyer in any Aircraft prior to the Delivery of such Aircraft as provided for in this Agreement.

The customized Technical Data that are affected thereby are the following:

- (i) Aircraft Maintenance Manual,
- (ii) Illustrated Parts Catalogue,
- (iii) Trouble Shooting Manual,
- (iv) Aircraft Wiring Manual,
- (v) Aircraft Schematics Manual,
- (vi) Aircraft Wiring Lists.

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- 14.3** Integration of Equipment Data
- 14.3.1 Supplier Equipment
Information, including revisions, relating to Supplier equipment that is installed on the Aircraft at Delivery, or through Airbus Service Bulletins thereafter, will be introduced into the customized Technical Data to the extent necessary for understanding of the affected systems, *****.
- 14.3.2 Buyer Furnished Equipment
- 14.3.2.1 The Seller will introduce Buyer Furnished Equipment data for Buyer Furnished Equipment that is installed on the Aircraft by the Seller (hereinafter “BFE Data”) into the customized Technical Data, ***** for the initial issue of the Technical Data provided at or before Delivery of the first Aircraft, provided such BFE Data is provided in accordance with the conditions set forth in Clauses 14.3.2.2 through 14.3.2.6.
- 14.3.2.2 The Buyer will supply the BFE Data to the Seller at least ***** prior to the Scheduled Delivery Month of the first Aircraft.
- 14.3.2.3 The Buyer will supply the BFE Data to the Seller in English and will be established in compliance with the then applicable revision of ATA iSpecification 2200 (iSpec 2200), Information Standards for Aviation Maintenance.
- 14.3.2.4 The Buyer and the Seller will agree on the requirements for the provision to the Seller of BFE Data for “on-aircraft maintenance”, such as but not limited to timeframe, media and format in which the BFE Data will be supplied to the Seller, in order to manage the BFE Data integration process in an efficient, expeditious and economic manner.
- 14.3.2.5 The BFE Data will be delivered in digital format (SGML) and/or in Portable Document Format (PDF), as agreed between the Buyer and the Seller.
- 14.3.2.6 All costs related to the delivery to the Seller of the applicable BFE Data *****.
- 14.4** Supply
- 14.4.1 Technical Data will be supplied on-line and/or off-line, as set forth in Exhibit G hereto.
- 14.4.2 The Buyer ***** for any unused or only partially used Technical Data supplied pursuant to this Clause 14.
- 14.4.3 Delivery
- 14.4.3.1 For Technical Data provided off-line, such Technical Data and corresponding revisions will be sent to up to two (2) addresses as indicated by the Buyer.

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- 14.4.3.2 Technical Data provided off-line will be delivered by the Seller at the Buyer's named place of destination under DDU conditions.
- 14.4.3.3 The Technical Data will be delivered as provided in Exhibit G hereto. The Buyer will provide no less than ***** notice when requesting a change to such delivery schedule.
- 14.4.3.4 It will be the responsibility of the Buyer to coordinate and satisfy local Aviation Authorities' requirements with respect to Technical Data. Reasonable quantities of such Technical Data will be supplied by the Seller at no charge to the Buyer at the Buyer's named place of destination.
- Notwithstanding the foregoing, and in agreement with the relevant Aviation Authorities, preference will be given to the on-line access to such Buyer's Technical Data through AirbusWorld.
- 14.5 Revision Service**
- For each firmly ordered Aircraft covered under this Agreement, revision service for the Technical Data will be provided ***** (each a "**Revision Service Period**").
- Thereafter revision service will be provided in accordance with the terms and conditions set forth in the Seller's then current Customer Services Catalog.
- 14.6 Service Bulletins (SB) Incorporation**
- During Revision Service Period and upon the Buyer's request, *****, Seller Service Bulletin information will be incorporated into the Technical Data, provided that the Buyer notifies the Seller through the relevant AirbusWorld on-line Service Bulletin Reporting application that it intends to accomplish such Service Bulletin. The split effectivity for the corresponding Service Bulletin will remain in the Technical Data until notification from the Buyer that embodiment has been completed on all of the Buyer's Aircraft. The foregoing is applicable for Technical Data relating to maintenance only. For operational Technical Data either the pre or post Service Bulletin status will be shown.
- 14.7 Technical Data Familiarization**
- Upon request by the Buyer, the Seller will provide up to ***** of Technical Data familiarization training at the Seller's or the Buyer's facilities (as elected by Buyer). The basic familiarization course is tailored for maintenance and engineering personnel.
- 14.8 Customer Originated Changes (COC)**
- If the Buyer wishes to introduce Buyer originated data (hereinafter "**COC Data**") into any of the customized Technical Data that are identified as eligible for such incorporation in the Seller's then current Customer Services Catalog, the Buyer will notify the Seller of such intention.

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The incorporation of any COC Data will be performed under the methods and tools for achieving such introduction and the conditions specified in the Seller's then current Customer Services Catalog.

14.9 AirN@v Family products

14.9.1 The Technical Data listed herebelow are provided on DVD and include integrated software (hereinafter together referred to as "**AirN@v Family**").

14.9.2 The AirN@v Family covers several Technical Data domains, reflected by the following AirN@v Family products:

- (i) AirN@v / Maintenance,
- (ii) AirN@v / Planning,
- (iii) AirN@v / Repair,
- (iv) AirN@v / Workshop,
- (v) AirN@v / Associated Data,
- (vi) AirN@v / Engineering.

14.9.3 Further details on the Technical Data included in such products are set forth in Exhibit G.

14.9.4 The licensing conditions for the use of AirN@v Family integrated software will be set forth in a separate agreement to be executed by the parties the earlier of *****, the "**End-User License Agreement for Airbus Software**".

14.9.5 The revision service and the license to use AirN@v Family products will be granted ***** Revision Service Period. At the end of such Revision Service Period, *****.

14.10 On-Line Technical Data

14.10.1 The Technical Data defined in Exhibit G as being provided on-line will be made available to the Buyer through the Airbus customer portal AirbusWorld ("**AirbusWorld**") as set forth in a separate agreement to be executed by the parties the earlier of *****.

14.10.2 Access to Technical Data through AirbusWorld will be ***** Revision Service Period.

14.10.3 Access to AirbusWorld will be subject to the General Terms and Conditions of Access to and Use of AirbusWorld (hereinafter the "**GTC**"), as set forth in a separate agreement to be executed by the parties the earlier of *****.

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14.10.4 The list of the Technical Data provided on-line may be extended from time to time. For any Technical Data which is or becomes available on-line, the Seller reserves the right to eliminate other formats for the concerned Technical Data, except to the extent that Technical Data is required to be in a certain format under applicable FAA requirements.

14.10.5 Access to AirbusWorld will be granted ***** for the Technical Data related to the Aircraft which will be operated by the Buyer.

14.10.6 For the sake of clarification, Technical Data accessed through AirbusWorld – which access will be covered by the terms and conditions set forth in the GTC – will remain subject to the conditions of this Clause 14.

In addition, should AirbusWorld provide access to Technical Data in software format, the use of such software will be subject to the conditions of the End-User License Agreement for Airbus Software.

14.11 Waiver, Release and Renunciation

The Seller warrants that the Technical Data and Software Services are prepared in accordance with the state of the art at the date of their development. Should any Technical Data or Software Services prepared by the Seller contain a non-conformity or defect, the sole and exclusive liability of the Seller will be to take all reasonable and proper steps to correct such Technical Data or Software Services. Irrespective of any other provisions herein, no warranties of any kind will be given for the Customer Originated Changes, as set forth in Clause 14.8.

THE WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER (AS DEFINED BELOW FOR THE PURPOSES OF THIS CLAUSE) AND REMEDIES OF THE BUYER SET FORTH IN THIS CLAUSE 14 ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER AND RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, EXPRESS OR IMPLIED, ARISING BY LAW, CONTRACT OR OTHERWISE, WITH RESPECT TO ANY NON-CONFORMITY OR DEFECT OF ANY KIND, IN ANY TECHNICAL DATA OR SOFTWARE SERVICES DELIVERED UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO:

- (I) ANY WARRANTY AGAINST HIDDEN DEFECTS;
- (II) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS;
- (III) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OR TRADE;

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(IV) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY, WHETHER IN CONTRACT OR IN TORT, WHETHER OR NOT ARISING FROM THE SELLER'S NEGLIGENCE, ACTUAL OR IMPUTED; AND

(V) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY FOR LOSS OF OR DAMAGE TO ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA OR SERVICES DELIVERED UNDER THIS AGREEMENT, FOR LOSS OF USE, REVENUE OR PROFIT, OR FOR ANY OTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES;

PROVIDED THAT, IN THE EVENT THAT ANY OF THE AFORESAID PROVISIONS SHOULD FOR ANY REASON BE HELD UNLAWFUL OR OTHERWISE INEFFECTIVE, THE REMAINDER OF THIS AGREEMENT WILL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSES OF THIS CLAUSE 14, THE "SELLER" WILL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS AND SUBCONTRACTORS, ITS AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

14.12 Proprietary Rights

14.12.1 All proprietary rights relating to Technical Data, including but not limited to patent, design and copyrights, will remain with the Seller and/or its Affiliates, as the case may be.

These proprietary rights will also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

14.12.2 Whenever this Agreement and/or any Technical Data provides for manufacturing by the Buyer, the consent given by the Seller will not be construed as any express or implicit endorsement or approval whatsoever of the Buyer or of the manufactured products. The supply of the Technical Data will not be construed as any further right for the Buyer to design or manufacture any Aircraft or part thereof, including any spare part.

14.13 Performance Engineer's Program

14.13.1 In addition to the Technical Data provided under Clause 14, the Seller will provide to the Buyer Software Services, which will consist of the Performance Engineer's Programs ("PEP") for the Aircraft type covered under this Agreement. Such PEP is composed of software components and databases, and its use is subject to the license conditions set forth in the End-User License Agreement for Airbus Software.

14.13.2 Use of the PEP will be limited to one (1) copy to be used on the Buyer's computers for the purpose of computing performance engineering data. The PEP is intended for use on ground only and will not be placed or installed on board the Aircraft.

Confidential

- 14.13.3 The license to use the PEP and the revision service will be provided ***** Revision Service Period as set forth in Clause 14.5.
- 14.13.4 At the end of such PEP Revision Service Period, the PEP will be provided to the Buyer at the standard commercial conditions set forth in the Seller's then current Customer Services Catalog.
- 14.14** Future Developments
- The Seller continuously monitors technological developments and applies them to Technical Data, document and information systems' functionalities, production and methods of transmission.
- The Seller will implement and the Buyer will accept such new developments (unless Buyer has a reasonable objection to accepting the same due to FAA requirements), it being understood that the Buyer will be informed in due time by the Seller of such new developments and their application and of the date by which the same will be implemented by the Seller.
- 14.15** Confidentiality
- 14.15.1 This Clause, the Technical Data, the Software Services and their content are designated as confidential, excluding any information that is generally available to the public (other than as a result of a disclosure directly or indirectly by the Buyer) or that was provided or generated by the Buyer and was available to the Buyer on a non-confidential basis from a source who was not prohibited from disclosing such information to the Buyer by a legal, contractual or fiduciary obligation owed to the Seller. All such Technical Data and Software Services are provided to the Buyer for the sole use of the Buyer who undertakes not to disclose the contents thereof to any third party without the prior written consent of the Seller, except as permitted therein or pursuant to any government or legal requirement imposed upon the Buyer.
- 14.15.2 If the Seller authorizes the disclosure of this Clause or of any Technical Data or Software Services to third parties either under this Agreement or by an express prior written authorization or, specifically, where the Buyer intends to designate a maintenance and repair organization or a third party to perform the maintenance of the Aircraft or to perform data processing on its behalf (each a "**Third Party**"), the Buyer will notify the Seller of such intention prior to any disclosure of this Clause and/or the Technical Data and/or the Software Services to such Third Party.

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The Buyer hereby undertakes to cause such Third Party to agree to be bound by the conditions and restrictions set forth in this Clause 14 with respect to the disclosed Clause, Technical Data or Software Services and will in particular cause such Third Party to enter into a confidentiality agreement with the Seller and appropriate licensing conditions, and to commit to use the Technical Data solely for the purpose of maintaining the Buyer's Aircraft and the Software Services exclusively for processing the Buyer's data.

14.16

Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 14 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent.

Any transfer in violation of this Clause 14.16 will, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 14 and any and all other warranties that might arise under or be implied in law.

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15. SELLER REPRESENTATIVE SERVICES

The Seller will ***** to the Buyer the services described in this Clause 15, at the Buyer's main base or at other locations to be mutually agreed.

15.1 Customer Support Representative(s)

15.1.1 The Seller will ***** to the Buyer the services of Seller customer support representative(s), as defined in Appendix A to this Clause 15 (each a "**Seller Representative**"), at the Buyer's principal maintenance facilities for the Aircraft or such other locations as the parties may agree, commencing one month before delivery of the first Aircraft. Each Seller Representative shall be available to Buyer for eight hours per day for a total of forty hours per week.

15.1.2 In providing the services as described herein, any Seller Representatives, or any Seller employee(s) providing services to the Buyer hereunder, are deemed to be acting in an advisory capacity only and at no time will they be deemed to be acting as Buyer's employees, contractors or agents, either directly or indirectly.

15.1.3 The Seller will provide to the Buyer an annual written accounting of the consumed man- months and any remaining man-month balance from the ***** defined in Appendix A to this Clause 15. Such accounting will be deemed final and accepted by the Buyer unless the Seller receives written objection from the Buyer within ***** of receipt of such accounting.

15.1.4 In the event of a need for Aircraft On Ground ("AOG") technical assistance after the end of the assignment referred to in Appendix A to this Clause 15, the Buyer will have non-exclusive access to:

- (i) AIRTAC (Airbus Technical AOG Center);
- (ii) The Seller Representative network closest to the Buyer's main base. A list of contacts of the Seller Representatives closest to the Buyer's main base will be provided to the Buyer.

As a matter of reciprocity, the Buyer agrees that Seller Representative(s) may provide services to other airlines during any assignment with the Buyer.

15.1.5 Should the Buyer request Seller Representative services ***** specified in Appendix A to this Clause 15, the Seller may provide such additional services subject to terms and conditions to be mutually agreed.

15.1.6 The Seller will cause similar services to be provided by representatives of the Propulsion System Manufacturer and Suppliers, when necessary and applicable.

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15.2 Buyer's Support

15.2.1 From the date of arrival of the first Seller Representative and for the duration of the assignment, the Buyer will ***** a suitable, lockable office, conveniently located with respect to the Buyer's principal maintenance facilities for the Aircraft, with complete office furniture and equipment including telephone, internet, email and facsimile connections for the sole use of the Seller Representative(s). All related communication costs will be *****.

15.2.2 *****

15.2.3 *****

15.2.4 Should the Buyer request any Seller Representative referred to in Clause 15.1 above to travel on business to a city other than his usual place of assignment, the ***** will be responsible for all related transportation costs and expenses.

15.2.5 Absence of an assigned Seller Representative during normal statutory vacation periods will be covered by other seller representatives on the same conditions as those described in Clause 15.1.4 and such services will be counted against the total allocation provided in Appendix A to this Clause 15.

15.2.6 The Buyer will assist the Seller in obtaining from the civil authorities of the Buyer's country those documents that are necessary to permit the Seller Representative to live and work in the Buyer's country.

15.2.7 *****

15.3 Withdrawal of the Seller Representative

The Seller will have the right to withdraw its assigned Seller Representatives as it sees fit if conditions arise, which are in the Seller's reasonable opinion dangerous to their safety or health or prevent them from fulfilling their contractual tasks.

15.4 Indemnities

INDEMNIFICATION PROVISIONS APPLICABLE TO THIS CLAUSE 15 ARE SET FORTH IN CLAUSE 19.

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SELLER REPRESENTATIVE ALLOCATION

The Seller Representative allocation provided to the Buyer pursuant to Clause 15.1 is defined hereunder.

1. *****
2. *****
3. *****

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16. TRAINING SUPPORT AND SERVICES**16.1** General

16.1.1 This Clause 16 sets forth the terms and conditions for the supply of training support and services for the Buyer's personnel to support the Aircraft operation.

16.1.2 The range, quantity and validity of training to be ***** under this Agreement are covered in Appendix A to this Clause 16.

16.1.3 Scheduling of training courses covered in Appendix A to this Clause 16 will be mutually agreed during a training conference (the "**Training Conference**") that will be held no later than ***** prior to Delivery of the first Aircraft.

16.2 Training Location

16.2.1 The Seller will provide training at ***** (the "**Seller's Training Center**").

16.2.2 If the unavailability of facilities or scheduling difficulties make training by the Seller at any Seller's Training Center impractical, the Seller will ensure that the Buyer is provided with such training at another location in the United States designated by the Seller.

16.2.2.1 Upon the Buyer's request, the Seller may also provide certain training at a location other than the Seller's Training Centers, including one of the Buyer's bases, if and when practicable for the Seller, under terms and conditions to be mutually agreed upon. In such event, all additional charges listed in Clauses 16.5.2 and 16.5.3 will be *****.

16.2.2.2 If the Buyer requests training at a location as indicated in Clause 16.2.2.1 and requires such training to be an Airbus approved course, the Buyer undertakes that the training facilities will be approved by an Aviation Authority prior to the performance of such training. The Buyer will, as necessary and with adequate time prior to the performance of such training, provide access to the training facilities set forth in Clause 16.2.2.1 to the Seller's and the competent Aviation Authority's representatives for approval of such facilities.

16.3 Training Courses

16.3.1 Training courses will be as described in the Seller's customer services catalog (the "**Seller's Customer Services Catalog**"). The Seller's Customer Services Catalog also sets forth the minimum and maximum number of trainees per course.

All training requests or training course changes made outside of the scope of the Training Conference will be submitted by the Buyer with a minimum of ***** prior notice.

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- 16.3.2 The following terms and conditions will apply to training performed by the Seller:
- (i) Training courses will be the Seller’s standard courses as described in the Seller’s Customer Services Catalog valid at the time of execution of the course. The Seller will be responsible for all training course syllabi, training aids and training equipment necessary for the organization of the training courses. For the avoidance of doubt, such training equipment does not include provision of aircraft for the purpose of performing training.
 - (ii) The training equipment and the training curricula used for the training of flight, cabin and maintenance personnel will not be fully customized but will be configured to apply to the applicable model of the Aircraft and to the extent necessary and agreed upon during the Training Conference in order to obtain the relevant Aviation Authority’s approval and to support the Seller’s training programs.
 - (iii) Training data and documentation for trainees receiving the training at the Seller’s Training Centers will be *****. Training data and documentation will be marked “FOR TRAINING ONLY” and as such are supplied for the sole and express purpose of training; training data and documentation will not be revised.
- 16.3.3 When the Seller’s training courses are provided by the Seller’s instructors (individually an “**Instructor**” and collectively “**Instructors**”) the Seller will deliver to each attendee a Certificate of Recognition or a Certificate of Course Completion (each a “**Certificate**”) or an attestation (an “**Attestation**”), as applicable, at the end of any such training course. Any such Certificate or Attestation will not represent authority or qualification by any Aviation Authority but may be presented to such Aviation Authority in order to obtain relevant formal qualification.
- In the event of training courses being provided by a training provider selected by the Seller as set forth in Clause 16.2.2, the Seller will cause such training provider to deliver to each attendee a Certificate or Attestation, which will not represent authority or qualification by any Aviation Authority, but may be presented to such Aviation Authority in order to obtain relevant formal qualification.
- 16.3.3.1 Should the Buyer wish to exchange any of the training courses provided under Appendix A to this Clause 16, the Buyer will place a request for exchange to this effect with the Seller. The Buyer may exchange, subject to the Seller’s confirmation, the ***** under Appendix A to this Clause 16 as follows:
- (i) flight operations training courses as listed under Article 1 of Appendix A to this Clause 16 may be exchanged for any flight operations training courses described in the Seller’s Customer Services Catalog current at the time of the Buyer’s request;

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- (ii) maintenance training courses as listed under Article 3 of Appendix A to this Clause 16 may be exchanged for any maintenance training courses described in the Seller's Customer Services Catalog current at the time of the Buyer's request;
- (iii) should any one of the ***** thereunder (flight operations or maintenance) have been fully drawn upon, the Buyer will be entitled to exchange for flight operations or maintenance training courses as needed against the remaining allowances.

The exchange value will be based on the Seller's Training Course Exchange Matrix applicable at the time of the request for exchange and which will be provided to the Buyer at such time.

It is understood that the above provisions will apply to the extent that ***** under Appendix A to this Clause 16 remain available to the full extent necessary to perform the exchange.

All requests to exchange training courses will be submitted by the Buyer with a minimum of ***** prior notice. The requested training will be subject to the Seller's then existing planning constraints.

16.3.3.2 Should the Buyer use none or only part of the training to be provided pursuant to this Clause 16, no compensation or non-training credit of any nature will be provided.

16.3.3.3 Should the Buyer decide to cancel or reschedule a training course, fully or partially, and irrespective of the location of the training, a minimum advance notification of at least ***** prior to the relevant training course start date is required.

16.3.3.4 If the notification occurs less than ***** prior to such training, a ***** of such training will be, as applicable, either deducted from the training allowance defined in Appendix A to this Clause 16 or invoiced at the Seller's then applicable price.

16.3.3.5 If the notification occurs less than ***** prior to such training, ***** of such training will be, as applicable, either deducted from the training allowance defined in Appendix A to this Clause 16 or invoiced at the Seller's then applicable price.

16.3.3.6 All courses exchanged under Clause 16.3.3.1 will remain subject to the provisions of this Clause 16.3.3.

16.4 Prerequisites and Conditions

16.4.1 Training will be conducted in English and all training aids used during such training will be written in English using common aeronautical terminology.

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- 16.4.2 The Buyer hereby acknowledges that all training courses conducted pursuant to this Clause 16 are “Standard Transition Training Courses” and not “Ab Initio Training Courses”.
- 16.4.3 Trainees will have the prerequisite knowledge and experience specified for each course in the Seller’s Customer Services Catalog.
- 16.4.3.1 The Buyer will be responsible for the selection of the trainees and for any liability with respect to the entry knowledge level of the trainees.
- 16.4.3.2 The Seller reserves the right to verify the trainees’ proficiency and previous professional experience.
- 16.4.3.3 The Seller will provide to the Buyer during the Training Conference an Airbus Pre-Training Survey for completion by the Buyer for each trainee.
- The Buyer will provide the Seller with an attendance list of the trainees for each course, with the validated qualification of each trainee, at the time of reservation of the training course and in no event any later than ***** before the start of the training course. The Buyer will return concurrently thereto the completed Airbus Pre-Training Survey, detailing the trainees’ associated background. If the Seller determines through the Airbus Pre-Training Survey that a trainee does not match the prerequisites set forth in the Seller’s Customer Services Catalog, following consultation with the Buyer, such trainee will be withdrawn from the program, replaced by another qualified trainee or directed through a relevant entry level training (ELT) program, which will be at the Buyer’s expense.
- 16.4.3.4 If the Seller determines at any time during the training that a trainee lacks the required level, following consultation with the Buyer, such trainee will be withdrawn from the program or, upon the Buyer’s request, the Seller may be consulted to direct the above mentioned trainee(s), if possible, to any other required additional training, which will be at the Buyer’s expense.
- 16.4.4 The Seller will in no case warrant or otherwise be held liable for any trainee’s performance as a result of any training provided.
- 16.5** Logistics
- 16.5.1 Trainees
- 16.5.1.1 Living and travel expenses for the Buyer’s trainees will be *****.
- 16.5.1.2 It will be the responsibility of the Buyer to make all necessary arrangements relative to authorizations, permits and/or visas necessary for the Buyer’s trainees to attend the training courses to be provided hereunder. Rescheduling or cancellation of courses due to the Buyer’s failure to obtain any such authorizations, permits and/or visas will be subject to the provisions of Clauses 16.3.3.3 thru 16.3.3.5.

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16.5.2 Training at External Location – Seller’s Instructors

16.5.2.1 In the event of training being provided at the Seller’s request at any location other than the Seller’s Training Centers, as provided for in Clause 16.2.2, the expenses of the Seller’s Instructors will be *****.

16.5.2.2 In the event of training or support being provided by the Seller’s Instructor(s) and/or other Seller’s personnel under this Clause 16, at any location other than the Seller’s Training Centers at the Buyer’s request, the Buyer will reimburse the Seller for all ***** living and travel expenses (including, without limitation, lodging, food and local transportation to and from the place of lodging and training course location) related to the assignment of such Seller Instructors and/or other Seller’s personnel and the performance of their duties as aforesaid in accordance with the Seller’s Customer Services Catalog current at the time of the corresponding training or support. Such reimbursement shall cover the entire period from such Seller’s Instructor(s) and/or other Seller’s personnel’s day of departure from his main base to day of return to such base.

Except as provided for in Clause 16.5.2.1 above, the ***** for the airfares for each Seller Instructor and/or other Seller’s personnel providing support under this Clause 16, in confirmed business class to and from the Buyer’s designated training site and the Seller’s Training Centers, as such airfares are set forth in the Seller’s Customer Services Catalog current at the time of the corresponding training or support.

16.5.2.3 *****

16.5.2.4 *****

16.5.2.5 Buyer’s Indemnity

Except in case of gross negligence or willful misconduct of the Seller, the Seller will not be held liable to the Buyer for any delay or cancellation in the performance of any training outside of the Seller’s Training Centers associated with any transportation described in this Clause 16.5.2, and the Buyer will indemnify and hold harmless the Seller from any such delay and/or cancellation and any consequences arising therefrom.

16.5.3 Training Material and Equipment Availability – Training at External Location

Training material and equipment necessary for course performance at any location other than the Seller’s Training Centers or the facilities of a training provider selected by the Seller will be provided by the Buyer ***** in accordance with the Seller’s specifications.

Notwithstanding the foregoing, should the Buyer request the performance of a course at another location as per Clause 16.2.2.1, the Seller may, upon the Buyer’s request,

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provide the training material and equipment necessary for such course's performance. Such provision will be *****.

16.6 Flight Operations Training

The Seller will provide training for the Buyer's flight operations personnel as further detailed in Appendix A to this Clause 16, including the courses described in this Clause 16.6.

16.6.1 Flight Crew Training Course

The Seller will perform a flight crew training course program for the Buyer's flight crews, each of which will consist of ***** crew members, who will be either captain(s) or first officer(s).

16.6.2 Base Flight Training

16.6.2.1 The Buyer will provide at its own cost its delivered Aircraft, or any other aircraft it operates, for any base flight training, which will consist of ***** per pilot, performed in accordance with the related Airbus training course definition in the United States (the "**Base Flight Training**").

16.6.2.2 Should it be necessary to ferry the Buyer's delivered Aircraft to the location where the Base Flight Training will take place, the additional flight time required for the ferry flight to and/or from the Base Flight Training field will not be deducted from the Base Flight Training time.

16.6.2.3 If the Base Flight Training is performed outside of the zone where the Seller usually performs such training, the ferry flight to the location where the Base Flight Training will take place will be performed by a crew composed of the Seller's and/or the Buyer's qualified pilots, in accordance with the relevant Aviation Authority's regulations related to the place of performance of the Base Flight Training.

16.6.3 Flight Crew Line Initial Operating Experience

In order to assist the Buyer with initial operating experience after Delivery of the first Aircraft, the Seller will provide to the Buyer pilot Instructor(s) as set forth in Appendix A to this Clause 16.

Should the Buyer request, subject to the Seller's consent, such Seller pilot Instructors to perform any other flight support during the flight crew line initial operating period, such as but not limited to line assistance, demonstration flight(s), ferry flight(s) or any flight(s) required by the Buyer during the period of entry into service of the Aircraft, it is understood that such flight(s) will be ***** set forth in Appendix A to this Clause 16.

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It is hereby understood by the Parties that the Seller's pilot Instructors will only perform the above flight support services to the extent they bear the relevant qualifications to do so.

16.6.4 Type Specific Cabin Crew Training Course

The Seller will provide type specific training for cabin crews at one of the locations defined in Clause 16.2.1.

If the Buyer's Aircraft is to incorporate special features, the type specific cabin crew training course will be performed no earlier than ***** before the scheduled Delivery Date of the Buyer's first Aircraft.

16.6.5 Training on Aircraft

During any and all flights performed in accordance with this Clause 16.6, the Buyer will bear full responsibility for the aircraft upon which the flight is performed, including but not limited to any required maintenance, ***** in line with Clause 16.13.

The Buyer will assist the Seller, if necessary, in obtaining the validation of the licenses of the Seller's pilots performing Base Flight Training or initial operating experience by the Aviation Authority of the place of registration of the Aircraft.

16.7 Performance / Operations Courses

The Seller will provide performance/operations training for the Buyer's personnel as defined in Appendix A to this Clause 16.

The available courses will be listed in the Seller's Customer Services Catalog current at the time of the course.

16.8 Maintenance Training

16.8.1 The Seller will provide maintenance training for the Buyer's ground personnel as further set forth in Appendix A to this Clause 16.

The available courses will be as listed in the Seller's Customer Services Catalog current at the time of the course.

The practical training provided in the frame of maintenance training will be performed on the training devices in use in the Seller's Training Centers.

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16.8.2 Practical Training on Aircraft

Notwithstanding Clause 16.8.1 above, upon the Buyer's request, the Seller may provide Instructors for the performance of practical training on aircraft ("**Practical Training**").

Irrespective of the location at which the training takes place, the Buyer will provide at its own cost an aircraft for the performance of the Practical Training.

Should the Buyer require the Seller's Instructors to provide Practical Training at facilities selected by the Buyer, such training will be subject to prior approval of the facilities by the Seller. All reasonable costs of the Seller related to such Practical Training, including but not limited to the Seller's approval of the facilities, will be borne by the Buyer.

The provision of a Seller Instructor for the Practical Training will be deducted from the trainee days allowance defined in Appendix A to this Clause 16, subject to the conditions detailed in Paragraph 4.4 thereof.

16.9 Supplier and Propulsion System Manufacturer Training

Upon the Buyer's request, the Seller will provide to the Buyer the list of the maintenance and overhaul training courses provided by major Suppliers and the applicable Propulsion System Manufacturer on their respective products.

16.10 Proprietary Rights

All proprietary rights, including but not limited to patent, design and copyrights, relating to the Seller's training data and documentation will remain with the Seller and/or its Affiliates and/or its Suppliers, as the case may be.

These proprietary rights will also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

16.11 Confidentiality

The Seller's training data and documentation are designated as confidential (excluding any information that is generally available to the public (other than as a result of a disclosure directly or indirectly by the Buyer) or that was provided or generated by the Buyer and was available to the Buyer on a non-confidential basis from a source who was not prohibited from disclosing such information to the Buyer by a legal, contractual or fiduciary obligation owed to the Seller), and as such are provided to the Buyer for the sole use of the Buyer, for training of its own personnel, who undertakes not to disclose the content thereof in whole or in part, to any third party without the prior written consent of the Seller, save as permitted herein or otherwise pursuant to any government or legal requirement imposed upon the Buyer.

Confidential

In the event of the Seller having authorized the disclosure of any training data and documentation to third parties either under this Agreement or by an express prior written authorization, the Buyer will cause such third party to agree to be bound by the same conditions and restrictions as the Buyer with respect to the disclosed training data and documentation and to use such training data and documentation solely for the purpose for which they are provided.

16.12 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 16 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent.

16.13 Indemnities and Insurance

INDEMNIFICATION PROVISIONS AND INSURANCE REQUIREMENTS APPLICABLE TO THIS CLAUSE 16 ARE AS SET FORTH IN CLAUSE 19.

THE BUYER WILL PROVIDE THE SELLER WITH AN ADEQUATE INSURANCE CERTIFICATE PRIOR TO ANY TRAINING ON AIRCRAFT.

Confidential

APPENDIX A TO CLAUSE 16

TRAINING ALLOWANCE

For the avoidance of doubt, all quantities indicated below are the total quantities *****, unless otherwise specified.

The contractual training courses defined in this Appendix A will be provided up to ***** under this Agreement.

Notwithstanding the above, flight operations training courses ***** in this Appendix A will be provided by the Seller within a period starting ***** before and ending ***** after Delivery of such Aircraft.

Any deviation to said training delivery schedule will be mutually agreed between the Buyer and the Seller.

1. FLIGHT OPERATIONS TRAINING

1.1 Flight Crew Training (standard transition course)

The Seller will provide flight crew training (standard transition course) ***** for ***** of the Buyer's flight crews ***** Aircraft as of the date hereof.

1.2 Flight Crew Line Initial Operating Experience

The Seller will provide to the Buyer pilot Instructor(s) ***** for a period of *****.

Unless otherwise agreed during the Training Conference, in order to follow the Aircraft Delivery schedule, the maximum number of pilot Instructors present at any one time will be limited to ***** pilot Instructors.

1.3 Type Specific Cabin Crew Training Course

The Seller will provide to the Buyer ***** type specific training for cabin crews for ***** of the Buyer's cabin crew instructors, pursers or cabin attendants.

1.4 Airbus Pilot Instructor Course (APIC)

The Seller will provide to the Buyer transition Airbus Pilot Instructor Course(s) (APIC), for flight and synthetic instruction, ***** for ***** of the Buyer's flight instructors. APIC courses will be performed in groups of ***** trainees.

2. PERFORMANCE / OPERATIONS COURSE(S)

The Seller will provide to the Buyer ***** trainee days of performance / operations training ***** for the Buyer's personnel.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

3. MAINTENANCE TRAINING

3.1 The Seller will provide to the Buyer ***** trainee days of maintenance training ***** for the Buyer's personnel.

3.2 The Seller will provide to the Buyer *****.

3.3 The Seller will provide to the Buyer maintenance instructor(s) *****. Unless otherwise agreed during the Training Conference, the maximum number of maintenance instructors present at any one time will be limited to two (2) maintenance instructors

4. TRAINEE DAYS ACCOUNTING

Trainee days are counted as follows:

4.1 For instruction at the Seller's Training Centers: one (1) day of instruction for one (1) trainee equals one (1) trainee day. The number of trainees originally registered at the beginning of the course will be counted as the number of trainees to have taken the course.

4.2 For instruction outside of the Seller's Training Centers: one (1) day of instruction by one (1) Seller Instructor ***** trainee days, except for structure maintenance training course(s).

4.3 For structure maintenance training courses outside the Seller's Training Center(s), one (1) day of instruction by one (1) Seller Instructor equals the actual number of trainees attending the course or the minimum number of trainees as indicated in the Seller's Customer Services Catalog.

4.4 For practical training, whether on training devices or on aircraft, one (1) day of instruction by one (1) Seller Instructor equals ***** trainee days.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

LETTER AGREEMENT NO. 8

As of October 31, 2014

Frontier Airlines Inc.
7001 Tower Road,
Denver, Colorado 80249-7312

REFERENCE: *****

FRONTIER AIRLINES Inc. (the "Buyer") and AIRBUS (the "Seller") have entered into an A321 Aircraft Purchase Agreement (the "Agreement"), dated as of even date herewith that covers, among other things, the sale by the Seller and the purchase by the Buyer of certain Aircraft.

The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 8 (the "Letter Agreement") certain additional terms and conditions regarding the sale of the Aircraft.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions that are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

If the foregoing correctly sets forth our understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Agreed and Accepted

For and on behalf of

FRONTIER AIRLINES, INC.

Name : /s/ James G. Dempsey

Title : Chief Financial Officer

Date : [Undated]

Agreed and Accepted

For and on behalf of

AIRBUS S.A.S.

Name : /s/ Christophe Mourey

Title : Senior Vice President Contracts

Confidential

LETTER AGREEMENT NO. 9

As of October 31, 2014

Frontier Airlines, Inc.
7001 Tower Road
Denver, Colorado 80249-7312

Re: MISCELLANEOUS

Dear Ladies and Gentlemen,

FRONTIER AIRLINES, INC. (the “**Buyer**”) and AIRBUS S.A.S. (the “**Seller**”) have entered into an Airbus A321 Aircraft Purchase Agreement dated of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 9 (the “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

Confidential

1. DEFINITIONS

1.1 Clause 0 of the Agreement is amended to replace the definition of “Agreement” with the following quoted text:

QUOTE

Agreement – this Airbus A321 aircraft purchase agreement, including all exhibits and appendixes attached hereto, and all letter agreements that are expressed to be part of the Agreement, between the Buyer and the Seller relating hereto, as the same may be amended or modified and in effect from time to time.

UNQUOTE

1.2 Clause 0 of the Agreement is amended to replace the definition of “Delivery Location” with the following quoted text:

QUOTE

Delivery Location – *****.

UNQUOTE

1.3 Clause 0 of the Agreement is amended to replace the definition of “Affiliate” with the following quoted text:

QUOTE

Affiliate – with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person or entity; *****.

UNQUOTE

2. CERTIFICATION

Clause 7 of the Agreement is deleted in its entirety and is replaced with Clause 7 attached hereto as Appendix 1.

3. TECHNICAL ACCEPTANCE

Clause 8 of the Agreement is deleted in its entirety and is replaced with Clause 8 attached hereto as Appendix 2.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

4. **DELIVERY**
Clause 9 of the Agreement is deleted in its entirety and is replaced with Clause 9 attached hereto as Appendix 3.
5. **EXCUSABLE DELAY AND TOTAL LOSS**
Clause 10 of the Agreement is deleted in its entirety and is replaced with Clause 10 attached hereto as Appendix 4.
6. **INEXCUSABLE DELAY**
Clause 11 of the Agreement is deleted in its entirety and is replaced with Clause 11 attached hereto as Appendix 5.
7. **PATENT AND COPYRIGHT INDEMNITY**
Clause 13 of the Agreement is deleted in its entirety and is replaced with Clause 13 attached hereto as Appendix 6.
8. **BUYER FURNISHED EQUIPMENT**
Clause 18 of the Agreement is deleted in its entirety and is replaced with Clause 18 attached hereto as Appendix 7.
9. **INDEMNITIES AND INSURANCE**
Clause 19 of the Agreement is deleted in its entirety and is replaced with Clause 19 attached hereto as Appendix 8.
10. **TERMINATION**
Clause 20 of the Agreement is deleted in its entirety and is replaced with Clause 20 attached hereto as Appendix 9.
11. **ASSIGNMENT AND TRANSFERS**
Clause 21 of the Agreement is deleted in its entirety and is replaced with Clause 21 attached hereto as Appendix 10.

12. **ASSIGNMENT**
Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller, and any attempted assignment or transfer in contravention of the provisions of this Paragraph 12 will be void and of no force or effect.

13. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

14. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including counterparts delivered by electronic mail or by facsimile transmission) will be an original, but all such counterparts will together constitute one and the same instrument.

Confidential

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Christophe Mourey

Its: Senior Vice President Contracts

Agreed and Accepted

FRONTIER AIRLINES, INC.

By: /s/ James G. Dempsey

Its: Chief Financial Officer

Confidential

7. CERTIFICATION

Except as set forth in this Clause 7, the Seller will not be required to obtain any certificate or approval with respect to the Aircraft.

7.1 Type Certification

The Seller will obtain or cause to be obtained (i) a type certificate under EASA procedures for joint certification in the transport category and (ii) an FAA type certificate (the “**Type Certificate**”) to allow the issuance of the Export Certificate of Airworthiness. *****

7.2 Export Certificate of Airworthiness

Subject to the provisions of Clause 7.3, each Aircraft will be delivered to the Buyer with an Export Certificate of Airworthiness issued by EASA and in a condition enabling the Buyer to obtain at the time of Delivery a Standard Airworthiness Certificate issued pursuant to Part 21 of the US Federal Aviation Regulations and a Certificate of Sanitary Construction issued by the U.S. Public Health Service of the Food and Drug Administration. However, the Seller will have no obligation to make and will not be responsible for any costs of alterations or modifications to such Aircraft to enable such Aircraft to meet FAA or U.S. Department of Transportation requirements ***** for specific operation on the Buyer’s routes, whether before, at or after Delivery of any Aircraft.

If the FAA requires additional or modified data before the issuance of the Export Certificate of Airworthiness, the Seller will provide such data or implement the required modification to the data, in either case, *****.

7.3 Specification Changes before Aircraft Ready for Delivery

7.3.1 If, any time before the date on which an Aircraft is Ready for Delivery, any law, rule or regulation is enacted, promulgated, becomes effective and/or an interpretation of any law, rule or regulation is issued by the EASA that requires any change to the Specification for the purposes of obtaining the Export Certificate of Airworthiness (a “**Change in Law**”), the Seller will make the required modification and the parties hereto will sign an SCN pursuant to Clause 2.2.1.

7.3.2 The Seller will as far as practicable, but at its sole discretion and without prejudice to Clause 7.3.3(ii), take into account the information available to it concerning any proposed law, rule or regulation or interpretation that could become a Change in Law, in order to minimize the costs of changes to the Specification as a result of such proposed law, regulation or interpretation becoming effective before the applicable Aircraft is Ready for Delivery.

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7.3.3 *****

(i) *****

(ii) *****

7.3.4 Notwithstanding the provisions of Clause 7.3.3, if a Change in Law relates to an item of BFE or to the Propulsion System the costs related thereto will *****.

7.4 Specification Changes after Aircraft Ready For Delivery

Nothing in Clause 7.3 will require the Seller to make any changes or modifications to, or to make any payments or take any other action with respect to, any Aircraft that is Ready for Delivery before the compliance date of any law or regulation referred to in Clause 7.3. Any such changes or modifications made to an Aircraft after it is Ready for Delivery will be at the *****.

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Confidential

8. TECHNICAL ACCEPTANCE

8.1 Technical Acceptance Process

8.1.1 Prior to Delivery, the Aircraft will undergo a technical acceptance process developed by the Seller (the “**Technical Acceptance Process**”). *****. Completion of the Technical Acceptance Process will demonstrate the satisfactory functioning of the Aircraft and will be deemed to demonstrate compliance with the Specification. If an Aircraft is not in compliance with the Technical Acceptance Process requirements, the Seller will without hindrance from the Buyer carry out any necessary changes and, as soon as practicable thereafter, resubmit the Aircraft to such further Technical Acceptance Process as is necessary to demonstrate the elimination of the non-compliance.

8.1.2 The Technical Acceptance Process will:

- (i) commence on a date notified by the Seller to the Buyer not later than ***** notice prior thereto,
- (ii) take place at the Delivery Location,
- (iii) be carried out by the personnel of the Seller,
- (iv) include a technical acceptance flight that will ***** (the “**Technical Acceptance Flight**”), and
- (v) include a ground inspection.

8.2 Buyer’s Attendance

8.2.1 The Buyer is entitled to elect to attend the Technical Acceptance Process.

8.2.2 If the Buyer elects to attend the Technical Acceptance Process, the Buyer:

- (i) will comply with the reasonable requirements of the Seller, with the intention of completing the Technical Acceptance Process within ***** after its commencement, and
- (ii) may have a ***** of its representatives (no more than ***** of whom will have access to the cockpit at any one time) accompany the Seller’s representatives on the Technical Acceptance Flight, during which the Buyer’s representatives will comply with the instructions of the Seller’s representatives.

8.2.3 If, ***** the Buyer does not attend or fails to cooperate reasonably in the Technical Acceptance Process, the Seller will be entitled to complete the Technical Acceptance

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Process and the Buyer will be deemed to have accepted that the Technical Acceptance Process has been satisfactorily completed, in all respects.

8.3 Certificate of Acceptance

*****, the Buyer will, on or before the Delivery Date, sign and deliver to the Seller a certificate of acceptance in respect of such Aircraft in the form of Exhibit D (the “**Certificate of Acceptance**”).

8.4 Finality of Acceptance

The Buyer’s signature of the Certificate of Acceptance for the Aircraft will constitute waiver by the Buyer of any right it may have, under the Uniform Commercial Code as adopted by the State of New York or otherwise, to revoke acceptance of the Aircraft for any reason, whether known or unknown to the Buyer at the time of acceptance.

8.5 Aircraft Utilization

The Seller will, *****, be entitled to use the Aircraft prior to Delivery as may be necessary to obtain the certificates required under Clause 7, *****. Such use will not limit the Buyer’s obligation to accept Delivery of the Aircraft hereunder.

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9. DELIVERY

9.1 Delivery Schedule

Subject to Clauses 2, 7, 8 10 and 18:

the Seller will have the Aircraft listed in the table below Ready for Delivery at the Delivery Location within the following months (each month a “**Scheduled Delivery Month**”) or quarters (each quarter a “**Scheduled Delivery Quarter**”):

| <u>Aircraft Rank</u> | | <u>Scheduled Delivery</u> | |
|----------------------|---------------|---------------------------|-------------|
| | | <u>Month/Quarter</u> | <u>Year</u> |
| 1 | A321 Aircraft | ***** | ***** |
| 2 | A321 Aircraft | ***** | ***** |
| 3 | A321 Aircraft | ***** | ***** |
| 4 | A321 Aircraft | ***** | ***** |
| 5 | A321 Aircraft | ***** | ***** |
| 6 | A321 Aircraft | ***** | ***** |
| 7 | A321 Aircraft | ***** | ***** |
| 8 | A321 Aircraft | ***** | ***** |
| 9 | A321 Aircraft | ***** | ***** |

The Seller will give the Buyer written notice of the Scheduled Delivery Month of each Aircraft not already identified above at least ***** before the first day of the Scheduled Delivery Quarter of the respective Aircraft or upon execution of this Agreement for Aircraft to be delivered earlier than ***** before the first day of the Scheduled Delivery Quarter. The Seller will give the Buyer at least ***** written notice of the anticipated date within the Scheduled Delivery Month on which the Aircraft will be Ready for Delivery.

9.2 Delivery Process

9.2.1 The Buyer will, when the Aircraft is Ready for Delivery, execute and deliver to the Seller the Certificate of Acceptance, pay the Balance of the Final Price, take Delivery of the Aircraft and remove the Aircraft from the Delivery Location, *****.

9.2.2 Upon receipt of the Balance of the Final Price pursuant to Clause 5.4 and the Certificate of Acceptance executed and delivered by the Buyer pursuant to Clause 8.3, the Seller will deliver and transfer title to the Aircraft to the Buyer free and clear of all encumbrances (except for any liens or encumbrances created by or on behalf of the Buyer). At Delivery, the Seller will provide the Buyer with a bill of sale in the form of Exhibit E (the “**Bill of Sale**”), an FAA bill of sale, the Export Certificate of Airworthiness and such other documentation confirming transfer of title and receipt of the Final Price of the Aircraft as may reasonably be requested by the Buyer. ***** Title to, property in and risk of loss of or damage to the Aircraft will transfer to the

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Buyer contemporaneously with the delivery by the Seller to the Buyer of such Bill of Sale.

- 9.2.3 If the Buyer fails to (i) deliver the signed Certificate of Acceptance with respect to an Aircraft to the Seller when required pursuant to Clause 8.3, or (ii) pay the Balance of the Final Price of such Aircraft to the Seller and take Delivery of the Aircraft when required under Clause 9.2.1, then the Buyer will be deemed to have rejected Delivery wrongfully when such Aircraft was duly tendered to the Buyer hereunder. If such a deemed rejection arises, then in addition to the remedies of Clause 5.8.1, (a) the Seller will retain title to such Aircraft and (b) the Buyer will indemnify and hold the Seller harmless against any and all reasonable costs (including but not limited to any parking, storage, and insurance costs) and consequences resulting from the Buyer's rejection (including but not limited to risk of loss of or damage to such Aircraft not covered by insurance), it being understood that the Seller will be under no duty to the Buyer to store, park, or otherwise protect such Aircraft. These rights of the Seller will be in addition to the Seller's other rights and remedies in this Agreement.
- 9.2.4 If after Delivery the Buyer fails to remove the Aircraft from the Delivery Location, then, without prejudice to the Seller's other rights and remedies under this Agreement or at law, the provisions of Clause 9.2.3 (b) shall apply.
- 9.3 Flyaway
- 9.3.1 The Buyer and the Seller will cooperate to obtain any licenses that may be required by the Aviation Authority of the Delivery Location for the purpose of exporting the Aircraft.
- 9.3.2 Immediately after Delivery of an Aircraft, the Seller shall provide to Buyer access to the Aircraft to allow Buyer to fly it away. ***** All expenses of, or connected with, flying the Aircraft from the Delivery Location after Delivery will be borne by the Buyer.

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10. EXCUSABLE DELAY AND TOTAL LOSS

- 10.1 *****

- 10.2 *****
- 10.2.1 *****
 - (i) *****
 - (ii) *****
 - (iii) *****
 - (iv) *****
 - (v) *****
- 10.3 *****
- 10.3.1 *****
- 10.3.2 *****
- 10.3.3 *****
- 10.4 *****

- 10.5 *****

- 10.6 *****

- 10.7 *****

- 10.8 *****

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11. INEXCUSABLE DELAY

11.1 *****

11.1.1 *****

11.1.2 *****

11.1.3 *****

11.1.4 *****

11.2 *****

11.2.1 *****

11.2.2 *****

11.3 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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13. PATENT AND COPYRIGHT INDEMNITY

13.1 Indemnity

13.1.1 *****

(i) *****

(ii) *****

(a) *****

(b) *****

(iii) *****

13.1.2 *****

(i) *****

(ii) *****

(iii) *****

13.1.3 *****

(i) *****

(ii) *****

13.2 Administration of Patent and Copyright Indemnity Claims

13.2.1 If the Buyer receives a written claim or a suit is threatened or commenced against the Buyer for infringement of a patent or copyright referred to in Clause 13.1, the Buyer will:

(i) forthwith notify the Seller giving particulars thereof;

(ii) furnish to the Seller all data, papers and records within the Buyer's control or possession relating to such patent or claim;

(iii) refrain from admitting any liability or making any payment or assuming any expenses, damages, costs or royalties or otherwise acting in a manner prejudicial to the defense or denial of such suit or claim provided always that nothing in this sub-Clause (iii) will prevent the Buyer from paying such sums as may be required in order to obtain the release of the Aircraft, provided such payment is accompanied by a denial of liability and is made without prejudice;

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- (iv) fully co-operate with, and render all such assistance to, the Seller as may be pertinent to the defense or denial of the suit or claim;
- (v) act in such a way as to mitigate damages, costs and expenses and / or reduce the amount of royalties which may be payable, *****.

13.2.2 The Seller will be entitled either in its own name or on behalf of the Buyer to conduct negotiations with the party or parties alleging infringement and may assume and conduct the defense or settlement of any suit or claim in the manner which, in the Seller's opinion, it deems proper, *****.

13.2.3 The Seller's liability hereunder will be conditional upon the strict and timely compliance by the Buyer with the terms of this Clause and is in lieu of any other liability to the Buyer express or implied which the Seller might incur at law as a result of any infringement or claim of infringement of any patent or copyright.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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18. BUYER FURNISHED EQUIPMENT

18.1 Administration

18.1.1 In accordance with the Specification, the Seller will install those items of equipment that are identified in the Specification as being furnished by the Buyer ("**Buyer Furnished Equipment**" or "**BFE**"), provided that the BFE and the supplier of such BFE (the "**BFE Supplier**") are referred to in the Airbus BFE Product Catalog valid at the time the BFE Supplier is selected.

18.1.2 Notwithstanding the foregoing and without prejudice to Clause 2.4, if the Buyer wishes to install BFE manufactured by a supplier who is not referred to in the Airbus BFE Product Catalog, the Buyer will so inform the Seller *****. In addition, it is a prerequisite to such approval that the considered supplier be qualified by the Seller's Aviation Authorities to produce equipment for installation on civil aircraft. ***** in considering any approval of a supplier by the Seller under this Clause 18.1.2. The Buyer will cause any BFE supplier approved under this Clause 18.1.2 (each an "**Approved BFE Supplier**") to comply with the conditions set forth in this Clause 18 and specifically Clause 18.2.

Except for the specific purposes of this Clause 18.1.2, the term "BFE Supplier" will be deemed to include Approved BFE Suppliers.

18.1.3 The Seller will advise the Buyer of the dates by which, in the planned release of engineering for the Aircraft, the Seller requires from each BFE Supplier a written detailed engineering definition encompassing a Declaration of Design and Performance (the "**BFE Engineering Definition**"). The Seller will reasonably provide to the Buyer and/or the BFE Supplier(s), the interface documentation necessary for development of the BFE Engineering Definition.

The BFE Engineering Definition will include the description of the dimensions and weight of BFE, the information related to its certification and the information necessary for the installation and operation thereof, including when applicable 3D models compatible with the Seller's systems. The Buyer will furnish, or cause the BFE Suppliers to furnish, the BFE Engineering Definition by the dates advised by the Seller pursuant to the preceding paragraph after which the BFE Engineering Definition will not be revised, except through an SCN executed in accordance with Clause 2.

18.1.4 The Seller will also provide in due time to the Buyer a schedule of dates and the shipping addresses for delivery of the BFE and, where reasonably requested by the Seller, additional spare BFE to permit installation in the Aircraft in a timely manner. The Buyer will provide, or cause the BFE Suppliers to provide, the BFE by such dates in a serviceable condition. The Buyer will, upon the Seller's request, provide to the Seller dates and references of all BFE purchase orders placed by the Buyer.

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The Buyer will also provide, when requested by the Seller, at Airbus Operations S.A.S. in Toulouse, France, and/or at Airbus Operations GmbH, Division Hamburger Flugzeugbau in Hamburg, Germany, adequate field service including support from BFE Suppliers to act in a technical advisory capacity to the Seller in the installation, calibration and possible repair of a BFE.

18.1.5

Without prejudice to the Buyer's obligations hereunder, in order to facilitate the development of the BFE Engineering Definition, the Seller will organize meetings between the Buyer and BFE Suppliers on reasonable advance notice. The Buyer hereby agrees to participate in such meetings and to provide adequate technical and engineering expertise to reach decisions within a timeframe reasonably specified by the Seller.

In addition, prior to Delivery of the Aircraft to the Buyer, the Buyer agrees:

- (i) to monitor the BFE Suppliers and seek to ensure that they will enable the Buyer to fulfil its obligations, including but not limited to those set forth in the Customization Milestone Chart;
- (ii) that, should a timeframe, quality or other type of risk be identified at a given BFE Supplier, the Buyer will allocate resources to such BFE Supplier so as not to jeopardize the industrial schedule of the Aircraft;
- (iii) for major BFE, including, but not being limited to, seats, galleys and IFE ("**Major BFE**") to participate on a mandatory basis in the specific meetings that take place between BFE Supplier selection and BFE delivery, namely:
 - (a) Preliminary Design Review ("**PDR**"),
 - (b) Critical Design Review ("**CDR**");
- (iv) to attend the First Article Inspection ("**FAI**") for the first shipset of all Major BFE. Should the Buyer not attend such FAI, the Buyer will delegate the FAI to the BFE Supplier thereof and confirmation thereof will be supplied to the Seller in writing;
- (v) to attend the Source Inspection ("**SI**") that takes place at the BFE Supplier's premises prior to shipping, for each shipset of all Major BFE. Should the Buyer not attend such SI, the Buyer will delegate the SI to the BFE Supplier and confirmation thereof will be supplied to the Seller in writing. Should the Buyer not attend the SI, the Buyer will be deemed to have accepted the conclusions of the BFE Supplier with respect to such SI.

The Seller will be entitled to attend the PDR, the CDR and the FAI. In doing so, the Seller's employees will be acting in an advisory capacity only and at no time will they be deemed to be acting as Buyer's employees or agents, either directly or indirectly.

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18.1.6 The BFE will be imported into France or into Germany by the Buyer under a suspensive customs system (Regime de l'entrepôt douanier ou régime de perfectionnement actif or Zollverschluss) without application of any French or German tax or customs duty, and will be delivered on a DDU basis, to the following shipping addresses as designated by the Seller to the Buyer in a reasonable time period prior to the planned arrival date:

Airbus Operations S.A.S.
316 Route de Bayonne
31300 Toulouse
France

or

Airbus Operations GmbH
Kreetslag 10
21129 Hamburg
Germany

Or such other location *****.

18.2 Applicable Requirements

The Buyer is responsible for ensuring, at its expense, and warrants that the BFE will:

- (i) be manufactured by either a BFE Supplier referred to in the Airbus BFE Product Catalog or an Approved BFE Supplier, and
- (ii) meet the requirements of the applicable Specification of the Aircraft, and
- (iii) be delivered with the relevant certification documentation, including but not limited to the DDP, and
- (iv) comply with the BFE Engineering Definition, and
- (v) comply with applicable requirements incorporated by reference to the Type Certificate and listed in the Type Certificate Data Sheet, and
- (vi) be approved by the Aviation Authority issuing the Export Certificate of Airworthiness and by the Buyer's Aviation Authority for installation and use on the Aircraft at the time of Delivery of the Aircraft, and
- (vii) not infringe any patent, copyright or other intellectual property right of the Seller or any third party, and
- (viii) not be subject to any legal obligation or other encumbrance that may prevent, hinder or delay the installation of the BFE in the Aircraft and/or the Delivery of the Aircraft.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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The Seller will be entitled to refuse any item of BFE that it considers incompatible with the Specification, the BFE Engineering Definition or the certification requirements.

18.3 Buyer's Obligation and Seller's Remedies

18.3.1 Any delay or failure by the Buyer or the BFE Suppliers in:

- (i) complying with the foregoing warranty or in providing the BFE Engineering Definition or field service mentioned in Clause 18.1.4, or
- (ii) furnishing the BFE in a serviceable condition at the requested delivery date, or
- (iii) obtaining any required approval for such BFE equipment under the above mentioned Aviation Authorities' regulations,

may delay the performance of any act to be performed by the Seller, including Delivery of the Aircraft. The Seller will not be responsible for such delay which will cause the Final Price of the affected Aircraft to be adjusted in accordance with the Seller Price Revision Formula to the actual month of Delivery of such affected Aircraft and to include in particular the amount of the Seller's additional reasonable direct costs attributable to such delay or failure by the Buyer or the BFE Suppliers, such as storage, taxes, insurance and costs of out-of sequence installation.

18.3.2 In addition, in the event of any delay or failure mentioned in 18.3.1 above, the Seller, in consultation with the Buyer, may:

- (i) select, purchase and install equipment similar to the BFE at issue, in which event the Final Price of the affected Aircraft will also be increased by the purchase price of such equipment plus reasonable costs and expenses incurred by the Seller for handling charges, transportation, insurance, packaging and, if so required and not already provided for in the Final Price of the Aircraft, for adjustment and calibration; or
- (ii) if the BFE is delayed by more than ***** beyond, or is not approved within ***** of the dates specified in Clause 18.1.4, deliver the Aircraft without the installation of such BFE, notwithstanding applicable terms of Clauses 7 and 8, and the Seller will thereupon be relieved of all obligations to install such equipment.

18.4 Title and Risk of Loss

Title to and risk of loss of any BFE will at all times remain with the Buyer except that risk of loss (limited to cost of replacement of said BFE) will be with the Seller for as long as such BFE is under the care, custody and control of the Seller.

18.5 Disposition of BFE Following Termination

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

- 18.5.1 *****
- 18.5.2 *****
- 18.5.3 The Buyer will cooperate with the Seller in facilitating the sale of BFE pursuant to Clause 18.5.1 or 18.5.2 and will be responsible for, *****. The Buyer will reimburse the Seller to the extent required under the preceding sentence within ***** of receiving documentation of such costs from the Seller.
- 18.5.4 The Seller will notify the Buyer as to those items of BFE not sold by the Seller pursuant to Clause 18.5.1 or 18.5.2 above and, at the Seller's request, the Buyer will undertake to remove such items from the Seller's facility within ***** of the date of such notice. The Buyer will have no claim against the Seller for damage, loss or destruction of any item of BFE removed from the Aircraft and not removed from Seller's facility within such period. *****
- 18.6 The Buyer will have no claim against the Seller for damage to or destruction of any item of BFE damaged or destroyed in the process of being removed from the Aircraft, provided that the Seller has used reasonable care in such removal.
- 18.7 The Buyer will grant the Seller title to any BFE items that cannot be removed from the Aircraft without causing damage to the Aircraft or rendering any system in the Aircraft unusable.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

19. INDEMNITIES AND INSURANCE

The Seller and the Buyer will each be liable for Losses (as defined below) arising from the acts or omissions of their respective directors, officers, agents or employees occurring during or incidental to such party's exercise of its rights and performance of its obligations under this Agreement, except as provided in Clauses 19.1 and 19.2.

19.1 Seller's Indemnities

The Seller will, except in the case of gross negligence or wilful misconduct of the Buyer, its directors, officers, agents and/or employees, be solely liable for and will indemnify and hold the Buyer, its Affiliates and each of their respective directors, officers, agents, employees and insurers harmless against all losses, liabilities, claims, damages, costs and expenses, including court costs and reasonable attorneys' fees ("Losses"), arising from:

- (i) claims for injuries to, or death of, the Seller's directors, officers, agents or employees, or loss of, or damage to, property of the Seller or its employees when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and
- (ii) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to the Technical Acceptance Flights.

19.2 Buyer's Indemnities

The Buyer will, except in the case of gross negligence or wilful misconduct of the Seller, its directors, officers, agents and/or employees, be solely liable for and will indemnify and hold the Seller, its Affiliates, its subcontractors, and each of their respective directors, officers, agents, employees and insurers, harmless against all Losses arising from:

- (i) claims for injuries to, or death of, the Buyer's directors, officers, agents or employees, or loss of, or damage to, property of the Buyer or its employees, when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and
- (ii) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to (a) the provision of Seller Representatives services under Clause 15 including services performed on board the aircraft or (b) the provision of Aircraft Training Services to the Buyer.

Confidential

19.3 Notice and Defense of Claims

If any claim is made or suit is brought against a party or entity entitled to indemnification under this Clause 19 (the “**Indemnitee**”) for damages for which liability has been assumed by the other party under this Clause 19 (the “**Indemnitor**”), the Indemnitee will promptly give notice to the Indemnitor and the Indemnitor (unless otherwise requested by the Indemnitee) will assume and conduct the defense, or settlement, of such claim or suit, as the Indemnitor will deem prudent. Notice of the claim or suit will be accompanied by all information pertinent to the matter as is reasonably available to the Indemnitee and will be followed by such cooperation by the Indemnitee as the Indemnitor or its counsel may reasonably request, at the expense of the Indemnitor.

19.4 Insurance

19.4.1 For all Aircraft Training Services, to the extent of the Buyer’s undertaking set forth in Clause 19.2, the Buyer will:

- (i) cause the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents and employees to be named as additional insured under the Buyer’s Comprehensive Aviation Legal Liability insurance policies (in accordance with AVN67B and AVN2001 and 2002 or applicable successor policy thereof or, as the case may be, equivalent endorsements reasonably satisfactory to the Seller). Such insurances shall include war, passenger legal liability, property damage, aircraft third party and airlines general third party legal (including products) liability, and
- (ii) with respect to the Buyer’s Hull All Risks and Hull War Risks insurances and Allied Perils, cause the insurers of the Buyer’s hull insurance policies to waive all rights of subrogation against the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents, employees and insurers;

provided however, in lieu of any war risk insurance, the Buyer may provide insurance or an indemnity issued by the US Government.

19.4.2 Any applicable deductible will be borne by the Buyer. The Buyer will furnish to the Seller, not less than ***** prior to the start of any Aircraft Training Services, certificates of insurance, in English, evidencing the limits of liability cover and period of insurance coverage in a form reasonably acceptable to the Seller from the Buyer’s insurance broker(s), certifying that such policies have been endorsed as follows:

- (i) under the Comprehensive Aviation Legal Liability Insurances, the Buyer’s policies are primary and non-contributory to any insurance maintained by the additional insureds,

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- (ii) such insurance can only be cancelled or coverage substantially changed which adversely affects the interests of any additional insureds by the giving of not less than ***** (or such lesser period as may be applicable in the case of any war risk, hijacking and allied perils insurance coverage) prior written notice thereof to the additional insureds, and
- (iii) under any such cover, all rights of subrogation against the additional insureds have been waived.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

20. TERMINATION

20.1 Termination Events

Each of the following will constitute a “**Termination Event**”

- (1) *****
- (2) *****
- (3) *****
- (4) *****
- (5) *****
- (6) *****
- (7) *****
- (8) *****

20.2 Remedies in Event of Termination

20.2.1 If a Termination Event occurs the Buyer will be in material breach of this Agreement, and the Seller can elect any of the following remedies to the extent permitted under applicable law:

- A. *****
- B. *****
- C. *****
- D. *****

20.2.2 *****

- A. *****
- B. *****
- C. *****

20.2.3 *****

20.3 Notice of Termination Event

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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Within ***** of becoming aware of the occurrence of a Termination Event by the Buyer, the Buyer will notify the Seller of such occurrence in writing, provided, that any failure by the Buyer to notify the Seller will not prejudice the Seller's rights or remedies hereunder.

20.4

Information Covenants

The Buyer hereby covenants and agrees that, from the date of this Agreement until no further Aircraft are to be delivered hereunder, the Buyer will furnish or cause to be furnished to the Seller the following:

- a. *****
- b. *****
- c. *****
- d. *****
- e. *****

For the purposes of this Clause 20, (x) an "Authorized Officer" of the Buyer will mean the Chief Executive Officer, the Chief Financial Officer or any Vice President and above who reports directly or indirectly to the Chief Financial Officer and (y) "Subsidiaries" will mean, as of any date of determination, those companies owned by the Buyer whose financial results the Buyer is required to include in its statements of consolidated operations and consolidated balance sheets.

20.5

Nothing contained in this Clause 20 will be deemed to waive or limit the Seller's rights or ability to request adequate assurance under Article 2, Section 609 of the Uniform Commercial Code (the "UCC"). It is further understood that any commitment of the Seller or the Propulsion Systems manufacturer to provide financing to the Buyer shall not constitute adequate assurance under Article 2, Section 609 of the UCC.

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21. ASSIGNMENTS AND TRANSFERS**21.1 Assignments**

Except as hereinafter provided, neither party may sell, assign, novate or transfer its rights or obligations under this Agreement to any person without the prior written consent of the other, except that the Seller may sell, assign, novate or transfer its rights or obligations under this Agreement to any Affiliate without the Buyer's consent.

21.2 Assignments on Sale, Merger or Consolidation

The Buyer will be entitled to assign its rights under this Agreement at any time due to a merger, consolidation or a sale of all or substantially all of its assets, provided *****:

- (i) the surviving or acquiring entity is organized and existing under the laws of the United States;
- (ii) the surviving or acquiring entity has executed an assumption agreement, in form and substance reasonably acceptable to the Seller, agreeing to assume all of the Buyer's obligations under this Agreement;
- (iii) at the time, and after giving effect to the consummation, of the merger, consolidation or sale, no Termination Event exists or will have occurred and be continuing;
- (iv) the surviving or acquiring entity ***** is an air carrier holding an operating certificate issued by the FAA at the time, and immediately following the consummation, of such sale, merger or consolidation; and
- (v) upon giving effect to the sale, merger or consolidation, *****.

21.3 Designations by Seller

The Seller may at any time by notice to the Buyer designate facilities or personnel of the Seller or any other Affiliate of the Seller at which or by whom the services to be performed under this Agreement will be performed. Notwithstanding such designation, the Seller will remain ultimately responsible for fulfillment of all obligations undertaken by the Seller in this Agreement.

21.4 Transfer of Rights and Obligations upon Reorganization

In the event that the Seller is subject to a corporate restructuring having as its object the transfer of, or succession by operation of law in, all or substantially all of its assets and liabilities, rights and obligations *****, including those existing under this Agreement, to a person (the "***** **Successor**") that is an Affiliate of the Seller at the time of that restructuring, for the purpose of the Seller Successor carrying on the

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business carried on by the Seller at the time of the restructuring, such restructuring will be completed without consent of the Buyer following notification by the Seller to the Buyer in writing *****.

21.5

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

Amendment No. 1

This Amendment No. 1 (the "Amendment") is entered into as of May 18, 2015, between Airbus S.A.S., a *societe par actions simplifiée* organized and existing under the laws of the Republic of France, having its registered office located at 1, Rond-Point Maurice Bellonte, 31700 Blagnac, France (the "Seller"), and Frontier Airlines, Inc., a corporation organized and existing under the laws of the State of Colorado, United States of America, having its principal corporate offices located at 7001 Tower Road, Denver, Colorado 80249-7312 USA (the "Buyer" and together with the Seller, the "Parties").

WITNESSETH

WHEREAS, the Buyer and the Seller entered into an A321 Aircraft Purchase Agreement dated as of October 31, 2014 (as amended, supplemented and modified from time to time prior to the date hereof, the "**Agreement**"); and

WHEREAS, the Buyer and the Seller wish to amend certain terms of the Agreement including, but not limited to, the addition of 10 (ten) incremental A321 aircraft and 2 (two) A320 aircraft;

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Seller and the Buyer agree as follows:

Capitalized items used herein and not otherwise defined herein will have the meanings assigned to them in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Amendment.

1. DEFINITIONS

Clause 0 of the Agreement is hereby amended by either inserting in alphabetical order, or by amending and restating, as the case may be, the following definitions:

A320 Aircraft – any or all of the A320-200 aircraft for which the delivery schedule as of the date hereof is set forth in Clause 9.1 to be sold by the Seller and purchased by the Buyer pursuant to this Agreement, including the A320 Airframe and all components, equipment, parts and accessories installed in or on such A320 Airframe and the A320 Propulsion System installed thereon upon delivery.

A320 Airframe – any A320 Aircraft, excluding the A320 Propulsion System therefor.

A320 Propulsion System – as defined in Clause 2.3.

A320 Specification – the A320 Standard Specification as amended by all applicable SCNs.

A320 Standard Specification – the A320 standard specification document number *****, a copy of which is annexed hereto as Exhibit A-2

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Aircraft – as applicable, any or all of the A320 Aircraft and the A321 Aircraft.

Airframe – as applicable, the A320 Airframe or the A321 Airframe.

Propulsion System – as applicable, the A320 Propulsion System or the A321 Propulsion System.

Propulsion System Price Revision Formula – the applicable Propulsion System price revision formula set forth in Part 2 or Part 3 of Exhibit C.

Propulsion System Reference Price – the applicable Propulsion System reference price set forth in Part 2 or Part 3 of Exhibit C.

Sharklet – means a new large wingtip device designed to enhance the eco-efficiency and payload range performance of the A320 family aircraft, to be fitted on the A320 Aircraft and the A321 Aircraft.

Standard Specification – the A320 Standard Specification or the A321 Standard Specification, as applicable.

2. SALE AND PURCHASE

Clause 1 of the Agreement is deleted and replaced in its entirety with the following quoted text:

QUOTE

The Seller will sell and deliver to the Buyer, and the Buyer will purchase and take delivery of 9 (nine) A321 Aircraft (the “2014 A321 Aircraft”) from the Seller, subject to the terms and conditions contained in this Agreement.

The Seller will sell and deliver to the Buyer and the Buyer will purchase and take delivery of 10 (ten) A321 Aircraft (the “2015 A321 Aircraft”) and 2 (two) A320 Aircraft (the “**2015 A320 Aircraft**”) from the Seller, subject to the terms and conditions contained in this Agreement. The 2015 A321 Aircraft and 2015 A320 Aircraft are collectively the “**2015 Incremental Aircraft**”.

UNQUOTE

3. SPECIFICATION

Clause 2.1.1 of the Agreement is deleted and replaced in its entirety with the following quoted text:

QUOTE

The 2014 A321 Aircraft will be manufactured in accordance with the A321 Standard Specification, as modified or varied prior to the date of this Agreement by the Specification Change Notices listed in Appendix 1 to Exhibit A-l.

The 2015 A321 Aircraft will be manufactured in accordance with the A321 Standard Specification, as modified or varied prior to the date of this Agreement by the Specification Change Notices listed in Appendix 2 to Exhibit A-1.

The A320 Aircraft will be manufactured in accordance with the A320 Standard Specification, as modified or varied prior to the date of this Agreement by the Specification Change Notices listed in Appendix 1 to Exhibit A-2.

UNQUOTE

4. PROPULSION SYSTEMS

Clause 2.3 of the Agreement is deleted and replaced in its entirety with the following quoted text:

QUOTE

2.3 Propulsion System

2.3.1 Each A320 Airframe will be equipped with a set of two (2) CFM International CFM56- 5B4/3 engines or IAE V2527-A5 engines (each upon selection referred to as the "A320 Propulsion System").

2.3.2 Each A321 Airframe will be equipped with a set of two (2) CFM International CFM56B3/3 engines, CFM56B3/3B1 engines, or LAE V2533-A5 engines (each upon selection referred to as the "A321 Propulsion System").

The Buyer hereby selects the CFM56B3/3B1 as the A321 Propulsion System for the 2014 A321 Aircraft and 2015 A321 Aircraft and the CFM56B4/3 as the A320 Propulsion System for the 2015 A320 Aircraft.

UNQUOTE

5. A321 AIRCRAFT BASE PRICE

Clause 3.1.1 and 3.1.2 of the Agreement are deleted in their entirety and replaced with the following quoted text:

QUOTE

3.1.1 Base Price of the A321 Airframe

3.1.1.1 In respect of the 2014 A321 Aircraft, the Base Price of the A321 Airframe is the sum of the following Base Prices:

(i) *****

(ii) *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(iii) *****

3.1.1.2 In respect of the 2015 A321 Aircraft, the Base Price of the A321 Airframe is the sum of the following Base Prices:

(i) *****

(ii) *****

(iii) *****

3.1.1.3 The Base Price of the A321 Airframe, calculated pursuant to Clauses 3.1.1.1 or 3.1.1.2 above, has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in ***** (the “**Base Period**”).

3.1.2 Base Price of the A321 Propulsion System

3.1.2.1 The Base Price of a set of two (2) CFM International CFM56-5B3/3 engines is:

Said Base Price has been established in accordance with the delivery conditions prevailing in ***** and has been calculated from the reference price indicated by CFM International and set forth in Part 2 of Exhibit C.

3.1.2.2 The Base Price of a set of two (2) CFM International CFM56-5B3/3B1 engines is:

The Base Prices set forth in Clause 3.1.2.1 and 3.1.2.2 have been established in accordance with the delivery conditions prevailing in ***** and have been calculated from the applicable reference prices indicated by CFM International and set forth in Part 2 of Exhibit C.

3.1.2.3 The Base Price of a set of two (2) LAE V2533-A5 engines is:

*****.

Said Base Price has been established in accordance with the delivery conditions prevailing in ***** and has been calculated from the reference price indicated by INTERNATIONAL AERO ENGINES and set forth in Part 3 of Exhibit C.

UNQUOTE

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

6. A320 AIRCRAFT BASE PRICE

New Clauses 3.1.3 and 3.1.4 are inserted into the Agreement immediately following the end of Clause 3.1.2.3 thereof, as follows:

QUOTE

3.1.3 Base Price of the A320 Airframe

3.1.3.1 In respect of the 2015 A320 Aircraft, the Base Price of the A320 Airframe is the sum of the following Base Prices:

(i) *****

(ii) *****

(iii) *****

3.1.3.2 The Base Price of the A320 Airframe has been established in accordance with the average economic conditions prevailing in the Base Period.

3.1.4 Base Price of the A320 Propulsion System

3.1.4.1 The Base Price of a set of two (2) CFM International CFM56-5B4/3 engines is:

Said Base Price has been established in accordance with the delivery conditions prevailing in ***** and has been calculated from the reference price indicated by CFM International and set forth in Part 2 of Exhibit C.

3.1.4.2 The Base Price of a set of two (2) LAE V2527-A5 engines is:

Said Base Price has been established in accordance with the delivery conditions prevailing in ***** and has been calculated from the reference price indicated by INTERNATIONAL AERO ENGINES and set forth in Part 3 of Exhibit C.

UNQUOTE

7. DELIVERY SCHEDULE

The table in Clause 9.1 of the Agreement is deleted in its entirety and replaced with the following quoted table:

QUOTE

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

| <u>Aircraft Rank</u> | | <u>Scheduled Delivery</u> | |
|----------------------|--------------------|---------------------------|-------------|
| | | <u>Month/Quarter</u> | <u>Year</u> |
| 1 | 2014 A321 Aircraft | ***** | ***** |
| 2 | 2014 A321 Aircraft | ***** | ***** |
| 3 | 2014 A321 Aircraft | ***** | ***** |
| 4 | 2014 A321 Aircraft | ***** | ***** |
| 5 | 2014 A321 Aircraft | ***** | ***** |
| 6 | 2014 A321 Aircraft | ***** | ***** |
| 7 | 2014 A321 Aircraft | ***** | ***** |
| 8 | 2015 A321 Aircraft | ***** | ***** |
| 9 | 2015 A321 Aircraft | ***** | ***** |
| 10 | 2014 A321 Aircraft | ***** | ***** |
| 11 | 2014 A321 Aircraft | ***** | ***** |
| 12 | 2015 A321 Aircraft | ***** | ***** |
| 13 | 2015 A321 Aircraft | ***** | ***** |
| 14 | 2015 A320 Aircraft | ***** | ***** |
| 15 | 2015 A320 Aircraft | ***** | ***** |
| 16 | 2015 A321 Aircraft | ***** | ***** |
| 17 | 2015 A321 Aircraft | ***** | ***** |
| 18 | 2015 A321 Aircraft | ***** | ***** |
| 19 | 2015 A321 Aircraft | ***** | ***** |
| 20 | 2015 A321 Aircraft | ***** | ***** |
| 21 | 2015 A321 Aircraft | ***** | ***** |

UNQUOTE

8. PREDELIVERY PAYMENTS

8.1 Clause 5.3.2 of the Agreement is deleted in its entirety and replaced with the following quoted text:

QUOTE

5.3.2 The Predelivery Payment Reference Price for an Aircraft to be delivered in calendar year T is determined in accordance with the following formula:

UNQUOTE

8.2 Notwithstanding the schedule in Clause 5.3.3 of the Agreement, with respect to the 2015 Incremental Aircraft the Buyer will pay the Seller the Predelivery Payments due pursuant to Clause 5.3 in the amount of ***** within ***** from the date hereof. All subsequent Predelivery Payments will be due and payable in accordance with Clause 5.3 of the Agreement.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

9. A320 FAMILY AIRCRAFT

Clause 10.2(iv), 10.3.2 and 11.2.1 of the Agreement are each amended by deleting the words “A321 aircraft” and replacing them with “A320 aircraft, in the case of an A320 Aircraft or an A321 aircraft, in the case of an A321 Aircraft,”.

10. EXHIBIT A-1: A321 SPECIFICATION

Exhibit A-1 to the Agreement is hereby deleted in its entirety and replaced with the Exhibit A-1 attached hereto.

11. EXHIBIT A-2: A320 SPECIFICATION

Exhibit A-2 attached hereto is hereby added to the Agreement as Exhibit A-2.

12. EXHIBIT C PROPULSION SYSTEM PRICE REVISION FORMULA

12.1 Clause 1 of Part 2 of Exhibit C to the Agreement is hereby deleted in its entirety and replaced with the following quoted text:

QUOTE

1 REFERENCE PRICE OF THE PROPULSION SYSTEM

The “**Reference Price**” (as such term is used in this Exhibit C Part 2) of a set of two (2) CFM International

The Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics and in accordance with the provisions of this Exhibit C Part 2.

UNQUOTE

12.2 Clause 3 of Part 2 of Exhibit C to the Agreement is hereby amended by deleting the reference to “*****” and replacing it with “*****”.

12.3 Clause 1 of Part 3 of Exhibit C to the Agreement is hereby deleted in its entirety and replaced with the following quoted text:

QUOTE

1 INTERNATIONAL AERO ENGINES PRICE REVISION FORMULA

Engines Reference Price

The “**Reference Price**” (as such term is used in this Exhibit C Part 3) for a set of two (2) INTERNATIONAL AERO ENGINES

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The Reference Price applies to the Engine type as specified Clause 3.1.2.3 and Clause 3.1.4.2 of the Agreement.

This Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics, and in accordance with the provisions hereof.

UNQUOTE

12.4 Clause 1.3 of Part 3 of Exhibit C to the Agreement is hereby amended by deleting the reference to “*****” and replacing it with “*****”.

13. EXHIBIT D: CERTIFICATE OF ACCEPTANCE

Exhibit D to the Agreement is hereby amended by deleting the words “Airbus A321” and replacing them with “Airbus [A320/A321]”.

14. EXHIBIT E: BILL OF SALE

Exhibit E to the Agreement is hereby amended by deleting the reference to “A321” and replacing it with “[A320/A321]”.

15. LETTER AGREEMENT NO. 2: PURCHASE INCENTIVES

Letter Agreement No. 2 to the Agreement dated October 31, 2014 between the Parties is hereby amended and restated in its entirety as the Amended and Restated Letter Agreement No. 2 dated as of even date herewith.

16. LETTER AGREEMENT NO. 6A AND 6C: *****

Letter Agreement 6A to the Agreement dated October 31, 2014 between the Parties is hereby amended and restated in its entirety as the Amended and Restated Letter Agreement No 6A dated as of even date herewith.

Letter Agreement 6C dated as of even date herewith and attached as Annex 2 hereto is hereby added to the Agreement.

17. LETTER AGREEMENT NO. 7: SUPPORT MATTERS

17.1 *****

Paragraph 7.1 of Letter Agreement No. 7 dated October 31, 2014 between the Parties (“**Letter Agreement No. 7**”) is hereby amended by replacing the words “*****” with “*****”.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

17.2 Paragraph 8 of Letter Agreement No. 7 is hereby deleted in its entirety and replaced with the following quoted text:

QUOTE

8. *****

UNQUOTE

17.3 Seller Representative *****

Clause 1 of Appendix A to Clause 15 is hereby amended by replacing “*****” with “*****”.

17.4 Training Allowance

Appendix A to Clause 16 is hereby deleted in its entirety and replaced with the Appendix A to Clause 16 attached hereto as Annex 1.

18. *****

Clause 21.6 (b) of the Agreement is hereby deleted in its entirety and replaced with the following quoted text:

QUOTE

UNQUOTE

19. **EFFECT OF AMENDMENT**

19.1 The provisions of this Amendment will constitute a valid amendment to the Agreement and the Agreement will be deemed to be amended to the extent herein provided and, except as specifically amended hereby, will continue in full force and effect in accordance with its terms. Except as otherwise provided by the terms and conditions hereof, this Amendment contains the entire agreement of the Parties with respect to the subject matter hereof and supersedes any previous understandings, commitments, or representations whatsoever, whether oral or written, related to the subject matter of this Amendment

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

19.2 Both Parties agree that this Amendment will constitute an integral, nonseverable part of the Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Amendment will be governed by the provisions of the Agreement, except that if the Agreement and this Amendment have specific provisions that are inconsistent, the specific provisions contained in this Amendment will govern.

20. GOVERNING LAW

Without limiting the generality of Clause 19.2 above, the Parties hereby acknowledge and agree that this Amendment is subject to the governing law provisions set forth in Clause 22.6 of the Agreement.

21. CONFIDENTIALITY

Without limiting the generality of Clause 19.2 above, the Parties hereby acknowledge and agree that this Amendment is subject to the confidentiality provisions set forth in Clause 22.11 of the Agreement.

22. ASSIGNMENT

Without limiting the generality of Clause 19.2 above, the Parties hereby acknowledge and agree that this Amendment is subject to the assignment and transfer provisions set forth in Clause 21 of the Agreement.

23. COUNTERPARTS

This Amendment may be signed by the Parties in counterparts, which when signed and delivered will each be an original and together constitute but one and the same instrument. Counterparts may be delivered in original, faxed or emailed form, with originals to be delivered in due course.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be signed by their respective duly authorized officers or agents as of the day and year first above written.

Airbus S.A.S.

By: /s/ Christophe Mourey
Name: Christophe Mourey
Title: Senior Vice President Contracts

Frontier Airlines

By: /s/ James Dempsey
Name: James Dempsey
Title: Chief Financial Officer

Confidential

APPENDIX A TO CLAUSE 16
TRAINING ALLOWANCE

For the avoidance of doubt, all quantities indicated below are the total quantities ***** Aircraft firmly ordered, unless otherwise specified.

The contractual training courses defined in this Appendix A will be provided up to ***** under this Agreement.

Notwithstanding the above, flight operations training courses ***** per firmly ordered Aircraft in this Appendix A will be provided by the Seller within a period starting ***** before and ending ***** after Delivery of such Aircraft.

Any deviation to said training delivery schedule will be mutually agreed between *****

1 FLIGHT OPERATIONS TRAINING

1.1 Flight Crew Training (standard transition course)

The Seller will provide flight crew training (standard transition course) ***** for ***** of the Buyer's flight crews ***** Aircraft as of the date hereof.

1.2 Flight Crew Line Initial Operating Experience

The Seller will provide to the Buyer pilot Instructor(s) ***** for a period of *****.

Unless otherwise agreed during the Training Conference, in order to follow the Aircraft Delivery schedule, the maximum number of pilot Instructors present at any one time will be limited to ***** pilot Instructors.

1.3 Type Specific Cabin Crew Training Course

The Seller will provide to the Buyer ***** type specific training for cabin crews for ***** of the Buyer's cabin crew instructors, pursers or cabin attendants.

1.4 Airbus Pilot Instructor Course (APIC)

The Seller will provide to the Buyer transition Airbus Pilot Instructor Course(s) (APIC), for flight and synthetic instruction, ***** for ***** of the Buyer's flight instructors. APIC courses will be performed in groups of ***** trainees.

2 PERFORMANCE / OPERATIONS COURSE(S)

The Seller will provide to the Buyer ***** trainee days of performance / operations training ***** for the Buyer's personnel.

3 MAINTENANCE TRAINING

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Confidential

- 3.1 The Seller will provide to the Buyer ***** trainee days of maintenance training ***** for the Buyer's personnel.
- 3.2 The Seller will provide to the Buyer ***** Engine Run-up course.
- 3.3 The Seller will provide to the Buyer maintenance instructor(s) *****. Unless otherwise agreed during the Training Conference, the maximum number of maintenance instructors present at any one time will be limited to ***** maintenance instructors

4 TRAINEE DAYS ACCOUNTING

Trainee days are counted as follows:

- 4.1 For instruction at the Seller's Training Centers: one (1) day of instruction for one (1) trainee equals one (1) trainee day. The number of trainees originally registered at the beginning of the course will be counted as the number of trainees to have taken the course.
- 4.2 For instruction outside of the Seller's Training Centers: one (1) day of instruction by one (1) Seller Instructor ***** trainee days, except for structure maintenance training course(s).
- 4.3 For structure maintenance training courses outside the Seller's Training Center(s), one (1) day of instruction by one (1) Seller Instructor equals the actual number of trainees attending the course or the minimum number of trainees as indicated in the Seller's Customer Services Catalog.
- 4.4 For practical training, whether on training devices or on aircraft, one (1) day of instruction by one (1) Seller Instructor equals ***** trainee days.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT A-1

A321 SPECIFICATION

The A321 Standard Specification is contained in a separate folder.

Confidential

2014 A321 Aircraft

FRONTIER AIRLINES – A321-200
 Customization Budget

Based on A321-200 *****

Total SCN Price: *****

Prices in ***** Delivery Conditions (USD)

| ATA | Description | List Price in USD (*****) | Comments |
|-------|-------------|---------------------------|----------|
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | ***** |
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*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

2015 A321 Aircraft

| | | | |
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| ***** | | | |
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*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

| SCN | EPAC TDU | Title | Comments | SCN option price USD in ***** |
|-------|----------|-------|----------|----------------------------------|
| ***** | ***** | | ***** | ***** |
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| ***** | ***** | | ***** | ***** |

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

AMENDED AND RESTATED LETTER AGREEMENT NO. 2

As of May 18, 2015

Frontier Airlines, Inc.
7001 Tower Road
Denver, Colorado 80249

Re: PURCHASE INCENTIVES

Dear Ladies and Gentlemen,

FRONTIER AIRLINES, INC. (the “**Buyer**”) and AIRBUS S.A.S. (the “**Seller**”) have entered into an Airbus A321 Purchase Agreement dated as of October 31, 2014, as amended, supplemented or otherwise modified to and including the date hereof (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. Letter Agreement No. 2 dated as of October 31, 2014 to the Agreement is hereby amended and restated to read in its entirety as set forth herein.

Capitalized terms used herein and not otherwise defined in this Amended and Restated Letter Agreement No. 2 (this “Letter Agreement”) have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement constitutes an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

- 1. **2014 A321 AIRCRAFT *******

- 1.1 *****
- 1.2 *****
- 1.3 *****
- 1.4 *****
- 1.5 ***** are established in the Base Period *****
- 1.6 *****

- 2. **2015 A321 AIRCRAFT *******

- 2.1 *****
- 2.2 *****
- 2.3 *****
- 2.4 *****
- 2.5 *****
- 2.6 ***** are established in the Base Period *****
- 2.7 *****

- 3. **A320 AIRCRAFT *******

- 3.1 *****
- 3.2 *****
- 3.3 *****
- 3.4 *****
- 3.5 *****
- 3.6 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

3.7 ***** are established in the Base Period *****

3.8 *****

4. *****

4.1 Clause 3.1.1.3 of the Agreement is revised to read as follows:

QUOTE

3.1.1.3 The Base Price of the A321 Airframe ***** , such amounts are established in accordance with the average economic conditions prevailing in the ***** and corresponding to a theoretical delivery in ***** (the “**Base Period**”).

UNQUOTE

4.2 Clause 3.1.3.2 of the Agreement is revised to read as follows:

QUOTE

3.1.3.2 The Base Price of the A320 Airframe ***** in the Base Period.

UNQUOTE

4.3 Clause 4.1 of the Agreement is revised to read as follows:

QUOTE

4.1 Seller Price Revision Formula

UNQUOTE

5. *****

The first sentence of Clause 11.1 of the Agreement is revised to read as follows:

QUOTE

UNQUOTE

6. PRICE REVISION FORMULA

Part 1 of Exhibit C, Seller Price Revision Formula, is deleted in its entirety and replaced with the Part 1 of Exhibit C, annexed as Appendix 1 to this Letter Agreement.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

7. *****

8. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement but subject to Clause 21.2 and Clause 21.5 of the Agreement, this Letter Agreement and the rights and obligations of the Buyer hereunder will not be assigned or transferred in any manner without the prior written consent of the Seller, and any attempted assignment or transfer in contravention of the provisions of this Paragraph 8 will be void and of no force or effect.

9. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.11 of the Agreement.

10. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including counterparts delivered by electronic mail or by facsimile transmission) will be an original, but all such counterparts will together constitute one and the same instrument.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Christophe Mourey

Its: Senior Vice President Contracts

Accepted and Agreed

FRONTIER AIRLINES, INC.

By: /s/ James G. Dempsey

Its: Chief Financial Officer

PART 1 SELLER PRICE REVISION FORMULA**1 Base Prices**

The Base Price of the A321 Airframe quoted in Clause 3.1.1.1 and Clause 3.1.1.2 of the Agreement, the Base Price of the A320 Airframe quoted in Clause 3.1.3.1, ***** (each, a “**Base Price**”) are subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics in accordance with the provisions hereof, *****.

2 Base Period

Each Base Price has been established in accordance with the average economic conditions prevailing in the ***** as defined by “ECIb” and “ICb” index values indicated hereafter.

3 Indexes

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS”, and found in: Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group”, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100).

The quarterly value released for a certain month (March, June, September and December) shall be the one deemed to apply for the two (2) preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU2023211000000I.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI Detailed report” (found in Table 9. “Producer price indexes and percent changes for commodity groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

4 Revision Formula

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5 General Provisions

5.1 Rounding

The Labor Index average and the Material Index average shall be computed to the first decimal. If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

Each quotient shall be rounded to the nearest ten thousandth (4 decimals). If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

The final factor shall be rounded to the nearest ten thousandth (4 decimals).

The final price shall be rounded to the nearest whole number (0.5 or more rounded to 1).

5.2 Substitution of Indexes for Airframe Price Revision Formula

If;

- (i) the United States Department of Labor substantially revises the methodology of calculation of the Labor Index or the Material Index as used in the Airframe Price Revision Formula, or
- (ii) the United States Department of Labor discontinues, either temporarily or permanently, such Labor Index or such Material Index, or
- (iii) the data samples used to calculate such Labor Index or such Material Index are substantially changed;

The Seller shall select a substitute index for inclusion in the Seller Price Revision Formula (the "Substitute Index").

The Substitute Index shall reflect as closely as possible the actual variance of the Labor Costs or of the material costs used in the calculation of the original Labor Index or Material Index as the case may be.

As a result of the selection of the Substitute Index, the Seller shall make an appropriate adjustment to the Seller Price Revision Formula to combine the successive utilization of the original Labor Index or Material Index (as the case may be) and of the Substitute Index.

5.3 Final Index Values

The index values as defined in Clause 4. hereof shall be considered final and no further adjustment to the Base Prices as revised at the Delivery Date of the Aircraft shall be made after Aircraft Delivery for any subsequent changes in the published index values.

5.4 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXECUTION VERSION

DATED AS OF DECEMBER 16, 2016

VERTICAL HORIZONS, LTD.,
AS BORROWER

EACH LENDER
IDENTIFIED ON SCHEDULE I HERETO
AS LENDERS

CITIBANK, N.A.,
AS FACILITY AGENT

CITIGROUP GLOBAL MARKETS, INC.,
AS ARRANGER

BANK OF UTAH,
NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY
AS SECURITY TRUSTEE

SECOND AMENDED AND
RESTATED CREDIT AGREEMENT
IN RESPECT OF THE PDP FINANCING OF
NINETEEN (19) AIRBUS A321-200 AIRCRAFT, FORTY-
NINE (49) AIRBUS A320NEO AIRCRAFT AND
TWO (2) AIRBUS A320-200 AIRCRAFT

CONTENTS

| <u>Clause</u> | <u>Page</u> |
|--|-------------|
| 1. CERTAIN DEFINITIONS | 1 |
| 2. COMMITMENTS; BORROWER'S NOTICE OF PAYMENT DATES; CLOSING PROCEDURE | 2 |
| 3. FEES; CANCELLATION OF FACILITY AMOUNT | 3 |
| 4. CONDITIONS | 4 |
| 5. THE CERTIFICATES | 9 |
| 6. TERMINATION OF INTEREST IN COLLATERAL | 22 |
| 7. BORROWER'S REPRESENTATIONS AND WARRANTIES | 22 |
| 8. GENERAL INDEMNITY | 24 |
| 9. INDEMNITY TO THE FACILITY AGENT | 26 |
| 10. COVENANTS OF THE BORROWER | 27 |
| 11. THE FACILITY AGENT | 35 |
| 12. THE SECURITY TRUSTEE | 35 |
| 13. CONDUCT OF BUSINESS BY THE FINANCE PARTIES | 35 |
| 14. SUPPLEMENTS AND AMENDMENTS TO THIS AGREEMENT AND OTHER DOCUMENTS | 35 |
| 15. NOTICES | 36 |
| 16. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL; AGENT FOR SERVICE OF PROCESS | 37 |
| 17. INVOICES AND PAYMENT OF EXPENSES | 38 |
| 18. CONFIDENTIALITY | 38 |
| 19. MISCELLANEOUS | 39 |
| 20. LIMITATION OF SECURITY TRUSTEE LIABILITY | 40 |
| 21. LIMITATION ON LIABILITY | 41 |
| SCHEDULE I NOTICE & ACCOUNT INFORMATION | 44 |
| SCHEDULE II COMMITMENTS | 45 |
| SCHEDULE III ADVANCES | 46 |
| SCHEDULE IV THE FACILITY AGENT | 48 |
| SCHEDULE V THE SECURITY TRUSTEE | 53 |
| SCHEDULE VI BFE | 60 |
| EXHIBIT A FUNDING NOTICE | 61 |
| EXHIBIT B LOAN ASSIGNMENT AGREEMENT | 63 |
| EXHIBIT C FORM OF STEP-IN AGREEMENT | 68 |

| | |
|--|----|
| EXHIBIT D FORM OF CFM ENGINE AGREEMENT A320NEO | 69 |
| EXHIBIT E FORM OF CFM ENGINE AGREEMENT A320-200 AND A321-200 | 70 |
| EXHIBIT F FORM OF LOAN CERTIFICATE | 71 |

THIS SECOND AMENDED AND RESTATED CREDIT AGREEMENT dated as of December 16, 2016 (this “**Agreement**”) is among

- (1) **VERTICAL HORIZONS, LTD.**, a Cayman Islands exempted company (the “**Borrower**”);
- (2) **EACH LENDER IDENTIFIED ON SCHEDULE I HERETO**;
- (3) **CITIBANK, N.A.**, as the Facility Agent acting on behalf of the Lenders;
- (4) **CITIGROUP GLOBAL MARKETS, INC.**, in its capacity as the Arranger (the “**Arranger**”); and
- (5) **BANK OF UTAH**, not in its individual capacity but solely as Security Trustee acting on behalf of the Facility Agent and the Lenders.

WHEREAS, this Agreement amends and restates in its entirety the credit agreement dated as of December 23, 2014 (such date, the “**Original Signing Date**” and such agreement, the “**Original Credit Agreement**”), as amended and restated by the amended and restated credit agreement dated as of August 11, 2015 (such date, the “**AR Signing Date**”), as further amended by that certain amendment no. 1 to the amended and restated credit agreement dated as of December 30, 2015 and that certain amendment no. 2 to the amended and restated credit agreement dated as of January 14, 2016 (such date, the “**Amendment No. 2 Signing Date**”) among the Borrower, each Lender identified on Schedule I thereto, the Facility Agent, the Arranger and the Security Trustee, pursuant to which the Lenders made Loans available with respect to the Existing Aircraft;

WHEREAS, the parties have agreed to enter into this Agreement for the purpose of making Loans available with respect to the Existing Aircraft and the Additional Aircraft; and

WHEREAS, upon the execution and delivery of this Agreement, the Borrower, the Facility Agent and the Security Trustee shall enter into that certain Second Amended and Restated Mortgage and Security Agreement on the date hereof (the “**Mortgage**”) pursuant to which the Borrower agrees, among other things, that Loan Certificates issued hereunder and all other obligations to the Lenders and/or any Agent hereunder or under any other Operative Document will be secured by the mortgage and security interest granted by the Borrower in favour of the Security Trustee with respect to the Existing Aircraft and the Additional Aircraft.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. CERTAIN DEFINITIONS

- 1.1 Except as otherwise defined in this Agreement, including its annexes, schedules and exhibits, terms used herein in capitalized form shall have the meanings attributed thereto in Annex A.
- 1.2 Unless the context otherwise requires, any reference herein to any of the Operative Documents refers to such document as it may be modified, amended or supplemented from time to time in accordance with its terms and the terms of each other agreement restricting the modification, amendment or supplement thereof.

2. COMMITMENTS; BORROWER'S NOTICE OF PAYMENT DATES; CLOSING PROCEDURE

- 2.1 Subject to the terms and conditions of this Agreement, each Lender agrees to make a secured loan to the Borrower in respect of each Advance (herein called, for such Advance, a "**Loan**") on a Borrowing Date to be designated pursuant to Clause 2.3, but in no event later than the Commitment Termination Date. In the case of each Lender on any Borrowing Date, such Loan shall, in respect of each Aircraft, be equal to the least of:
- (a) such Lender's Participation Percentage multiplied by, on any Borrowing Date, the relevant Financed Amount; and
 - (b) such Lender's Maximum Commitment minus the aggregate amount of all Loans made by such Lender prior to such Borrowing Date that remain outstanding on such Borrowing Date.
- 2.2 If any Lender shall default in its obligation to make the amount of its Commitment available pursuant to Clause 2.1, *****. Without limiting the above, if the Facility Agent disburses a Lender's Commitment without first having received funds from a defaulting Lender, then such defaulting Lender hereby agrees to indemnify the Facility Agent against any loss it may incur as a result of such failure to fund by such defaulting Lender.
- 2.3 As more particularly specified in Clause 5.2, the Borrower shall execute and deliver to each Lender with appropriate insertions a Loan Certificate to evidence such Lender's Maximum Commitment. The Loan Certificates shall be issued such that each Lender receives a Loan Certificate. Each Loan shall be evidenced by this Agreement, the Loan Certificate with respect thereto, and notations made from time to time by each Lender in its books and records, including computer records. Each Lender shall record in its books and records, including computer records, the principal amount of the Loans owing to it from time to time. Absent evidence to the contrary, each Lender's books and records shall constitute presumptive evidence of the accuracy of the information contained therein. Failure by any Lender to make any such notation or record shall not affect the obligations of the Borrower to such Lender with respect to the repayment of its Loans.
- (a) Each Party hereby acknowledges that (i) prior to the Effective Date the Lenders have made Loans in respect of certain Advances relating to certain Existing Aircraft which were paid by or on behalf of the Borrower on certain dates prior to the Effective Date in the amounts as set out in the column entitled Financed Amount in the table set out in Schedule III, (ii) the proceeds of such Loans were paid to the Borrower or to its direction and (iii) the terms of this Agreement and the other Operative Documents shall continue to apply to such Loans.
 - (b) The Borrower agrees to give the Facility Agent at least ***** prior written notice (the "**Funding Notice**") of the Effective Date and each other Borrowing Date, such notice to be received by the Facility Agent prior to *****, and which shall be in substantially the form of Exhibit A. On the date of the execution and delivery of this Agreement and the satisfaction of the conditions precedent in Clause 4.1 (the "**Effective Date**"), the Lenders shall make Loans (subject to the limitations specified in Clause 2.1) in respect of certain Advances relating to certain Additional Aircraft which were paid by or on behalf of the Borrower prior to the Effective Date in the amounts equal to the applicable Financed Amounts. The proceeds of such Loans shall be paid to the Borrower; provided, however,

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

that the Borrower shall have paid all Advances relating to any Additional Aircraft that were due and payable prior to the Effective Date, and the Borrower shall remain responsible for the Advances in an amount equal to the Equity Contributions applicable as of the Effective Date for each Aircraft (including the Existing Aircraft and the Additional Aircraft).

- (c) In the event that any Loan shall not be consummated in accordance with the terms hereof on the Effective Date or the Borrowing Date specified in a Funding Notice, the Lenders and the Borrower shall cooperate with each other to arrange a mutually acceptable postponement of such date (the “**Delayed Borrowing Date**”). *****.

Notwithstanding anything to the contrary herein, in the event that any amount paid by or on behalf of the Borrower on any Borrowing Date with respect to a pre-delivery payment obligation for any Aircraft exceeds the required Equity Contribution set forth on Schedule III for such Aircraft on such Borrowing Date as a result of any portion of the Financed Amount for such Aircraft not being available on such Borrowing Date as a result of a PDP Funding Date Deficiency, Lender agrees to refund to the Borrower the amount of such excess either by netting such excess amount against a future Equity Contribution or Loan payment obligation of the Borrower or by directly funding such amount as an additional Loan the Borrower, in each case, as soon as reasonably practicable after such PDP Funding Date Deficiency ceases to exist. The Lender shall have the right in its sole discretion to choose whether to fund such excess amount as an additional Loan or to net such excess amount against the Borrower’s future payment obligations hereunder.

- 2.4 On the Effective Date, each Lender, through or on behalf of the Facility Agent, agrees to pay the amount of its Commitment for the Loans in respect of the initial Advances under this second amended and restated Agreement to such account as the Borrower shall direct the Facility Agent in writing to reimburse Borrower for a portion of previously funded Purchase Price Installments relating to Additional Aircraft. On each other Borrowing Date for each subsequent Loan specified in a Borrower’s notice referred to in Clause 2.3, subject to the terms and conditions of this Agreement, each Lender, through or on behalf of the Facility Agent, agrees to pay the amount of its Commitment for the Loan in respect of each such Advance directly to Airbus by wiring such amounts to the account or accounts specified in the applicable Funding Notice. The Borrower agrees that the actual transfer of the proceeds of Loans to the bank designated by the Borrower for credit to Airbus’s or the Borrower’s account (as applicable) shall constitute conclusive evidence that the Loans were made.

3. FEES; CANCELLATION OF FACILITY AMOUNT

- 3.1 Each Loan Certificate shall bear interest and be repaid in accordance with the applicable terms of this Agreement and the Mortgage.
- 3.2 In consideration of the Lenders’ Commitments hereunder, the Borrower shall pay to the Arranger on the date of execution and delivery of this Agreement the non-refundable arrangement fee specified in the Fee Letter.
- 3.3 The Borrower shall pay to the Facility Agent for the account of each Lender, the Commitment Fee quarterly in arrears, based on the daily average of the undrawn portion of the Facility Amount during such period, as the Facility Amount may be cancelled or reduced under Clause 3.5 on every Interest Payment Date following the Effective Date calculated daily on the basis of a year of 360 days and the actual number of days elapsed.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 3.4 The Borrower paid to the Facility Agent for the account of the Facility Agent, an amount equal to ***** on the Original Signing Date, and shall pay an amount equal to ***** to the Facility Agent on each anniversary of the Original Signing Date until the date on which the Security Trustee releases the Collateral from the Lien of the Mortgage in accordance with Clause 7.1 of the Mortgage.
- 3.5 The Borrower may at any time permanently and irrevocably cancel or reduce the Facility Amount (in whole or in part) provided that the amount thereof shall be specified in a written notice to the Facility Agent from the Borrower and countersigned by the Guarantors ***** before the effective date of such cancellation and the undrawn portion of the Facility Amount may not be cancelled or reduced to the extent that the undrawn portion of the Facility will be required to be drawn in the future to make future Advances in respect of an Aircraft with respect to which a Loan is outstanding.

4. CONDITIONS

4.1 Conditions Precedent to the Effectiveness of the Commitments

It is agreed that the Commitments of each Lender and the effectiveness of the Lender's obligations pursuant to this Agreement are subject to the satisfaction prior to or on the Effective Date of the following conditions precedent and the occurrence of the initial Loan by the Lenders on or following the Effective Date shall be conclusive and binding evidence that such conditions precedent has been satisfied or waived by the Lender:

- (a) The following documents shall have been duly authorized, executed and delivered by the party or parties thereto, shall each be satisfactory in form and substance to the Facility Agent and shall be in full force and effect and executed counterparts shall have been delivered to the Facility Agent and its counsel:
- (i) this Agreement;
 - (ii) the Mortgage;
 - (iii) each Guarantee;
 - (iv) the Share Charge;
 - (v) the Step-In Agreement;
 - (vi) each Engine Agreement;
 - (vii) each Lender's Loan Certificate;
 - (viii) the Assignment and Assumption Agreement;
 - (ix) the Option Agreement;
 - (x) the Subordinated Loan Agreement;
 - (xi) the Servicing Agreement;
 - (xii) the Process Agent Appointment;

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- (xiii) Amendment Agreement No. 1;
 - (xiv) Amendment Agreement No. 2;
 - (xv) Amendment Agreement No. 3;
 - (xvi) Amendment Agreement No. 2 to Assignment and Assumption Agreement; and
 - (xvii) Amendment Agreement No. 3 to Assignment and Assumption Agreement.
- (b) The Facility Agent shall have received the following, in each case in form and substance satisfactory to it:
- (i) the memorandum and articles of association of the Borrower, a certificate of good standing of the Borrower, the certificate of incorporation of the Borrower, the declaration of trust in respect of the shares of the Borrower (as amended) and a copy of resolutions of the board of directors of the Borrower duly authorizing the execution, delivery and performance by the Borrower of this Agreement, the Mortgage and each other document required to be executed and delivered by the Borrower on the Effective Date, each certified by a director of the Borrower;
 - (ii) a copy of the organizational documents of the Parent and a copy of resolutions of the board of directors of the Parent duly authorizing the execution, delivery and performance by the Parent of the Share Charge and each other document required to be executed and delivered by the Parent on the Effective Date, each certified by the Secretary or an Assistant Secretary or two duly authorized signatories of the Parent;
 - (iii) an officer's certificate from an officer of each Guarantor (a) attaching copies of the constituent documents of such Guarantor, (b) attaching copies of the resolutions of the board of directors of such Guarantor, certified by an officer of such Guarantor, duly authorizing the execution, delivery and performance by such Guarantor of the Guarantee made by such Guarantor, and the Subordinated Loan Agreement, the Assignment and Assumption Agreement, the Step-In Agreement, the Engine Agreements, the Option Agreement, the Servicing Agreement (in each case to the extent it is a party to such Operative Document) and each other document required to be executed and delivered by such Guarantor on the Effective Date and (c) listing the Person or Persons authorized to execute and deliver the Operative Documents, and any other documents to be executed on behalf of such Guarantor in connection with the transactions contemplated hereby, including a sample signature of such Person or Persons;
 - (iv) a certificate of the Borrower as to the Person or Persons authorized to execute and deliver the Operative Documents, and any other documents to be executed on behalf of the Borrower in connection with the transactions contemplated hereby and as to the signature of such Person or Persons; and
 - (v) a certificate of the Parent as to the Person or Persons authorized to execute and deliver the Operative Documents, and any other documents to be executed on behalf of the Parent in connection with the transactions contemplated hereby, including a sample signature of such Person or Persons.

- (c) The Facility Agent (with sufficient copies for each Lender) shall have received a certificate of the Borrower that the aggregate amount of Financed Amounts together with all Equity Contributions in connection with each Aircraft (including each Additional Aircraft), shall be sufficient when paid to Airbus in accordance with this Agreement to satisfy the obligation of the Borrower with respect to all Advances due and payable for each such Aircraft.
- (d) Uniform Commercial Code financing statements covering all the security interests created by or pursuant to the granting clause of the Mortgage (including with respect to the Collateral relating to the Additional Aircraft) shall have been delivered by the Borrower, and such financing statements shall have been filed in all places deemed necessary or advisable in the opinion of counsel for the Lenders, and any additional Uniform Commercial Code financing statements deemed advisable by any Lender or its counsel shall have been delivered by the Borrower and duly filed.
- (e) Evidence shall have been delivered of the entry into the Parent's register of mortgages and charges of the Share Charge (other than in respect of such entry in anticipation of the Share Charge).
- (f) All documentation required to accomplish any necessary or advisable filings or registrations in the Cayman Islands shall have been delivered to local Cayman Islands counsel, and such registrations shall be initiated and there shall exist no Lien of record in respect of the Collateral that ranks in priority to the Lien of the Mortgage and the other Operative Documents.
- (g) The Facility Agent (with sufficient copies for each Lender and the Security Trustee) shall have received an opinion addressed to each Lender, and each Agent from one or more special counsel to the Borrower, in each applicable jurisdiction (including in the Cayman Islands and New York), with such opinions satisfactory in form and substance to such Lender, as to the valid, binding and enforceable nature of the Operative Documents in place on the Effective Date, due execution by the Borrower, each Guarantor, and the creation and perfection in the Collateral (including Collateral relating to the Additional Aircraft) assigned and charged pursuant to the Mortgage.
- (h) [Reserved].
- (i) The Facility Agent (with sufficient copies for each Lender) shall have received an opinion addressed to each Lender and each Agent from Airbus in-house counsel, in form and substance reasonably satisfactory to the addressees thereof.
- (j) The Facility Agent (with sufficient copies for each Lender) shall have received an incumbency certificate together with a company extract evidencing the signing authority of the persons named in the incumbency certificate or such other evidence as shall be reasonably satisfactory to the Finance Parties as regards the signing authority of the Engine Manufacturer.
- (k) The Arranger shall have received the arrangement fee specified in Clause 3.2 and the Facility Agent should have received the amount due and payable pursuant to Clause 3.4.
- (l) Since December 31, 2015, (i) there shall have been no material adverse change in the business condition (financial or otherwise), or operations or prospects of either Guarantor which taken as a whole for either of them could have a material adverse effect on the

ability of either Guarantor to perform its obligations under any Operative Document to which it is a party and no event or circumstance shall have occurred which in the reasonable judgment of any Lender had or would be reasonably likely to have a Material Adverse Effect and (ii) there shall have been no material and adverse change in the LIBOR funding markets or any financial markets applicable to a Lender which would materially impair the ability of such Lender to fund a Loan in respect of an Advance hereunder.

- (m) The Facility Agent and each Lender shall have received its customary “know your customer” documentation completed by the Borrower and/or each Guarantor, as the case may be.
- (n) The Facility Agent shall have received a copy of each Assigned Airbus Purchase Agreement in the forms agreed between the Borrower, Airbus and the Security Trustee.
- (o) The Facility Agent shall have received a certificate from the Borrower confirming that payment to Airbus of the Loans will to the extent of such payments satisfy the pre-delivery payment obligations of the Borrower to Airbus.
- (p) The Facility Agent shall have received an audited consolidated balance sheet and related statements of Frontier Holdings and its subsidiaries at and as of the end of the fiscal year of such Guarantor ended December 31, 2015, together with an audited consolidated statement of income for such fiscal year, each of which shall be prepared in accordance with GAAP.
- (q) The Borrower shall discharge its obligations under the Security Trustee Fee Letter as such obligations are due to be performed.
- (r) The Facility Agent shall have received evidence that Frontier Holdings has, as of such date, Unrestricted Cash and Cash Equivalents in an aggregate amount of not less than *****.

The Borrower shall discharge or shall procure the discharge of all fees payable to the Parent in respect of the Borrower and the transaction as such obligations are due to be performed in accordance with the Operative Documents.

4.2 **Conditions Precedent to the Lenders’ Participation in each Loan**

It is agreed that the obligations of each Lender to lend all or any portion of its Commitment to the Borrower in respect of each Loan (including Loans in respect of Advances made by the Borrower prior to the Effective Date) is subject to the satisfaction prior to or on the Borrowing Date for such Loan of the following conditions precedent:

- (a) The Facility Agent shall have received a Funding Notice with respect to the Borrowing Date for such Loan pursuant to Clause 2 (or shall have waived such notice either in writing or as provided in Clause 2).
- (b) In respect of the first Loan to be made hereunder with respect of an Aircraft, the Facility Agent and each Lender shall have received evidence from Airbus in form and substance reasonably satisfactory to them that the Advances falling due and payable prior to such Borrowing Date and the part of such Advance due and payable on such Borrowing Date which is financed by an Equity Contribution has been received by Airbus in full and in

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respect of each subsequent Loan, neither the Facility Agent nor and Lender shall have received evidence from Airbus that an Equity Contribution has not been received by Airbus in full.

- (c) As of the Borrowing Date it is not illegal for a Lender to fund a Loan in respect of such Advance, to acquire its Loan Certificate(s) or to realize the benefits of the security afforded by the Mortgage and the Share Charge, and (ii) since 26 November 2014 there shall have been no material and adverse change, whether in effect on the Original Signing Date or coming into effect thereafter in the LIBOR funding markets or any financial markets applicable to a Lender which would materially impair the ability of such Lender to fund a Loan in respect of an Advance hereunder.
- (d) A certificate of a director of the Borrower, certifying that on such Borrowing Date, (A) the representations and warranties of the Borrower contained in Clause 7 are true and accurate in all material respects as though made on and as of such date except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties shall be true and accurate on and as of such earlier date) and (B) no event has occurred or is continuing which constitutes (or would, with the passage of time or the giving of notice or both, constitute) an Event of Default, and (C) no event or circumstance has occurred which is reasonably likely to have a Material Adverse Effect.
- (e) On such Borrowing Date, when taking into consideration future Equity Contributions required to be paid as set forth in Schedule III, the available undrawn Commitment is sufficient to satisfy all future Advances payable under the terms of the Assigned Purchase Agreements except for an aggregate amount of future Advances not to exceed ***** for a single period not to exceed *****.
- (f) The Facility Agent shall have received for the account of the Lenders all fees specified in Clauses 3.3 and 3.4 that are due and payable on or prior to such Borrowing Date and any other amounts the Borrower is required to pay in connection with such Advance in accordance with this Agreement.
- (g) The Facility Agent shall not have received any notice, or is not otherwise aware, that an Airbus Termination Event has occurred and is continuing, and the Facility Agent is satisfied (acting reasonably) that the Aircraft Purchase Agreements are in full force and effect.
- (h) The Facility Agent shall have received a copy of any other Authorization which the Facility Agent reasonably considers to be necessary following advice from its legal advisors (if it has notified the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by any Operative Document or for the validity and enforceability of any Operative Document.
- (i) The Facility Agent shall be satisfied that the Liens constituted by the relevant Operative Documents which purport to create such Liens and which are required pursuant to the terms of this Agreement are in full force and effect and have been fully perfected.
- (j) No Default or Event of Default shall have occurred and be continuing.
- (k) Each Guarantee shall be in full force and effect.

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- (l) The Borrower is in compliance with the LTV Test before and after giving effect to the making of the applicable Loan.
- (m) The Loans have not become due and payable or will, with the passing of time, become due and payable pursuant to Clause 5.9(c), (d), or (e).

4.3 **Conditions Subsequent.**

It is agreed that if there is an LTV Test failure on the Effective Date, the Borrower will issue an irrevocable prepayment notice to the Facility Agent on the Effective Date for the prepayment on the Business Day following the Effective Date of such portion of the Loans as is necessary to bring the Borrower into compliance with the LTV Test. Such prepayment shall be treated as a voluntary prepayment and the provisions of Clauses 5.9(b) and 5.10 shall apply.

5. **THE CERTIFICATES**

5.1 **Form of Loan Certificates**

The Loan Certificates shall each be substantially in the form specified in Exhibit F.

5.2 **Terms of Loan Certificates; Loans**

- (a) On the Effective Date, each Lender shall return the original counterparts of the existing Loan Certificates to the Borrower and the Borrower shall issue a Loan Certificate to each Lender in an aggregate original principal amount equal to such Lender's Maximum Commitment. The Borrower shall be entitled to borrow Loans against each Loan Certificate in accordance with Clauses 2.1 and 4.
- (b) Each Loan Certificate shall bear interest on the unpaid principal amount thereof from time to time outstanding from and including the date thereof until such principal amount is paid in full. Such interest shall accrue with respect to each Interest Period at the Applicable Rate in effect for such Interest Period and shall be payable in arrears on each Interest Payment Date and on the date such Loan is repaid in full. The Interest Periods for the Loans can vary in accordance with the definition of Interest Period. Interest shall be payable with respect to the first but not the last day of each Interest Period and shall be payable from (and including) the date of a Loan or the immediately preceding Interest Payment Date, as the case may be, to (and excluding) the next succeeding Interest Payment Date. Interest hereunder and under the Loan Certificates shall be calculated on the basis of a year of 360 days and actual number of days elapsed.
- (c) If any sum payable under the Loan Certificates or under the Mortgage falls due on a day which is not a Business Day, then such sum shall be payable on the next succeeding Business Day.
- (d) The principal of the Loans relating to an Aircraft shall be due and payable in full upon the first to occur of (i) the Delivery Date of such Aircraft, as notified by the Borrower to the Facility Agent ***** prior to such day, (ii) except as specified in clause (iii), the date falling ***** after the final day of the Scheduled Delivery Month for such Aircraft, (iii) in the event of a Relevant Delay, the date falling ***** after the final day of the Scheduled Delivery Month of such Aircraft, and (iv) the Termination Date. The Borrower shall notify the Facility Agent and the Lenders of the expected Delivery Date of each Aircraft, not less than ***** prior to the Interest Payment Date immediately preceding

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such expected Delivery Date. Upon receipt of such notice, the Lenders shall effect a stub Interest Period ending on such expected Delivery Date for the Loans allocable to such Aircraft. If a Delivery Date is delayed, then the Facility Agent and the Lenders shall continue to make funds available in accordance with the terms hereof, at a LIBOR rate determined based on the Lenders' Cost of Funds until the earlier of (x) the actual Delivery Date of such Aircraft (y) the date falling ***** after the final day of the Scheduled Delivery Month of such Aircraft and (z) in the event of a Relevant Delay, the date falling ***** after the last day of the Scheduled Delivery Month specified for such Aircraft in Schedule III.

- (e) Each Loan Certificate shall bear interest at the Past Due Rate on any principal thereof and, to the extent permitted by Applicable Law, interest (other than interest accrued at the Past Due Rate) and other amounts due thereunder and hereunder, not paid when due (whether at stated maturity, by acceleration or otherwise), for any period during which the same shall be overdue, payable on demand by the Lender given through the Facility Agent.
- (f) The Loan Certificates shall be executed on behalf of the Borrower by one of its authorized officers. Loan Certificates bearing the signatures of individuals who were at any time the proper officers of the Borrower shall bind the Borrower, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the delivery of such Loan Certificates or did not hold such offices at the respective dates of such Loan Certificates. No Loan Certificates shall be issued hereunder except those provided for in Clause 5.2(a) and any Loan Certificates issued in exchange or replacement therefor pursuant to the terms of this Agreement.
- (g) Upon the request of the Borrower, the Lenders shall have the right in their sole discretion to extend the Commitment Termination Date by one year to the next Extension Date by delivering an Extension Notice to the Borrower no later than ***** prior to the then-current Commitment Termination Date. Any such extension shall require the unanimous consent of all Lenders, each acting at their own discretion.

5.3 Taxes

- (a) Any and all payments by or on account of any obligation of the Borrower hereunder to the Lenders, the Facility Agent or the Security Trustee, under the Loan Certificates and each other Operative Document shall be made free and clear of and without deduction for any Taxes, except as required by Applicable Law; provided that if the Borrower shall be required to deduct any Indemnified Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Clause 5.3) the Security Trustee, the Facility Agent and each Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall, or shall cause the Security Trustee to, make such deductions and (iii) the Borrower shall, or shall cause the Security Trustee to, pay the full amount deducted to the relevant Governmental Entity in accordance with Applicable Law.
- (b) In addition, the Borrower shall, or shall cause the Security Trustee to, pay any Indemnified Taxes or Taxes addressed in Section 5.3(j) to the relevant Governmental Entity in accordance with Applicable Law and shall indemnify the Security Trustee, the Facility Agent and each Lender on an After-Tax Basis within ***** after written demand

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therefor, for the full amount of any Indemnified Taxes paid by the Security Trustee, the Facility Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder or under the other Operative Documents (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Clause) and, other than any of the following to the extent (but only to the extent) resulting from the gross negligence or willful misconduct of the Security Trustee, the Facility Agent or such Lender, any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes are correctly or legally imposed or asserted by the relevant Governmental Entity. Determinations and calculations made by a Lender with respect to an indemnity due hereunder shall be conclusive absent manifest error, provided that such determinations and calculations are made on a reasonable basis.

- (c) As soon as practicable after any payment of Taxes by the Borrower to a Governmental Entity, the Borrower shall, or shall cause the Security Trustee to, deliver to the Facility Agent the original or a certified copy of a receipt issued by such Governmental Entity evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Facility Agent.
- (d) Any Person that at any time is entitled to an exemption from or reduction of any Indemnified Tax, at the request of the Borrower or the Security Trustee, shall deliver to it (with a copy to the Facility Agent) such properly completed and executed documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Security Trustee as will permit the utilization of such exemption or reduction, provided that such Person has determined in its reasonable good faith judgment that to do so will not result in any adverse consequences to such Person, unless the adverse consequence can be cured through an indemnity (such determination to be made by such Person in its reasonable good faith judgment), and such Person is indemnified for any adverse consequence by the Borrower in a manner reasonably satisfactory to such Person.
- (e) If the Borrower becomes obligated to pay any Indemnified Taxes pursuant to this Clause 5.3, each applicable Lender and the Facility Agent hereby agrees to cooperate with the Borrower, as described in Clauses 5.11(d).
- (f) (i) If the Security Trustee, the Facility Agent or a Lender receives a refund of any Taxes in respect of which additional amounts were paid by the Borrower pursuant to this Clause 5.3, the Security Trustee, the Facility Agent or such Lender shall, as soon as reasonably practicable, pay to the Borrower the amount of such refund plus any interest received on such refund fairly attributable to such Tax and not in excess of amounts previously paid by the Borrower to the Security Trustee, the Facility Agent or such Lender pursuant to this Clause 5.3 (other than interest actually received on such refund and fairly attributable to such Tax), provided, however, that such amount shall be reduced by the amount of any obligation of the Borrower under this Agreement then due and not made (and the amount of such reduction shall not be payable before such time and to the extent as such obligation shall have been satisfied). The Security Trustee, the Facility Agent and each Lender shall in good faith use diligence in filing its tax returns and in dealing with taxing authorities to seek and claim any such refund and to minimize the Taxes payable or indemnifiable by the Borrower hereunder if it can do so, in its sole opinion, without adverse consequences. If the Facility Agent or a Lender actually utilizes any credit with respect to any Taxes in respect of which additional amounts were paid by the Borrower pursuant to this Clause 5.3, the Security Trustee, the Facility Agent or such Lender shall

pay to the Borrower an amount equal to the amount of such credit, but not in excess of amounts previously paid by the Borrower to the Security Trustee, the Facility Agent or such Lender, provided, however, that such amount shall be reduced by the amount of any obligation of the Borrower under this Agreement then due and not made (and the amount of such reduction shall not be payable before such time and to the extent as such obligation shall have been satisfied) and that no Person shall be required to claim any credit if to do so would, in its sole opinion, result in any adverse consequences to it and, provided, further, that no Person shall be required to claim any credit in respect of this Clause 5.3 in priority of any other credits (any utilization of such credit being in such Person's sole discretion). Any refund or credit which is subsequently disallowed in whole or in part shall be promptly repaid by the Borrower on the demand of the Security Trustee, the Facility Agent or relevant Lender.

- (g) Each Lender hereby agrees to indemnify the Borrower or the Security Trustee, as the case may be, for any Taxes of a type collected by way of withholding which the Borrower or the Security Trustee fails to withhold on payments to such Lender as a direct result of the failure of such Lender to provide the form or certificate required to be provided by such Lender by Clause 5.3(d) or the invalidity of any such form or certificate required to be provided by such Lender by Clause 5.3(d).
- (h) Without limiting the foregoing, each Person that is an assignee of a Lender pursuant to Clause 5.6 and/or Clause 19.3(b) shall, upon the effectiveness of such transfer, be required to provide all of the forms and statements to the extent required pursuant to this Clause 5.3.
- (i) The Borrower will pay to each Indemnitee interest at the Past Due Rate, to the extent permitted by Applicable Law, on any amount not paid when due under this Clause 5.3 until the same shall be paid.
- (j) The Borrower agrees to pay any present or future stamp or documentary Taxes or any other license, excise or property Taxes (i) imposed by any taxing authority which may arise from the registration, filing, recording, or perfection of any security interest of or in connection with this Agreement or the other Operative Documents or (ii) imposed by any taxing authority in connection with an Event of Default. The Borrower will provide appropriate documentation, including receipts if available, when requested to evidence payment by the Borrower of any such Taxes.
- (k) All consideration expressed to be payable under an Operative Document by any party to any Finance Party shall be deemed to be exclusive of any VAT. If VAT is chargeable on any supply made by any Finance Party to any party in connection with an Operative Document, that party shall pay to the Lender (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT. Where an Operative Document requires any party to reimburse the Lender for any costs or expenses, that party shall also at the same time pay and indemnify the Lender against all VAT incurred by the Lender in respect of the costs or expenses to the extent that the Lender reasonably determines that neither it nor any other member of any group of which it is a member for VAT purposes is entitled to credit or repayment from the relevant tax authority in respect of the VAT.

5.3.2 If a payment made to a Lender under any Operative Document would be subject to withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as

applicable), such Lender shall deliver to the Borrower and the Security Trustee at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Security Trustee such documentation prescribed by Applicable Law (including as prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Security Trustee as may be necessary for the Borrower and the Security Trustee to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (l), "FATCA" shall include all amendments made to FATCA after the Original Signing Date.

5.4 **Distribution of Funds Received**

- (a) The Facility Agent shall maintain records of all amounts paid to it by the Borrower hereunder.
- (b) Provided that no Event of Default has occurred and is then continuing, each installment of interest payable on the Loan Certificates shall be distributed as promptly as possible on or after the date that such amount is actually received by the Facility Agent from the Borrower:
- First*, to the Lenders ratably, without priority of one over the other, to the payment in full of (A) the aggregate amount of interest due under the Loan Certificates in an amount equal to (i) accrued interest at the rate provided in each Loan Certificate, (ii) any overdue interest thereon, and (iii) Break Amount, if any, and (B) any other amounts (other than principal) then due and owing to the Lenders or any Agent hereunder and under the other Operative Documents;
- Second*, the balance, if any, thereof thereafter remaining to the Borrower or such other Person(s) as may then lawfully be entitled thereto.
- (c) Provided that no Event of Default has occurred and is then continuing, on the Delivery Date of the related Aircraft, each payment made by the Borrower as repayment of Loans shall be distributed as promptly as possible on or after the date that such amount is actually received by the Facility Agent from the Borrower:
- First*, to the Lenders ratably, without priority of one over the other, to the payment in full of (A) the aggregate amount of interest due under the Loan Certificates in respect of such Aircraft being in an amount equal to (i) accrued interest at the rate provided in each Loan Certificate, and (ii) any overdue interest thereon plus the Break Amount, if any, due to the Lenders in respect of such payment, and (B) any other amounts (other than principal) then due and owing to the Lenders or any Agent hereunder and under the other Operative Documents;
- Second*, to the Lenders ratably, without priority of one over the other, to the payment in full of the outstanding principal amount of the Loans in respect of such Aircraft made by the Lenders which is being repaid;
- Third*, the balance, if any, thereof thereafter remaining to the Borrower or such other Person(s) as may then lawfully be entitled thereto.

- (d) Upon any partial optional repayment of the Loan Certificates pursuant to Clause 5.10(a) hereof, the amount paid by Borrower shall be applied against the amounts which Borrower is obligated to pay in connection with such prepayment pursuant to Clause 5.10(a) (it being understood that no prepayment shall be permitted under Clause 5.10(a) unless the Borrower pays a sufficient amount to satisfy the amounts owed by it under Clause 5.10(a) in connection with such prepayment).
- (e) After an Event of Default shall have occurred, and so long as such Event of Default shall be continuing, amounts actually received by the Security Trustee from the Borrower and all proceeds resulting from any sale of any of the Collateral shall be applied in the following order of priority:
- First**, to the extent not theretofore paid by or on behalf of the Borrower, to pay all costs and expenses of each Agent incurred in connection with the performance of its duties hereunder or under any other Operative Document, including reasonable attorneys' fees and expenses, and all costs and expenses incurred by the Security Trustee in connection with its entering upon, taking possession of, holding, operating, managing, selling or otherwise disposing of the Collateral or any part thereof, any and all Taxes, assessments or other charges of any kind prior to the Lien of any Operative Document that the Security Trustee determined in good faith to pay or be paid, and all amounts payable to each Agent hereunder or under any of the Operative Documents in respect of any indemnities or other obligations of the Borrower;
- Second**, to the Lenders ratably, without priority of one over the other, to the payment of all accrued and unpaid interest (including Break Amount, if any, and interest on account of overdue payments of principal and interest) then due the Lenders under this Agreement or any of Loan Certificates;
- Third**, to the Lenders ratably, without priority of one over the other, to the payment of any other amount, indebtedness or obligations (other than principal) due and payable to the Lenders under any Operative Documents;
- Fourth**, to the Lenders ratably, without priority of one over the other, to the payment in full of the principal amount of the Loan Certificates;
- Sixth**, the balance, if any, thereof thereafter remaining, to the Borrower or such other Person(s) as may then lawfully be entitled thereto.

If the Security Trustee purchases and subsequently sells any Aircraft to a third party (or otherwise disposes of any of its rights under the Operative Documents relating to such Aircraft), any net sale proceeds (after deduction of all relevant costs, including maintenance, storage and insurance) which exceed the Loan allocable to such Aircraft to the extent actually received by the Security Trustee shall be distributed under this Clause 5.3.2.

5.5 Method of Payment

- (a) Principal and interest and other amounts due hereunder or under the Loan Certificates or in respect hereof or thereof shall be payable in Dollars in immediately available funds prior to *****, on the due date thereof, to the Facility Agent and the Facility Agent shall, subject to the terms and conditions of Clause 5.3.2, remit all such amounts so received by it to the Lenders at such account or accounts at such financial institution or institutions in New York as the Lenders shall have designated to the Facility Agent in writing, in immediately available funds for distribution to the relevant Lenders.

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- (b) All such payments by the Borrower and the Facility Agent shall be made free and clear of and without reduction on account of all wire and other like charges. Prior to the due presentment for registration of transfer of any Loan Certificate, the Borrower and the Facility Agent may deem and treat the Person in whose name any Loan Certificate is registered on the Certificate Register as the absolute owner of such Loan Certificate for the purpose of receiving payment of all amounts payable with respect to such Loan Certificate and for all other purposes whether or not such Loan Certificate shall be overdue, and neither the Borrower nor the Facility Agent shall be affected by any notice to the contrary.
- (c) If the Facility Agent disburses funds on a payment date without first having received funds from the Borrower and if the Borrower subsequently fails to make such payment before the end of the day, then on the next succeeding Business Day following demand from the Facility Agent, each Lender which has received such funds will refund to the Facility Agent the amount advanced by the Facility Agent which such Lender received.

5.6 **Registration, Transfer and Exchange of Loan Certificates**

- (a) The Facility Agent agrees with the Borrower that the Facility Agent shall keep a register (herein sometimes referred to as the “**Certificate Register**”) in which provision shall be made for the registration of Loan Certificates.
- (b) Prior to the due presentment for registration of the transfer of any Loan Certificate, the Borrower and the Facility Agent shall deem and treat the person in whose name such Loan Certificate is registered on the Certificate Register as the absolute owner of such Loan Certificate, and the Lender for the purpose of receiving payment of all amounts payable with respect to such Loan Certificate, and for all other purposes whether or not such Loan Certificate is overdue, and neither the Borrower nor the Facility Agent shall be affected by notice to the contrary.
- (c) The Certificate Register shall be kept at the office of the Facility Agent specified in this Agreement or at the office of any successor Facility Agent, and the Facility Agent is hereby appointed “Certificate Registrar” for the purpose of registering Loan Certificates and transfers of Loan Certificates as herein provided.
- (d) Upon surrender for registration of transfer of any Loan Certificate at the office of the Facility Agent specified in this Agreement and upon delivery by the Facility Agent to the Borrower of such surrendered Loan Certificate, the Borrower shall execute, and the Facility Agent shall deliver, in the name of the designated transferee or transferees, one or more new Loan Certificates of a like aggregate principal amount.
- (e) Each Lender may assign all or part of an interest in any Loan Certificate held by it to any Person, subject to the extent to which it may transfer its interest in any such Loan Certificate held by it in accordance with Clause 19.3(c), (d) and (e).
- (f) All Loan Certificates issued upon any registration of transfer or exchange of Loan Certificates shall be the valid obligations of the Borrower evidencing the same obligations, and entitled to the same security and benefits under the Mortgage and this Agreement, as the Loan Certificates surrendered upon such registration of transfer.

- (g) Every Loan Certificate presented or surrendered for registration of transfer, shall (if so required by the Facility Agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Facility Agent duly executed by the Lender thereof or its attorney duly authorized in writing, and the Facility Agent may require evidence satisfactory to it as to the compliance of any such transfer with the Securities Act and the securities laws of any applicable state.
- (h) The Facility Agent shall make a notation on each new Loan Certificate or Loan Certificates of the then available Commitment on the old Loan Certificate or Loan Certificates with respect to which such new Loan Certificate is issued, the current outstanding principal and the date to which interest accrued on such old Loan Certificate or Loan Certificates has been paid and the extent, if any, to which any interest therein has been subject to a registered assignment.
- (i) The Facility Agent shall not be required to register the transfer of any surrendered Loan Certificates as above provided during the ***** period preceding the due date of any payment on such Loan Certificates.
- (j) The Facility Agent shall give the Borrower, the Security Trustee and each Lender notice of such transfer of a Loan Certificate under this Clause 5.6.
- (k) Prior to or simultaneously with the transfer by a Lender of its Loan Certificates or its interest in this Agreement, the transferee of such Lender shall notify the Borrower of its identity and of the country of which such transferee is a resident for tax purposes.

5.7 Mutilated, Destroyed, Lost or Stolen Loan Certificates

- (a) If any Loan Certificate shall become mutilated, destroyed, lost or stolen, the Borrower shall, upon the written request of the affected Lender, execute and deliver in replacement thereof, a new Loan Certificate, in the same principal amount, dated the date of such Loan Certificate.
- (b) If the Loan Certificate being replaced has become mutilated, such Loan Certificate shall be surrendered to the Facility Agent and the original thereof shall be furnished to the Borrower by the Facility Agent.
- (c) If the Loan Certificate being replaced has been destroyed, lost or stolen, the affected Lender shall furnish to the Borrower and the Facility Agent such security or indemnity as may be reasonably required by them to hold the Borrower and the Facility Agent harmless and evidence satisfactory to the Borrower and the Facility Agent of the destruction, loss or theft of such Loan Certificate and of the ownership thereof, provided, however, that if the affected Lender is an original party to this Agreement or an Affiliate thereof, the written notice of such destruction, loss or theft and such ownership and the written undertaking of such Lender delivered to the Borrower and the Facility Agent to hold harmless the Borrower and the Facility Agent in respect of the execution and delivery of such new Loan Certificate shall be sufficient evidence, security and indemnity.

5.8 **Payment of Expenses on Transfer**

Upon the issuance of a new Loan Certificate or new Loan Certificates pursuant to Clause 5.6 or 5.7, the Borrower and/or the Facility Agent may require from the party requesting such new Loan

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Certificate or Loan Certificates payment of a sum sufficient to reimburse the Borrower and/or the Facility Agent for, or to provide funds for, the payment of any transfer or registration tax or other governmental charge of the same type in connection therewith or any charges and expenses connected with such tax or other governmental charge paid or payable by the Borrower or the Facility Agent, and any out of pocket expenses, including legal fees (for external counsel) incurred, of the Borrower or the Facility Agent.

5.9 Prepayment

- (a) The Borrower may at any time voluntarily prepay all or part of any Loan outstanding with respect to an Aircraft in accordance with the terms and conditions hereof; provided that, (i) the Borrower shall provide irrevocable written notice to the Facility Agent not less than ***** prior to the date of such prepayment specifying the outstanding principal amount of the Loans to be prepaid, together with accrued interest therein to the date of prepayment plus any Break Amount and all other amounts due under the Operative Documents with respect to such Aircraft, the Aircraft to which such prepayment is allocable and the Business Day on which such prepayment shall be made; and (ii) such prepayment shall be in an amount at least equal to ***** and multiples of ***** in excess thereof.
- (b) If, as of any LTV Test Date, the LTV Test is not satisfied with respect to an Aircraft, the Borrower may prepay the Loan(s) relating to such Aircraft in respect of which such failure occurred in an amount equal to that which when applied to such Loan(s), would reduce the principal outstanding thereof in order that the LTV Test would be satisfied if the LTV for such Aircraft were calculated following such prepayment. Except with respect to a prepayment pursuant to Section 4.3, any such prepayment must be made with ***** notice to the Facility Agent and such prepayment may not exceed the amount required to cure the breach of the LTV Test. After giving effect to any prepayment pursuant to Clause 4.3, the parties hereby agree that (i) any failure to satisfy the LTV Test (as defined in the Original Credit Agreement) in respect of the Existing Aircraft which were A321-200 Aircraft, (ii) any requirement to make a prepayment in connection with a failure to satisfy the LTV Test in respect of the Existing Aircraft which were A321-200 Aircraft and (iii) any Default or Event of Default resulting from a failure to make such prepayment, in each case, that may have occurred during the period from the Original Signing Date to the Effective Date is hereby waived.
- (c) In the event that Frontier Holdings ceases to Control or own the entire issued share capital of Frontier Airlines, the aggregate outstanding principal amount of all Loans shall become immediately due and payable, and the Borrower shall thereupon prepay the Loan Certificates relating to such Loans, together with accrued interest thereon to the date of prepayment plus any Break Amount and all other amounts due, owing and payable under the Operative Documents.
- (d) Upon the occurrence of a Material Event of Default, the aggregate outstanding principal amount of all Loans shall become immediately due and payable, and the Borrower shall thereupon prepay the Loan Certificates relating to such Loans, together with accrued interest thereon to the date of prepayment plus any Break Amount and all other amounts due, owing and payable under the Operative Documents
- (e) Upon the occurrence of a termination or cancellation of the Assigned Purchase Agreement with respect to any Aircraft for any reason whatsoever, the aggregate

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outstanding principal amount of all Loans relating to such Aircraft shall become due and payable within *****, and the Borrower shall thereupon prepay the Loan Certificates to the extent of the Loans with respect to such Aircraft, together with accrued interest thereon to the date of prepayment plus any Break Amount and all other amounts due under the Operative Documents with respect to such Aircraft.

- (f) In the event that a Lender is entitled to a payment under Clause 5.3, 5.11, 5.12 or 5.13 (an “**Affected Lender**”) and without prejudice to the Finance Party’s rights hereunder and under the Mortgage, the Borrower, the Facility Agent and the Affected Lender shall cooperate (at no cost to itself) for a period of ***** to restructure the Loan for the Affected Lender with a view to eliminating or reducing the need for any such payment (it being agreed that the Affected Lender shall have no obligation to proceed with such restructuring to the extent such restructuring would or may reasonably be expected to:
- (A) result in an adverse regulatory consequence for the Affected Lender; or
 - (B) involve any unreimbursed or unindemnified cost for the Affected Lender; or
 - (C) be inconsistent with the Affected Lender’s internal policies).

If no restructuring can be arranged within such time period, the Borrower may, with notice to the Affected Lender, attempt within such time period to find an entity reasonably satisfactory to the Facility Agent to purchase the Affected Lender’s Loan Certificate and assume the Affected Lender’s Commitment.

The Affected Lender shall be paid (by the purchasing entity or the Borrower) the outstanding principal balance of its Loan Certificate, all accrued and unpaid interest thereon, any Break Amount incurred (calculated as if such purchase were a prepayment of such Affected Lender’s Loan Certificate) and all other amounts owed to the Affected Lender under any Operative Document as a condition precedent to such purchase. Upon such payment, such Affected Lender shall transfer its Loan Certificate to the Borrower or such other purchaser, without representation or warranty except for the absence of any Liens.

- (g) In the event the Borrower is unable to find a purchaser of the Affected Lender’s Loan Certificate pursuant to clause (f) above, then, so long as no Default or Event of Default shall have occurred and be continuing on at least ***** prior written notice, the Borrower may prepay on the date specified in its notice of prepayment, in whole the Affected Lender’s Loan Certificate at the principal amount thereof together with accrued and unpaid interest thereon to the date of prepayment plus the Break Amount, if any, and all other amounts due to the Affected Lender hereunder, thereunder and under the other Operative Documents.
- (h) In the event that Airbus refunds any amounts under the Assigned Purchase Agreement relating to the Aircraft, a principal amount of the Loans (and any Break Amount related thereto) relating to such Aircraft equal to such refund shall become immediately due and payable.
- (i) Any notice of prepayment delivered pursuant to Clauses 5.9(a), (f), (g) or (h) shall be irrevocable and shall identify the amount to be prepaid and the Loans relating to an Aircraft subject to prepayment (if applicable).

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5.10 **Provisions Relating to Prepayment**

- (a) Notice of prepayment having been given, the principal amount of the Loan Certificates to be prepaid, plus accrued interest thereon to the date of prepayment, together with the Break Amount, if any, shall become due and payable on the prepayment date.
- (b) On the date fixed for prepayment under Clause 5.9, immediately available funds in Dollars shall be deposited by the Borrower in the account of the Facility Agent at the place and by the time and otherwise in the manner provided in Clause 5.5, in an amount equal to the principal amount of Loan Certificates to be prepaid together with accrued and unpaid interest thereon to the date fixed for such prepayment, all Break Amounts, if any, and all other amounts due to the Lenders under the Operative Documents.
- (c) Each Lender shall furnish to the Borrower, with a copy to the Facility Agent, a certificate setting forth the Break Amount due to such Lender, which certificate shall be presumptively correct.

5.11 **Increased Costs**

- (a) The Borrower shall pay directly to each Lender from time to time such amounts as such Lender may determine to be necessary to compensate such Lender on an After-Tax Basis for any increase in costs that such Lender determines are attributable to its making or maintaining of its Commitment or the Loans evidenced by its Loan Certificates or funding arrangements utilized in connection with such Loans, or any reduction in any amount receivable by such Lender hereunder or under any Operative Document in respect of any of its Commitments, such Loans or such arrangements (such increases in costs and reductions in amounts receivable (including any amounts covered by clause (b) below) being herein called “**Additional Costs**”), resulting from any Regulatory Change that:
 - (i) imposes any Tax that is the functional equivalent of any reserve, special deposit or similar requirement of the sort covered by Clause 5.11(a)(ii); or
 - (ii) imposes or modifies any reserve, special deposit or similar requirements (including any Reserve Requirement) relating to any extension of credit or other assets of, or any deposits with or other liabilities of, such Lender, any commitment of such Lender (including, without limitation the Commitment of such Lender hereunder); or
 - (iii) imposes any other condition affecting this Agreement, the Loan Certificates (or any of such extensions of credit or liabilities) or its Commitments.
- (b) Without limiting the effect of the foregoing provisions of this Clause 5.11 (but without duplication), the Borrower shall pay directly to each Lender from time to time on request such amounts as such Lender may determine to be necessary to compensate such Lender (or, without duplication, the bank holding company of which such Lender is a subsidiary) for any increase in costs that it determines are attributable to the maintenance by such Lender (or any lending office or such bank holding company) of capital in respect of the Commitments or Loan of such Lender hereunder, pursuant to any law or regulation or any interpretation, directive or request (whether or not having the force of law and whether or not failure to comply therewith would be unlawful so long as compliance therewith is standard banking practice in the relevant jurisdiction) of any court or governmental or monetary authority following:
 - (i) any Regulatory Change; or

- (ii) implementing any risk-based capital guideline or other similar requirement issued by any government or governmental or supervisory authority implementing at the national level the Basel Accord; or
- (iii) implementing any requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act;

in each case after the Original Signing Date (such compensation to include, without limitation, an amount equal to any reduction of the rate of return on assets or equity of such Lender (or any lending office or such bank holding company) could have achieved but for such law, regulation, interpretation, directive or request). For purposes of this Clause 5.11(b), “**Basel Accord**” means the proposals for risk-based capital framework described by the Basel Committee on Banking Regulations and Supervisory Practices commonly known as Basel III, as amended, modified and supplemented and in effect from time to time, or any replacement thereof.

- (c) Clauses 5.11(d), (e) and (f) apply in respect of this Clause 5.11.
- (d) Each Lender shall notify the Borrower of any event occurring after the Original Signing Date entitling such Lender to compensation under paragraph (a) or (b) of this Clause 5.11 as promptly as practicable, but in any event within *****, after such Lender obtains actual knowledge thereof; provided that (i) such Lender shall, with respect to compensation payable pursuant to this Clause 5.11 in respect of any Additional Costs resulting from such event, only be entitled to payment under this Clause 5.11 for Additional Costs incurred from and after the date that is ***** prior to the date of receipt of such notice by the Borrower, (ii) each Lender will use commercially reasonable efforts (at the Borrower’s expense) to mitigate the amount of compensation under paragraph (a) or (b) of this Clause 5.11 associated with such event, including designating a different lending office for the Loan evidenced by such Lender’s Loan Certificate affected by such event if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole opinion of such Lender, result in any economic, legal or regulatory disadvantage to such Lender, and (iii) no Lender shall discriminate against the Borrower in making any claim for compensation under this Clause 5.11, and no Lender shall treat the Borrower less favorably than such Lender’s other similarly situated borrowers. When submitting a claim pursuant to Clause 5.11, each Lender will furnish to the Borrower an officer’s certificate setting forth in reasonable detail (x) the events giving rise to compensation under paragraph (a) or (b) of this Clause 5.11, (y) the basis for determining and allocating such compensation and (z) the amount of each request by such Lender for such compensation (subject, however, to any limitations such Lender may require in respect of disclosure of confidential information relating to its capital structure), together with a statement that the determinations and allocations made in respect of such compensation comply with the provisions of this Clause 5.11, including as provided by the last proviso of this paragraph (d). Determinations and allocations by any Lender for purposes of this Clause 5.11 of the effect of any Regulatory Change pursuant to Clause 5.11(a), or of the effect of capital maintained pursuant to Clause 5.11(b), on its costs or rate of return of maintaining the Loan evidenced by its Loan Certificate or its Commitment, or on amounts receivable by it in respect of its Loan Certificate, and of the amounts required to compensate such Lender under this Clause 5.11, shall be conclusive absent manifest error; provided that such determinations and allocations are made on a reasonable basis and, in the case of allocations, are made fairly.
- (e) The Borrower shall not be required to make payments under this Clause 5.11 to any Lender if (i) a claim hereunder arises solely through circumstances peculiar to such Lender and which do not affect commercial banks in the jurisdiction of organization of such Lender generally, (ii) such Lender is not seeking similar compensation for such costs from its borrowers generally in commercial loans, or (iii) the claim arises out of a voluntary relocation by such Lender of its lending office (it being understood that any such relocation effected pursuant to this Clause 5.11 is not “voluntary”).

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5.12 **Illegality**

Notwithstanding any other provision of this Agreement or the Mortgage, if any Lender (an “**Illegal Lender**”) shall notify the Facility Agent that the introduction after the Original Signing Date of or any change after the Original Signing Date in or in the interpretation of any law or regulation shall make it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for such Lender to make, fund or allow to remain outstanding its Loan Certificate, then such Lender shall, promptly after becoming aware of the same, deliver to the Borrower through the Facility Agent a certificate to that effect, and, if the Facility Agent on behalf of such Lender so requires, the Borrower shall attempt to cure such illegality or otherwise, on or before ***** (but in any event at least ***** before such illegality occurs and if such illegality has already occurred, immediately) following such notification, the Borrower shall prepay the aggregate outstanding principal amount of the Loan Certificate held by such Illegal Lender in full, together with accrued interest thereon to the date of prepayment plus all Break Amount, if any, and all other amounts due thereunder and hereunder and under the other Operative Documents to such Illegal Lender.

5.13 **Market Disruption Event**

If a Market Disruption Event occurs and so long as such Market Disruption Event is continuing, each Lender shall report to the Facility Agent and the Borrower its Cost of Funds for each Interest Period during which such a Market Disruption Event is continuing as soon as practicable and, if possible, prior to the first day of such Interest Period; provided, that, if such Lender is not able to obtain Dollar deposits in the London interbank (or other relevant) market matching such Interest Period, notice of its Cost of Funds rate shall be provided as follows: (i) prior to the first day of such Interest Period (or promptly thereafter), such Senior Lender shall provide to the Facility Agent an approximation of the cost to such Senior Lender of such funding for such Interest Period; and (ii) prior to the last day of such Interest Period (or earlier, to the extent practicable if Dollar deposits of a duration longer than one day are obtained), such Lender shall provide to the Facility Agent a certificate setting out the actual cost to such Lender of funding for such Interest Period. The Facility Agent shall, based on such certificate, advise the Borrower of the applicable Mismatch Interest Rate payable at the end of such Interest Period. The certification by any Lender to the Facility Agent and the Borrower of its Cost of Funds for any Interest Period shall be conclusive absent manifest error and shall constitute a certification by such Lender that such Lender’s invocation of its rights under this Clause 5.13 and its assessments hereunder have been made on a non-discriminatory basis across all facilities which are similar to the credit facility provided pursuant to this Agreement.

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6. TERMINATION OF INTEREST IN COLLATERAL

None of the Facility Agent, Security Trustee or any Lender shall have any further interest in, or other right with respect to, the Collateral with respect to any Aircraft when and if the principal amount of, Break Amount on, if any, interest on and other amounts due under all Loans in relation to such Aircraft held by such Lender and all other sums due to such Lender hereunder and under the other Operative Documents in respect of such Aircraft shall have been finally and indefeasibly paid in full; provided, however, that the interests and rights of the Lenders in and with respect to the mortgage and security interests created by the Mortgage shall continue (except with respect to any Aircraft as to which the related Loans have been repaid) after all such amounts have been paid in full so long as no Event of Default has occurred and is continuing and the Commitments have not terminated. Upon payment in full of any Loans relating to an Aircraft, the Security Trustee shall release that portion of the Collateral which relates solely to the applicable Aircraft from the Lien of the Mortgage and such Aircraft shall thereafter cease to be an "Aircraft" for the purposes of the Operative Documents.

7. BORROWER'S REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that on the date hereof and on each Borrowing Date:

- (a) the Borrower is a Cayman Islands exempted company, duly organized and validly existing pursuant to the laws of the Cayman Islands; is duly qualified to do business as a foreign corporation in each jurisdiction in which its operations or the nature of its business requires, except where the failure to be so qualified would not have a Material Adverse Effect; and has the corporate power and authority to purchase the Aircraft under the Assigned Purchase Agreement and to enter into and perform its obligations under the Operative Documents to which it is or shall be a party;
- (b) the execution, delivery and performance by the Borrower of the Operative Documents to which it is a party have been duly authorized by all necessary corporate action on the part of the Borrower, do not require any shareholder approval, or approval or consent of any trustee or holders of any indebtedness or obligations of the Borrower except such as have been duly obtained and are in full force and effect, and none of the execution, delivery or performance by the Borrower of such Operative Documents contravenes any law, judgment, government rule, regulation or order binding on the Borrower or the memorandum and articles of association of the Borrower or contravenes the provisions of, or constitutes a default under, or results in the creation of any Lien (other than Permitted Liens) upon the property of the Borrower under, any indenture, mortgage, contract or other agreement to which the Borrower is a party or by which it or its properties may be bound;
- (c) neither the execution and delivery by the Borrower of the Operative Documents to which it is a party nor the performance by the Borrower of its obligations thereunder requires the consent or approval of, the giving of notice to, or the registration with, or the taking of any other action in respect of any Federal, state or foreign government authority or agency, except for those specified in the opinions referred to in Clause 4.1(g) or those that would not have a Material Adverse Effect (the "**Permits**");
- (d) the Operative Documents to which the Borrower is a party each constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with the terms thereof except as such enforceability may be limited by equitable principles or applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally;

- (e) there is no pending or (to the best of Borrower's knowledge) threatened action or proceeding before any court, arbitrator or administrative agency that individually (or in the aggregate in the case of any group of related actions or proceedings) is expected by the Borrower to have a Material Adverse Effect;
- (f) except as specified in the opinions referred to in Clause 4.1(g), no further action, including any filing or recording of any document, is necessary or advisable in order to establish and perfect the first ranking Lien on the Collateral in favor of the Security Trustee pursuant to the Mortgage;
- (g) there has not occurred any event which constitutes a Default or an Event of Default, in each case, which is presently continuing;
- (h) the Assigned Purchase Agreements and the Engine Agreements are in full force and effect and none of the Borrower or, to the knowledge of the Borrower, Airbus or any Engine Manufacturer is in default of any of its material obligations thereunder. Neither the Borrower nor either Guarantor has assigned or granted any Lien in its rights under the Assigned Purchase Agreements in respect of any of the Aircraft or the Engine Agreements or the Engines;
- (i) the Borrower has filed or caused to be filed all state, local and foreign tax returns which are required to be filed and has paid or caused to be paid or provided adequate reserves for the payment of all taxes shown to be due and payable on such returns or (except to the extent being contested in good faith and by appropriate proceedings and for the payment of which adequate reserves have been provided in accordance with generally accepted accounting principles) on any assessment received by the Borrower, to the extent that such taxes have become due and payable, except such returns or taxes as to which the failure to file or pay, as the case may be, could not be reasonably expected to materially and adversely affect the assets, operations or financial condition, of the Borrower;
- (j) the Borrower is not in violation of any law, order, injunction, decree, rule or regulation applicable to the Borrower of any court or administrative body, which default or violation would reasonably be expected to materially and adversely affect the operations or financial condition of the Borrower or the Borrower's ability to execute, deliver and perform its obligations under the Operative Documents;
- (k) the Borrower is not an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940;
- (l) none of the information furnished by or on behalf of the Borrower to the Facility Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any misstatement of a material fact or omits any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (m) the Borrower is fully solvent (on a cash flow and balance sheet basis) and will be fully solvent immediately following the execution of this Agreement and the Operative Documents;

- (n) no Liens have been granted or created by any Person and exist over any of the Collateral except Permitted Liens; and
- (o) Each of the dates in the column entitled "Borrowing Date" in the table set out in Schedule III is the date on which the Advance to which such date is expressed to correspond in such table is due and payable to Airbus in accordance with the Assigned Purchase Agreement.

8. GENERAL INDEMNITY.

8.1 Subject to the next following paragraph, the Borrower hereby agrees to indemnify each Indemnitee against, and agrees to protect, save and keep harmless each of them from any and all Expenses imposed on, incurred by or asserted against any Indemnitee arising out of or directly resulting from:

- (a) following delivery of any Aircraft, Airframe or Engine, the operation, possession, use, maintenance, overhaul, testing, registration, re-registration, delivery, nondelivery, lease, non-use, modification, alteration, or sale of any such Aircraft, Airframe or Engine, or any engine used in connection with any such Airframe or any part of any of the foregoing, any lessee or any other Person whatsoever, including, without limitation, claims for death, personal injury or property damage or other loss or harm to any person whatsoever and claims relating to any laws, rules or regulations pertaining to such operation, possession, use, maintenance, overhaul, testing, registration, re-registration, delivery, non-delivery, lease, non-use, modification, alteration, sale or return including environmental control, noise and pollution laws, rules or regulations;
- (b) following delivery of any Aircraft, Airframe or Engine, the manufacture, design, purchase, acceptance, rejection, delivery, or condition of any such Aircraft, Airframe or Engine, any engine used in connection with any such Airframe, or any part of any of the foregoing including, without limitation, latent and other defects, whether or not discoverable, or trademark or copyright infringement;
- (c) any breach of or failure to perform or observe, or any other noncompliance with, any covenant or agreement to be performed, or other obligation of any Obligor under any of the Operative Documents, or the falsity of any representation or warranty of any Obligor in any of the Operative Documents;
- (d) assuming the Lenders are making Loans in the ordinary course of their business for their own accounts, the offer, sale and delivery by the Borrower or anyone acting on behalf of the Borrower of any Loan Certificates or successor debt obligations issued in connection with the refunding or refinancing thereof (including, without limitation, any claim arising out of the Securities Act, the Securities Exchange Act of 1934, as amended, or any other federal or state statute, law or regulation, or at common law or otherwise relating to securities (collectively "**Securities Liabilities**")) (the indemnity provided in this Clause 8.1(d) to extend also to any Person who controls an Indemnitee, its successors, assigns, employees, directors, officers, servants and agents within the meaning of clause 15 of the Securities Act); and
- (e) purchasing any Aircraft following an Event of Default, including any costs incurred after purchasing such Aircraft and prior to resale of such Aircraft and the recovery of all other amounts owing hereunder following an Event of Default or the enforcement against the Borrower or any other Obligor of any of the terms thereof (including, without limitation, pursuant to clause 5 of the Mortgage) and including any amounts payable by any Indemnitee pursuant to clause 11.2 of the Step-In Agreement.

- 8.2 The foregoing indemnity shall not extend to any Expense of any Indemnitee to the extent attributable to one or more of the following:
- (a) acts or omissions involving the willful misconduct or gross negligence of such Indemnitee;
 - (b) any Tax, or increase in Tax liability under any Tax law (such matter being subject to the indemnity in Clause 5.3); provided, however, that this clause (b) shall not apply to (A) Taxes which have arisen as a result of or while an Event of Default has occurred and is continuing; (B) Taxes taken into consideration in making any payments on an After-Tax Basis or (C) to any license, documentation, registration or filing fees imposed upon or in connection with the execution, delivery, registration or filing in connection with the Mortgage as otherwise contemplated in the Operative Documents;
 - (c) except to the extent attributable to acts or events occurring prior thereto, acts or events (other than acts or events related to the performance by any Obligor of its obligations pursuant to the terms of the Operative Documents) that occur after the Mortgage is required to be terminated in accordance with clause 7.1 of the Mortgage; provided, that nothing in this clause (c) shall be deemed to exclude or limit any claim that any Indemnitee may have under Applicable Law by reason of an Event of Default or for damages from any Obligor for breach of any Obligor's covenants contained in the Operative Documents or to release any Obligor from any of its obligations under the Operative Documents that expressly provide for performance after termination of the Mortgage;
 - (d) to the extent attributable to any transfer by or on behalf of such Indemnitee of any Loan Certificate or interest therein, except for Expenses incurred as a result of any such transfer after an Event of Default, pursuant to the exercise of remedies under any Operative Document;
 - (e) to the extent solely attributable to the incorrectness or breach of any representation or warranty of such Indemnitee or any related Indemnitee contained in or made pursuant to any Operative Document;
 - (f) to the extent solely attributable to the failure by such Indemnitee or any related Indemnitee to perform or observe any agreement, covenant or condition on its part to be performed or observed in any Operative Document;
 - (g) to the extent solely attributable to the offer or sale by such Indemnitee or any related Indemnitee of any interest in the Collateral, the Loan Certificates, or any similar interest in violation of the Securities Act or other applicable federal, state or foreign securities laws (other than any thereof caused by acts or omissions of any Obligor);
 - (h) to the extent attributable to any amount which such Indemnitee expressly agrees with the Borrower to pay or such Indemnitee expressly agrees with the Borrower shall not be paid by or be reimbursed by the Borrower; or
 - (i) for any Lien attributable to such Indemnitee or any related Indemnitee other than any Lien created pursuant to any Operative Document.

- 8.3 For purposes of this Clause 8, a Person shall be considered a “related” Indemnitee with respect to an Indemnitee if such Person is an Affiliate or employer of such Indemnitee, a director, officer, employee, agent, or servant of such Indemnitee or any such Affiliate or a successor or permitted assignee of any of the foregoing.
- 8.4 The Borrower further agrees that any payment or indemnity pursuant to this Clause 8 in respect of any “Expense” shall be on an After-Tax Basis.
- 8.5 If a claim is made against an Indemnitee involving one or more Expenses and such Indemnitee has notice thereof, such Indemnitee shall after receiving such notice give notice of such claim to the Borrower; provided that the failure to provide such notice shall not release the Borrower from any of its obligations to indemnify hereunder except to the extent that the Borrower is prejudiced as a result of the failure to give such notice, and no payment by the Borrower to an Indemnitee pursuant to this Clause 8 shall be deemed to constitute a waiver or release of any right or remedy which the Borrower may have against such Indemnitee for any actual damages as a result of the failure by such Indemnitee to give the Borrower such notice.
- 8.6 Notwithstanding any other provision of this Clause 8 to the contrary, in the case of any Expense indemnified by the Borrower hereunder which is covered by a policy of insurance maintained by the Borrower, it shall be a condition of such indemnity with respect to any particular Indemnitee that such Indemnitee shall cooperate (at no cost or liability to itself, and (if so requested) subject to being indemnified by the Borrower with respect to any liabilities it may incur as a result of an insurer’s investigation, defense or compromise) with the insurers in the exercise of their rights to investigate, defend or compromise such claim as may be required to retain the benefits of such insurance with respect to such claim.
- 8.7 To the extent of any payment of any Expense pursuant to this Clause 8, the Borrower, without any further action, shall be subrogated to any claims the Indemnitee may have relating thereto. The Indemnitee agrees to give such further assurances or agreements and to cooperate with the Borrower to permit the Borrower to pursue such claims, if any, to the extent reasonably requested by the Borrower (at no cost or liability to itself, and (if so requested) subject to being indemnified with respect to the Borrower’s pursuit of such claims.
- 8.8 In the event that the Borrower shall have paid an amount to an Indemnitee pursuant to this Clause 8, and such Indemnitee subsequently shall be reimbursed in respect of such indemnified amount from any other Person, such Indemnitee shall promptly pay the Borrower the amount of such reimbursement, including interest received attributable thereto (but net of costs, if any, of recovery of such amounts), provided that no Default or Event of Default has occurred and is continuing.
- 8.9 The Borrower will pay to each Indemnitee on demand, to the extent permitted by Applicable Law, interest on any amount of indemnity not paid when due pursuant to this Clause 8 until the same shall be paid, at the Past Due Rate.

9. INDEMNITY TO THE FACILITY AGENT

The Borrower shall promptly indemnify the Facility Agent against any actual cost, loss or liability incurred by the Facility Agent as a result of investigating any event which it reasonably believes is an Event of Default and upon such investigation such event transpires to be a Default or an Event of Default other than any cost, loss or liability resulting from the Facility Agent willful misconduct or gross negligence.

10. COVENANTS OF THE BORROWER.

The Borrower hereby covenants for the benefit of all Lenders, as follows:

- 10.1 **Transfer:** Except as expressly contemplated by the Operative Documents the Borrower shall not (and the Borrower shall procure that each other Obligor shall not) directly or indirectly assign, convey or otherwise transfer any of its right, title or interest in and to the Collateral or this Agreement or any of the other Operative Documents.
- 10.2 **Taxes and Adequate Records:** The Borrower will (and will procure that each other Obligor will):
- (a) pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained;
 - (b) (other than in respect of itself) keep adequate records and books of account, in which complete entries will be made in accordance with generally accepted accounting principles consistently applied; and
 - (c) permit representatives of any Lender, the Facility Agent or the Security Trustee, during normal business hours and upon reasonable prior notice, to examine, copy and make extracts from its books and records and to discuss its business and affairs with its officers, all to the extent reasonably requested by such Lender, the Facility Agent or the Security Trustee (as the case may be).
- 10.3 **Special Purpose:** The Borrower will not:
- (a) have any employees earning compensation;
 - (b) except for the Loans and as expressly contemplated by the Operative Documents, incur or contract to incur any indebtedness;
 - (c) engage in any activity other than the execution, delivery and performance of the Operative Documents to which it is a party and activities incidental thereto, as well as ordinary corporate housekeeping activities;
 - (d) except as required to perform its obligation under the Operative Documents to which it is a party, make or agree to make any capital expenditure;
 - (e) create or own any subsidiary;
 - (f) except as required to perform its obligation under the Operative Documents to which it is a party, make any investments;
 - (g) except as required to perform its obligation under the Operative Documents to which it is a party, declare or make any dividend payment or distribution to its shareholders; or
 - (h) enter into any contracts with, incur any material obligation to, or grant any security interest, pledge or lien to, any third party (excluding any contracts entered into in connection with, any payment or other obligation incurred pursuant to, and any liens granted pursuant to, the Operative Documents).

- 10.4 **Operative Documents:** The Borrower shall ensure that the Servicing Agreement, the Option Agreement and the Subordinated Loan Agreement remain in place and in full force and effect and that neither it nor any other Obligor shall breach any of the terms of any of such documents. The Borrower shall ensure that no amendment, variation, waiver or other change is made to its memorandum and articles of association or other constituent documents, the Servicing Agreement, the Option Agreement or the Subordinated Loan Agreement.
- 10.5 **Assigned Purchase Agreement and Engine Agreements:** The Borrower shall:
- (a) duly perform all of its obligations under the Assigned Purchase Agreements and the Engine Agreements, and take all actions necessary to keep the Assigned Purchase Agreements and the Engine Agreements in full force and effect;
 - (b) promptly upon acquiring actual knowledge of the same, notify the Facility Agent of any material default (whether by the Borrower, Airbus or an Engine Manufacturer) under or cancellation, termination or rescission or purported cancellation, termination or rescission of the Assigned Purchase Agreement or the Engine Agreement specifying in reasonable detail the nature of such default, cancellation, rescission or termination;
 - (c) not, without the Security Trustee's prior written consent, in any way modify, cancel, terminate or amend or consent to the modification, cancellation, termination or amendment of the Assigned Purchase Agreement or the Engine Agreement;
 - (d) not accept delivery of any Aircraft from Airbus before or concurrently repaying to the Lenders all amounts owing in respect of the Loans relating to that Aircraft;
 - (e) not enter into or consent to any change order or other amendment, modification or supplement to the Assigned Purchase Agreement or the Engine Agreement, in relation to the Aircraft, without the written consent and countersignature of the Security Trustee (acting at the unanimous direction of the Lenders) if such change order, amendment, modification or supplement would require the consent of the Security Trustee under the Step-In Agreement or under this Agreement; and
 - (f) provide to the Security Trustee promptly after the execution of the same copies, certified by the Borrower, of all material change orders (other than non charge change orders), amendments, modifications or supplements to the Assigned Purchase Agreement that would require the consent of the Security Trustee under the Step-In Agreement or under this Agreement.
- 10.6 **Leasing or Sale of Aircraft:** The Borrower shall not enter into any binding agreement for the leasing or sale of any Aircraft other than pursuant to the Option Agreement.
- 10.7 **Further Assurances:** The Borrower covenants and agrees with each Agent and the Lenders as follows:
- (a) The Borrower will cause to be done, executed, acknowledged and delivered all further documents and agreements and assurances as reasonably necessary and as any Lender shall reasonably require for accomplishing the purposes of this Agreement and the other Operative Documents;
 - (b) The Borrower, at its expense, will take, or cause to be taken, all actions (including the filing of financing statements under the Uniform Commercial Code in all applicable

jurisdictions and perfection in any other jurisdiction in relation to any Operative Document) to (A) cause the security interest granted in respect of the Collateral to at all times be and remain perfected, (B) establish the priority of the Mortgage with respect to the Mortgage Collateral, (C) cause the lien of the Mortgage to at all times be and remain a perfected Lien, (D) establish the priority of the Mortgage; and (E) establish the priority of the share charge with respect to the shares of the Borrower and (F) establish the priority of the Security Trustee's security interest in the Aircraft to the extent possible or feasible prior to delivery (or when manufacturer's serial numbers are available in respect of the Airframe and the Engines are anticipated as being delivered and there is a possibility that such equipment may be delivered by Airbus before the Lenders are repaid the Loans in respect of an Aircraft), including by, subject to the terms of the Step-In Agreement, making filings in respect of one or more of prospective international interests, international interests or associated rights with the International Registry.

- (c) The Borrower shall pay all reasonable costs and expenses (including costs and disbursements of counsel) incurred by each Agent and the Lenders after the Original Signing Date in connection with (A) any supplements or amendments of the Operative Documents (including, without limitation, any related recording costs) (other than any supplement or amendment associated with the syndication or transfer of the Loan Certificates or the sale of participation interests therein), (B) any Default and any enforcement or collection proceedings resulting therefrom or in connection with the negotiation of any restructuring or "work-out" (whether or not consummated), or (C) the enforcement of this Clause 10.

- 10.8 **Conduct of Business, Maintenance of Existence:** The Borrower shall: (i) engage in business solely for the purpose of fulfilling its obligations under the Operative Documents; (ii) preserve, renew and keep in full force and effect its corporate existence and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of business of the Borrower; provided that the Borrower shall not be required to maintain any such rights, privileges or franchises, if the failure to do so could not reasonably be expected to result in a Material Adverse Effect; and (iii) comply with all contractual obligations and requirements of law, except to the extent that failure to comply therewith could not reasonably be expected to result in a Material Adverse Effect; and comply with the provisions of its Memorandum and Articles of Association.
- 10.9 **Increase in Lender's Net Price:** The Borrower shall not amend the detail specification for an Aircraft or consent to the amendment of the detail specification for an Aircraft, including, without limitation, by issuing an SCN, if such amendment would cause the purchase price of the Aircraft to exceed the Lender's Net Price payable upon a Step-In pursuant to the Step-In Agreement.
- 10.10 **BFE:** the Borrower shall not agree to any change in the specification of BFE to be installed on the Aircraft on or prior to the Delivery Date, which is listed in Schedule VI, if such amendment would result in the cost of the BFE outstanding to be paid on the Delivery Date in respect of such Aircraft to exceed the BFE Budget (as escalated in accordance with the escalation formula set out in Schedule VI).
- 10.11 **Change in Configuration or Specification as a Passenger Carrying Aircraft:** The Borrower shall not alter the configuration or specification of any Aircraft as a commercial passenger carrying aircraft and shall ensure that the Aircraft is at all times required to be delivered by Airbus in the Required Specification.

10.12 **Extension of Scheduled Delivery Date:** The Borrower shall not agree to extend the Scheduled Delivery Date of any Aircraft beyond the end of the applicable Scheduled Delivery Month; *provided* that if and to the extent that there is a delay in the delivery of an Aircraft by Airbus arising out of circumstances beyond the control of Frontier Airlines or the Borrower and which Airbus is entitled to impose upon Frontier Airlines or the Borrower without their consent pursuant to the terms of the Assigned Purchase Agreement (including an “Excusable Delay” and a “Non-Excusable Delay” under (and as defined in) the Assigned Purchase Agreement (any such delay, a “**Relevant Delay**”), then the Scheduled Delivery Date for such Aircraft may be delayed by no more than ***** from the last day of the Scheduled Delivery Month specified for such Aircraft in Schedule III.

10.13 **Liens:** The Borrower will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to any of its assets including the Mortgage Collateral except:

- (a) the rights of the Borrower as provided in the Mortgage, the Liens thereof and any other rights existing pursuant to the Operative Documents;
- (b) Liens for Taxes of the Borrower either not yet due or being contested in good faith by appropriate proceedings (and for which adequate reserves have been provided in accordance with GAAP), so long as the continuing existence of such Liens during such proceedings do not involve any material risk of the termination, sale, forfeiture or loss of, the Assigned Purchase Agreement or the Engine Agreement;
- (c) Liens arising out of any judgment or award against the Borrower with respect to which an appeal or proceeding for review is being prosecuted diligently and in good faith, so long as such Liens do not result in a material risk of the termination, sale, forfeiture or loss of, the Assigned Purchase Agreement or the Engine Agreement; and
- (d) any other Lien with respect to which the Borrower shall have provided a bond or other security in an amount and under terms reasonably satisfactory to the Security Trustee.

The Borrower will promptly, at its own expense, take (or cause to be taken) such actions as may be necessary duly to discharge any Lien not excepted above if the same shall arise at any time.

10.14 **Amendments, Supplements, Etc:** Forthwith upon the execution and delivery of any amendment to the Mortgage, if an applicable legal system having jurisdiction over the Borrower or the Mortgage Collateral is in existence that permits for filing and/or recording of the Mortgage and amendments or supplements thereto, the Borrower will cause such amendment to be duly filed and recorded, and maintained of record, in accordance with all Applicable Laws. In addition, the Borrower will promptly and duly execute and deliver to the Security Trustee such further documents and take such further action as the Security Trustee may from time to time reasonably request in order to more effectively carry out the intent and purpose of the Mortgage and establish and protect the rights and remedies created or intended to be created in favor of the Security Trustee under the Mortgage and the other Operative Documents, including, without limitation, if requested by the Security Trustee, at the expense of Borrower, the execution and delivery of supplements or amendments hereto, each in recordable form, in accordance with the laws of such jurisdiction as the Security Trustee may reasonably request.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

10.15 **Access to or Furnishing of Information:** The Borrower agrees to furnish to the Facility Agent and to each Lender:

- (a) as soon as available, but not later than ***** after the close of each fiscal year of Frontier Holdings occurring after the Original Signing Date, an audited and consolidated balance sheet and related statements of Frontier Holdings and its subsidiaries at and as of the end of such fiscal year, together with an audited and consolidated statement of income for such fiscal year, each of which shall be prepared in accordance with GAAP;
- (b) as soon as available, but not later than ***** after the close of each of the first three quarters of each fiscal year of Frontier Holdings, an unaudited and consolidated balance sheet of Frontier Holdings and its subsidiaries at and as of the end of such quarter, together with an unaudited and consolidated statement of income for such quarter, each of which shall be prepared in accordance with GAAP;
- (c) as soon as available, but not later than ***** after the close of each fiscal year of Frontier Holdings occurring while amounts are outstanding under this Agreement or any Loan Certificate, a certificate of the chief financial officer, Treasurer, any Vice President, or other officer of Frontier Holdings stating that such authorized officer has reviewed the activities of the Borrower and itself and that, to the best of the knowledge of such authorized officer, there exists no Default or Event of Default or event which would require the prepayment of any loans pursuant to Clause 5.9(c), (d) or (e);
- (d) from time to time, notification of any material changes to BFE, optional features or SCNs with respect to any Aircraft, and such other information as the Facility Agent or any Lender may reasonably request;
- (e) promptly after the occurrence thereof and actual knowledge thereof by a responsible officer of the Borrower, notice of any Default or Event of Default;
- (f) promptly after the occurrence thereof, any Aviation Authority required modifications in respect of the Aircraft that the Borrower is aware of, and any optional changes effected in the prior calendar month, that would lead to an increase in the Lender's Net Price; and
- (g) promptly upon receiving notification thereof from Airbus, the Scheduled Delivery Date of an Aircraft.

10.16 **Maintenance of Separate Existence:** The Borrower shall maintain certain policies and procedures relating to its existence as a separate company as follows, and shall do all things necessary to maintain their corporate existence separate and distinct from any other Person. The Borrower shall:

- (a) observe all formalities necessary to remain a legal entity separate and distinct from each Guarantor and any other Person;
- (b) maintain its assets and liabilities separate and distinct from those of each Guarantor and any other Person in such a manner that it is not difficult to segregate, identify or ascertain such assets;
- (c) maintain records, books and accounts separate from those of each Guarantor and any other Person (other than as otherwise specified in the Operative Documents);

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- (d) pay its obligations in the ordinary course of business as a legal entity separate from each Guarantor and any other Person;
- (e) keep its funds separate and distinct from any funds of each Guarantor and any other Person, and receive, deposit, withdraw and disburse such funds separately from any funds of each Guarantor and any other Person;
- (f) not agree to pay, assume, guarantee or become liable for any debt of, or otherwise pledge its assets for the benefit of, either Guarantor or any other Person except as otherwise permitted under the Operative Documents;
- (g) not hold out that it is a division of either Guarantor or any other Person or that either Guarantor or any other Person is a division of it;
- (h) not induce any third party to rely on the creditworthiness of either Guarantor or any other Person in order that such third party will contract with it (other than the guarantee of the Guarantors in favor of Airbus made in connection with the Assigned Purchase Agreement);
- (i) allocate and charge fairly and reasonably any common overhead shared with either Guarantor or any other Person;
- (j) hold itself out as a separate entity, and correct any known misunderstanding regarding its separate identity;
- (k) conduct business in its own name and ensure that all communications are made solely in its name;
- (l) not acquire the securities of either Guarantor or any Affiliate thereof;
- (m) prepare separate financial statements, if required to prepare such pursuant to Applicable Law, and separate tax returns and pay any Taxes required to be paid under applicable Tax law (provided that each Guarantor and its Affiliates may publish financial statements that consolidate those of such Guarantor and its Affiliates, and subsidiaries of such Guarantor may file consolidated Tax returns with such Guarantor and its Affiliates for Tax purposes provided that so doing does not give rise to any incremental Tax liabilities on the part of the Borrower); and
- (n) not enter into any transaction between itself and either Guarantor or their Affiliates that is more favorable to either such Guarantor or any of their Affiliates than transactions that either such Guarantor and its Affiliates would have been able to enter into at such time on an arm's-length basis with a non-affiliated third party, or vice versa.

For the avoidance of doubt, the Borrower is authorized to engage in any activity or other undertaking expressly required or expressly authorized by the Operative Documents.

- 10.17 **Independent Director:** The Borrower shall have at least one Independent Director whose vote shall be required to take any Material Action with respect to the Borrower (it being understood that this Agreement shall not require the vote of an Independent Director for any other matter other than a Material Action).

- 10.18 **Management and Control; COMI:** Management and control of, and the principal place of business of the Borrower shall be located in the Cayman Islands. The Borrower shall ensure that it does not have a Center of Main Interests (as defined in EU Insolvency Regulations) in the European Union.
- 10.19 **Subordinated Loan:** The Borrower shall not pay or repay any amount under the Subordinated Loan Agreement while the Secured Obligations remain outstanding provided that upon delivery of an Aircraft and following payment and repayment of principal, interest, breakage costs and the amounts allocable to such Aircraft and all other amounts the due and owing under the Mortgage, the Borrower may repay amounts payable under the Subordinated Loan Agreement to the extent of available funds at such time.
- 10.20 **LTV:**
- (a) In this Clause 10.20 the following capitalized terms have the following meaning “**LTV**” means as of any applicable LTV Test Date for an Aircraft or an Aircraft Pool, the percentage equivalent of a fraction determined by the formula of $AP - (PPI - LA - AEC) / BV$ where:
- (i) “**AP**” means the Assignable Price of such Aircraft or the sum of the Assignable Prices of all Aircraft in such Aircraft Pool;
 - (ii) “**PPI**” means an amount equal to the aggregate of all Purchase Price Installments paid to Airbus as of the applicable LTV Test Date in respect of such Aircraft or the sum of the Purchase Price Installments paid to Airbus as of the applicable LTV Test Date in respect of all Aircraft in such Aircraft Pool;
 - (iii) “**LA**” means the aggregate amount of all Loans made in respect of such Aircraft, as of the applicable LTV Test Date (if any) or the sum of the Loans made in respect of all Aircraft in such Aircraft Pool, as of the applicable LTV Test Date;
 - (iv) “**AEC**” means the engine credits assigned to the Security Trustee pursuant to the Mortgage in respect of the Engines relating to such Aircraft or the sum of the engine credits assigned to the Security Trustee pursuant to the Mortgage in respect of the Engines relating to all Aircraft in such Aircraft Pool; and
 - (v) “**BV**” means the Base Value of such Aircraft, as stated in the Aircraft Appraisal prepared in respect of such LTV Test Date or the sum of the Base Values of all Aircraft in such Aircraft Pool, as stated in the Aircraft Appraisal for each Aircraft prepared in respect of such LTV Test Date.
- “**Maximum LTV**” means
- (i) if at any time Frontier Holdings has liquidity in the form of Unrestricted Cash and Cash Equivalents in an aggregate amount of not less than ***** as set forth in the most recent financial statements delivered pursuant to Clause 10.15 (such liquidity, the “**Liquidity Threshold**”), *****
 - (ii) *****
- (b) The Borrower shall ensure that as of each LTV Test Date, with respect to an Aircraft or an Aircraft Pool (as the case may be), the LTV in respect of each applicable Aircraft or

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each Aircraft Pool (as the case may be) in respect of which a Loan is outstanding does not exceed an amount equal to the Maximum LTV for such Aircraft or such Aircraft Pool (as the case may be) (the “LTV Test”) provided that the Borrower shall not be deemed to have breached the LTV Test if it is in compliance with its obligation set forth in Clause (c) below.

- (c) In the event of an LTV Test failure, the Borrower shall, within ***** of the LTV Test Date on which such failure occurred either:
- (i) prepay the applicable Loans in accordance with Clause 5.9(b); or
 - (ii) pay to the Security Trustee cash, or provide such other Cash Equivalent collateral in such form as the Facility Agent in its sole discretion agrees, (“LTV Collateral”) in an amount, or with a value, equal to that which if applied to prepay the Loan or Loans relating to the Aircraft in respect of which the failure of the LTV Test has occurred, would reduce the principal outstanding thereto in order that a failure of the LTV Test would not occur if it were calculated following such prepayment. Upon provision LTV Collateral in the amount required pursuant to this Clause (ii) or prepayment of the applicable Loan(s) in accordance with Clause (i) above, the relevant failure of the LTV Test shall not constitute a Default.
- (d) Except as expressly specified in this Clause 10.20(d), the Borrower shall have no entitlement to receive payment of any part of the LTV Collateral. Following the provision by the Borrower of any LTV Collateral, the Security Trustee shall, if the Borrower is in compliance with the LTV Test as of any LTV Test Date following provision of any LTV Collateral and provided no Default is continuing, within ***** after such LTV Test Date, release to the Borrower (at the request and cost of the Borrower), by way of release of such LTV Collateral from the related Eligible Account, an amount or value equal to that by which the amount or value of LTV Collateral provided by the Borrower exceeds the amount or value required in order to not be in any breach of the LTV Test as of such LTV Test Date.
- (e) The Borrower agrees that any LTV Collateral shall be deposited in an Eligible Account.
- (f) Following the occurrence of an Event of Default which is continuing, in addition to all rights and remedies of the Security Trustee elsewhere in this Agreement or under Law or pursuant to any Operative Document, the Security Trustee may immediately or at any time thereafter, without notice to the Borrower, use, enforce, apply and/or retain all or part of the LTV Collateral in or towards the payment or discharge of any matured obligation owed by the Borrower under this Agreement or any other Operative Documents, in such order as the Security Trustee sees fit.
- (g) If the Security Trustee exercises any of the rights described in Clause (f) above and the LTV in respect of any Aircraft or any Aircraft Pool (as the case may be) exceeds the Maximum LTV in respect of such Aircraft or such Aircraft Pool (as the case may be) after such exercise, the Borrower shall, within ***** of demand in writing from the Security Trustee, perform one of the options in (c) to the extent necessary for the LTV Test.
- (h) The Borrower shall notify the Facility Agent promptly if Frontier Holdings’ Unrestricted Cash and Cash Equivalents have at any time fallen below the Liquidity Threshold required by Clause 10.20(a) of this Agreement or the threshold required by clause 9(f) of the Frontier Holdings Guarantee.

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10.21 **Equity Contribution:** The Borrower shall pay an amount equal to each Equity Contribution in respect of an Aircraft to Airbus on or before the Borrowing Date to which such Equity Contribution corresponds as set out in Schedule III.

11. THE FACILITY AGENT

The provisions of Schedule IV (*Facility Agent*) shall apply to this Agreement.

12. THE SECURITY TRUSTEE

The provisions of Schedule V (*The Security Trustee*) shall apply to this Agreement.

13. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

13.1 No provision of this Agreement or any other Operative Document will:

13.1.1 interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

13.1.2 without limiting the obligations of the Finance Parties to mitigate or otherwise take actions contained in this Agreement, oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it in respect of Tax or to investigate the extent, order and manner of any such claim; or

13.1.3 oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or, except as otherwise required by Clauses 5.3 and 5.11, any computations in respect of Tax.

14. SUPPLEMENTS AND AMENDMENTS TO THIS AGREEMENT AND OTHER DOCUMENTS

14.1 Instructions of Majority; Limitations

(a) At any time and from time to time, at the request of the Borrower, the Facility Agent (but only on the written direction of the Majority Lenders) shall (x) execute a supplement hereto for the purpose of adding provisions to, or changing or eliminating provisions of, this Agreement or any other Operative Document as specified in such request or (y) provide a consent when required by the terms of any Operative Document, provided that, without the consent of each Lender adversely affected thereby, no such amendment of or supplement to any such document, or waiver or modification of the terms of any thereof, shall:

(i) modify any of the provisions of this Clause 14.1 or the definitions of the terms, "Majority Lenders" or "Operative Documents", contained herein or in any other Operative Document;

(ii) increase the principal amount of any Loan Certificate or reduce the amount or extend the time of payment of any amount owing or payable under any Loan Certificate or (except as provided in the Operative Documents) increase or reduce

the Break Amount or interest payable on any Loan Certificate (except that only the consent of the Lender shall be required for any decrease in any amounts of or the rate of Break Amount or interest payable on such Loan Certificate or any extension for the time of payment of any amount payable under such Loan Certificate);

- (iii) reduce, modify or amend any indemnities in favor of any Lender or in favor of or to be paid by the Borrower or alter the definition of "Indemnitee" to exclude any Lender; or
 - (iv) release the Borrower from its obligations in respect of the payment of the principal and interest then outstanding (or other amounts payable therewith) or change any of the circumstances under which any amounts payable pursuant to this Agreement and the other Operative Documents are payable.
- (b) Notwithstanding the foregoing, without the consent of each Lender, no such supplement to this Agreement, the Mortgage or the Share Charge, or waiver or modification of the terms hereof or of any other agreement or document shall expressly permit the creation of any Lien on the Collateral or any part thereof, except as herein expressly permitted, or deprive any Lender of the benefit of the Lien of the Mortgage on the Collateral or the Lien of the Share Charge except in connection with the exercise of remedies under Clause 7 of the Mortgage or under equivalent provisions of the Share Charge.
- (c) Except as provided in this Clause 14.1, the Security Trustee shall not amend, supplement or waive the terms of this Agreement, the Mortgage, the Share Charge or any other Operative Documents.

14.2 Facility Agent Protected

If, in the reasonable opinion of the institution acting as the Facility Agent hereunder any document required to be executed pursuant to the terms of Clause 14.1 affects any right, duty, immunity or indemnity with respect to it under this Agreement or any other Operative Document, the Facility Agent may in its reasonable discretion decline to execute such document.

14.3 Documents Mailed to Lenders

Promptly after the execution by the Facility Agent of any document entered into pursuant to Clause 14.1, the Facility Agent shall mail, by certified mail, postage prepaid, a conformed copy thereof to each Lender at its address shown on the Certificate Register, but the failure of the Borrower or Facility Agent, to mail such conformed copies shall not impair or affect the validity of such document.

15. NOTICES

- 15.1 All notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, or by facsimile or electronic mail, or by prepaid courier service, and shall be effective upon receipt.
- 15.2 Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Clause 15, notices, demands, instructions and other communications in writing shall be given to or made upon the parties hereto at their addresses (or to their facsimile numbers)

as follows: (a) if to the Borrower or the Security Trustee, to the addresses specified in clause 7.6 of the Mortgage, (b) if to a Lender or the Facility Agent to the address specified on Schedule I, or (c) if to any subsequent Lender, addressed to such Lender at its address specified in the Certificate Register maintained pursuant to Clause 5.6.

16. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL; AGENT FOR SERVICE OF PROCESS.

- 16.1 This Agreement shall in all respects be governed by, and construed in accordance with, the law of the State of New York.
- 16.2 The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and the Borrower irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. The Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against another party or its properties in the courts of any jurisdiction.
- 16.3 The Borrower irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Clause 16.2. The Borrower hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.
- 16.4 Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Clause 15. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.
- 16.5 EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS CLAUSE.
- 16.6 The Borrower hereby irrevocably appoints and designates Corporation Service Company (the “**Agent for Service of Process**”), having an address at Corporation Service Company, 80 State Street, Albany, New York 12207-2543, as its true and lawful attorney-in-fact and duly authorized agent for the limited purpose of accepting service of legal process and the Borrower agrees that service of process upon such party shall constitute personal service of such process on such

person. The Borrower shall maintain the designation and appointment of the Agent for Service of Process at such address until all amounts payable under this Agreement shall have been paid in full. If the Agent for Service of Process shall cease to so act, the Borrower shall immediately designate and shall promptly deliver to the Facility Agent evidence in writing of acceptance by another agent for service of process of such appointment, which such other agent for service of process shall have an address for receipt of service of process in the State of New York and the provisions above shall equally apply to such other agent for service of process.

17. INVOICES AND PAYMENT OF EXPENSES

Each Agent and the Lenders shall promptly submit to the Borrower copies of invoices of the Transaction Expenses (as defined below) as they are received. The Borrower agrees to pay Transaction Expenses promptly upon receipt of detailed invoices of such Transaction Expenses regardless as to whether or not the Effective Date occurs (except in circumstances where such failure to occur is as a result of the breach by any Lender of its obligations hereunder following satisfaction by the Borrower of the Conditions Precedent set out in Clause 4 (*Conditions*)). For the purposes hereof, "Transaction Expenses" means:

- (a) with respect to the preparation, negotiation, execution and delivery of this Agreement and the payment or anticipated drawing of each Loan on each Borrowing Date, the reasonable fees, expenses and disbursements of Clifford Chance US LLP, special counsel to the Lenders and the Facility Agent, as well as the reasonable fees and expenses of special Cayman Islands counsel and any counsel to the Security Trustee (subject to any agreed caps);
- (b) all fees, taxes (including license, documentary, stamp, excise and property taxes) and other charges payable in connection with the recording or filing of instruments and financing statements;
- (c) each Agent's and each Lender's reasonable out-of-pocket costs and expenses relating to the negotiation and closing of this transaction (with any travel expenses requiring prior notice to the Borrower);
- (d) each Agent's and each Lender's reasonable out-of-pocket costs and expenses relating to any release of any Collateral or the delivery of the Aircraft contemplated hereby (including the reasonable fees, expenses and disbursements of legal counsel and with any travel expenses requiring prior notice to the Borrower); and
- (e) each Agent's and each Lender's reasonable out-of-pocket costs and expenses relating to any waiver, amendment or modification of the Operative Documents (including the reasonable fees, expenses and disbursements of legal counsel and with any travel expenses requiring prior notice to the Borrower).

18. CONFIDENTIALITY

Each of the Lenders and each Agent covenants and agrees to keep confidential, and not to disclose to any third parties, the Operative Documents and all non-public information received by it from the Borrower, Airbus or the Engine Manufacturer pursuant to the Operative Documents or the Assigned Purchase Agreement or the Engine Agreement, if any is so delivered, provided that, to the extent permitted by any applicable confidentiality agreement with Airbus or the Engine Manufacturer, such information may be made available:

- (a) to any transferee or participant (or any prospective transferee or participant) of a Lender's Commitments, Loan or Loan Certificates or the Security Trustee's respective interest in the Collateral, in each case so long as such transferee or participant (or prospective transferee or participant) first executes and delivers to the respective Lender a confidentiality agreement consistent with the foregoing or is otherwise bound by a substantially similar obligation of confidentiality;

- (b) to any Lender's counsel or independent certified public accountants, independent insurance advisors or other agents who agree to hold such information confidential on the terms provided;
- (c) as may be required by Applicable Law or by any statute, court or administrative order or decree or governmental ruling or regulation (or, in the case of any Lender, to any bank examiner or other regulatory personnel); or
- (d) as may be necessary for purposes of enforcement of any Operative Document.

19. MISCELLANEOUS

19.1 The representations, warranties, indemnities and agreements of the Borrower provided for in this Agreement and each party's obligations under any and all thereof, shall survive the expiration or other termination of this Agreement or any other Operative Document, except as expressly provided herein or therein.

19.2 This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified, except by an instrument in writing signed by the party or parties thereto.

19.3

- (a) This Agreement shall be binding upon and shall inure to the benefit of, and shall be enforceable by, the parties hereto and their respective successors and permitted assigns including each successive holder of any Loan Certificate(s) issued and delivered pursuant to this Agreement. Each Lender, by its acceptance of its Loan Certificate, agrees to be bound by all of the provisions of this Agreement and the other Operative Documents applicable to a Lender.
- (b) The Borrower may not assign any of its rights or obligations under this Agreement or the other Operative Documents except to the extent expressly provided thereby.
- (c) Each Lender, at no cost to any Obligor, may assign any of its Loan, its Loan Certificates and its Commitments to any Person with, unless a Default is continuing, the consent of the Borrower and the Guarantors, in each case, such consent not to be unreasonably withheld or delayed; provided that (i) each such assignment by a Lender of its Loan, Loan Certificates or Commitment shall be made in such manner so that the same portion of its Loan, Loan Certificates and Commitment is assigned to the respective assignee; (ii) no assignment shall be permitted if such would result in the Borrower or either Guarantor incurring any increased liability or cost under the Operative Documents as a result of such assignment based on laws in effect as of the date of such arrangement; (iii) such assignment shall be effected by the execution and delivery by the assignee and assignor of

an agreement in the form of the Loan Assignment Agreement attached as Exhibit B hereto; and (iv) such assignment shall be permitted pursuant to Clause 12.4 of the Step In Agreement. Upon execution and delivery by the assignee to the Borrower, the Facility Agent and the Security Trustee of the Loan Assignment Agreement pursuant to which such assignee agrees to become a "Lender" hereunder (if not already a Lender) having the Commitment and/or Loan amount specified in such instrument, and upon consent thereto by the Borrower and, the Facility Agent, to the extent required above, the assignee shall have, to the extent of such assignment (unless otherwise provided in such assignment with the consent of the Borrower, the Security Trustee and the Facility Agent), the obligations, rights and benefits of a Lender hereunder holding the Commitment and/or Loan (or portions thereof) assigned to it (in addition to the Commitment and, Loan, if any, theretofore held by such assignee) and the assigning Lender shall, to the extent of such assignment, be released from the Commitment (or portion thereof) so assigned.

- (d) Each Lender may sell or agree to sell to one or more other Persons a participation in all or any part of the Loan held by it, or in its Commitments, in which event each purchaser of a participation (a "**Participant**") shall be entitled to the rights and benefits of the provisions hereof with respect to its participation in such Loan and Commitments as if such Participant were a "Lender" for purposes hereof. In no event shall a Lender that sells a participation agree with the Participant to take or refrain from taking any action hereunder or under any other Operative Document except that such Lender may agree with the Participant that it will not, without the consent of the Participant, agree to (i) increase or extend the term, or extend the time or waive any requirement for the reduction or termination, of such Lender's Commitment, (ii) extend the date fixed for the payment of regularly scheduled principal or interest on the Loan or any portion of any fee hereunder payable to the Lender, (iii) reduce the amount of any such payment of principal or (iv) reduce the rate at which interest is payable thereon, or any fee hereunder payable to the Lenders, to a level below the portion of such rate or fee which the Participant is entitled to receive.
- (e) In addition to the assignments and participations permitted under the foregoing provisions of this Clause 19.3(b), any Lender may assign and pledge all or any portion of its Loan and its Loan Certificates to any Federal Reserve Bank as collateral security pursuant to Regulation A and any Operating Circular issued by such Federal Reserve Bank provided that neither the Borrower nor either Guarantor would incur an increased liability or cost under the Operative Documents as a result of such arrangement or pledge based on laws in effect at the time of such sale. No such assignment shall release the assigning Lender from its obligations hereunder.
- (f) Notwithstanding the above, a Lender may not assign or transfer all or any portion of its Loan, Commitment or any Loan Certificate or interest therein (i) in violation of the Securities Act or applicable foreign or state securities laws (ii) prior to the drawdown of the Loans.

20. **LIMITATION OF SECURITY TRUSTEE LIABILITY**

It is expressly understood and agreed by the parties that (A) this document is executed and delivered by Bank of Utah, not individually or personally, but solely as Security Trustee, (B) each of the representations, undertakings and agreements herein made on the part of the Security Trustee is made and intended not as personal representations, undertakings and agreements by Bank of Utah, but only in its capacity as Security Trustee for the Facility Agent and the Lenders,

(C) nothing herein contained shall be construed as creating any liability on Bank of Utah, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any person claiming by, through or under the parties hereto, and (D) under no circumstances shall Bank of Utah be personally liable for the payment of any indebtedness or expenses of the Lenders or the Facility Agent or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Security Trustee under this Agreement, the Operative Documents or any other related documents excluding, in each case, gross negligence, willful misconduct or simple negligence in the handling of money by the Security Trustee for which it shall be liable in its individual capacity.

21. LIMITATION ON LIABILITY

- 21.1 Notwithstanding anything contained in this Agreement to the contrary, recourse against the Borrower with respect to this Agreement shall be limited to the assets of the Borrower, as they may exist from time to time and each of the Security Trustee, the Facility Agent and the Lenders agree not to seek before any court or Governmental Entity to have any shareholder, director or officer of the Borrower, held liable, in their personal or individual capacities, for any actions or inactions of the Borrower or any obligations or liability of the Borrower under this Agreement other than in the case of gross negligence or willful misconduct.
- 21.2 Each of the Security Trustee, the Facility Agent and the Lenders agree that with respect to any actions or inactions of the Borrower or any obligations or liability of the Borrower under this Agreement, it shall not commence any case, proceeding, proposal or other action under any existing or future law of any jurisdiction relating to the bankruptcy, insolvency, reorganization, arrangement in the nature of insolvency proceedings, adjustment, winding-up, liquidation, dissolution or analogous relief with respect to the Borrower.
- 21.3 Nothing in this Clause 21 shall:
 - 21.3.1 be construed to limit the exercise of remedies pursuant to this Agreement in accordance with its terms; or
 - 21.3.2 be construed to waive, release, reduce, modify or otherwise limit the obligations and liabilities of any guarantor of the Borrower's obligations or liabilities hereunder.
- 21.4 The provisions of this Clause 21 shall survive the termination of this Agreement.

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

BORROWER

VERTICAL HORIZONS, LTD., Borrower

By: /s/ Grant Cellier

Name: Grant Cellier

Title: Director

SECURITY TRUSTEE

BANK OF UTAH, not in its individual capacity but solely as Security Trustee

By: /s/ John Thomas

Name: John Thomas

Title: Vice President

By: /s/ Jon Croasmun

Name: Jon Croasmun

Title: Vice President

FACILITY AGENT

CITIBANK, N.A., as Facility Agent

By: /s/ Meghan O'Connor

Name: Meghan O'Connor

Title: Vice President

By: _____

Name:

Title:

[Citi/Frontier A321/A320neo/A320 PDP Second Amended and Restated Credit Agreement]

ARRANGER

CITIGROUP GLOBAL MARKETS, INC., as Arranger

By: /s/ Scott Debano

Name: Scott Debano

Title: Managing Director

By: _____

Name:

Title:

LENDER

CITIBANK, N.A., as Lender

By: /s/ Meghan O'Connor

Name: Meghan O'Connor

Title: Vice President

By: _____

Name:

Title:

[Citi/Frontier A321/A320neo/A320 PDP Second Amended and Restated Credit Agreement]

**SCHEDULE I
NOTICE & ACCOUNT INFORMATION**

Lender

Citibank, N.A.
1615 Brett Road
Building 111
New Castle, DE 19720

Attention: Loan Administration
Fax: *****
Email: *****

With a copy to:

Citibank, N.A.
388 Greenwich Street, 34th Floor
New York, NY 10013

Attention: *****
Fax: *****
Email: *****

Facility Agent

Citibank, N.A.
1615 Brett Road
Building 111
New Castle, DE 19720

Attention: *****
Fax: *****
Email: *****

With a copy to:

Citibank, N.A.
388 Greenwich Street, 34th Floor
New York, NY 10013

Attention: *****
Fax: *****
Email: *****

Account Details:

Bank Name: Citibank, N.A.
ABA: *****
Account Name: *****
Account No.: *****
Reference: *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

**SCHEDULE II
COMMITMENTS**

| Lender | Participation Percentage | Maximum Commitment |
|----------------|-----------------------------|-----------------------|
| Citibank, N.A. | 100% | ***** |

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**SCHEDULE IV
THE FACILITY AGENT**

1. Appointment of the Facility Agent

- 1.1 Each of the Lenders appoints the Facility Agent to act as its agent under and in connection with the Operative Documents.
- 1.2 Each of the Lenders authorizes the Facility Agent to exercise the rights, powers, authorities and discretions specifically given to the Facility Agent under or in connection with the Operative Documents together with any other incidental rights, powers, authorities and discretions.
- 1.3 Unless expressly provided otherwise in the Operative Documents, each of the Lenders shall exercise its rights through the Facility Agent or the Security Trustee.

2. Duties of the Facility Agent

- 2.1
 - (a) The Facility Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facility Agent for that Party by any other Party.
 - (b) Paragraph (a) above shall not apply to any assignment agreement executed pursuant to clause 19.3(b)(i) or (ii).
- 2.2 The Facility Agent shall promptly forward to each of the Lenders a copy of any document or notice which is delivered to the Facility Agent by the Security Trustee.
- 2.3 If the Facility Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Lenders.
- 2.4 The Facility Agent shall promptly notify the Lenders of any Default (in relation to which it has actual knowledge) arising under Clause 4(a) (*Non Payment*) of the Mortgage.
- 2.5 The Facility Agent's duties under the Operative Documents are solely mechanical and administrative in nature.
- 2.6 Except where an Operative Document expressly and specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

3. No fiduciary duties

- 3.1 Nothing in this Agreement constitutes the Facility Agent as a trustee or fiduciary of any other Person.
- 3.2 The Facility Agent shall not be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

4. **Business with the Borrower**

The Facility Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

5. **Rights and discretions of the Facility Agent**

5.1 The Facility Agent may rely on:

- (a) any representation, notice or document believed by it to be genuine, correct and appropriately authorized; and
- (b) any statement made by a director, authorized signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

5.2 The Facility Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

- (a) no Default has occurred (unless it has actual knowledge of a Default arising under clause 4(a) (*Non-Payment*) of the Mortgage); and
- (b) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised.

5.3 The Facility Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts **provided that** such engagement shall not cause any additional expense or cost to the Borrower or either Guarantor unless approved in advance in writing by either such Guarantor.

5.4 The Facility Agent may act in relation to the Operative Documents through its personnel and agents.

5.5 The Facility Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

5.6 Notwithstanding any other provision of any Operative Document to the contrary, the Facility Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

6. **Majority Lenders' instructions**

6.1 Unless a contrary indication appears in a Operative Document, the Facility Agent shall act in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from acting or exercising any right, power, authority or discretion vested in it as Facility Agent) and shall not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with such an instruction of the Majority Lenders.

6.2 Unless a contrary indication appears in a Operative Document, any instructions given by the Majority Lenders will be binding on all the Lenders.

- 6.3 The Facility Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.
- 6.4 In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Facility Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- 6.5 The Facility Agent is not authorized to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Operative Document.

7. Responsibility for documentation

The Facility Agent is not (i) responsible for the legality, validity, effectiveness, adequacy or enforceability of any Operative Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Operative Document or (ii) responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by Applicable Law or regulation relating to insider dealing or otherwise, unless the Facility Agent is informed by the Borrower or either Guarantor in writing that specific information being provided to the Facility Agent is non-public information.

8. Exclusion of liability

- 8.1 Without limiting sub-clause 8.2, the Facility Agent will not be liable for any action taken by it under or in connection with any Operative Document, unless directly caused by its gross negligence or willful misconduct.
- 8.2 No Party may take any proceedings against any officer, employee or agent of the Facility Agent in respect of any claim it might have against the Facility Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Operative Document and any officer, employee or agent of the Facility Agent may rely on this sub-clause. Any third party referred to in this sub-clause 8.2 may enjoy the benefit of and enforce the terms of this sub-clause 8.2.
- 8.3 The Facility Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Operative Documents to be paid by the Facility Agent if the Facility Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognized clearing or settlement system used by the Facility Agent for that purpose.
- 8.4 Nothing in this Agreement shall oblige the Facility Agent to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Facility Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Facility Agent.

9. Lenders' indemnity to the Facility Agent

Each Lender shall (in proportion to its share of the total Commitments or, if the total Commitments are then zero, to its share of the total Commitments immediately prior to their reduction to zero) indemnify the Facility Agent, within ***** of demand, against any cost, loss or

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liability incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) in acting as Facility Agent under the Operative Documents (unless the Facility Agent has been reimbursed by the Borrower pursuant to an Operative Document).

10. Resignation of the Facility Agent

- 10.1 The Facility Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrower.
- 10.2 Alternatively the Facility Agent may resign with the consent of the Borrower (such consent not to be unreasonably withheld or delayed and **provided that**, such consent shall not be required if there shall have occurred and be continuing an Event of Default) by giving notice to the Lenders, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Facility Agent.
- 10.3 If the Majority Lenders have not appointed a successor Facility Agent in accordance with sub-clause 10.2 within ***** after notice of resignation was given, the Facility Agent (after consultation with the Borrower) may appoint a successor Facility Agent.
- 10.4 The retiring Facility Agent shall, at its own cost, make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Operative Documents.
- 10.5 The Facility Agent's resignation notice shall only take effect upon the appointment of a successor.
- 10.6 Upon the appointment of a successor, the retiring Facility Agent shall be discharged from any further obligation in respect of the Operative Documents but shall remain entitled to the benefit of this Clause 10. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- 10.7 With (prior to the occurrence of an Event of Default that is continuing) the consent of the Borrower (such consent not to be unreasonably withheld or delayed), the Majority Lenders may, by notice to the Facility Agent, require it to resign in accordance with sub-clause 10.2. In this event, the Facility Agent shall resign in accordance with sub-clause 10.2.

11. Confidentiality

- 11.1 In acting as agent for the Lenders, the Facility Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- 11.2 If information is received by another division or department of the Facility Agent, it may be treated as confidential to that division or department and the Facility Agent shall not be deemed to have notice of it.
- 11.3 Notwithstanding any other provision of any Operative Document to the contrary, the Facility Agent is not obliged to disclose to any other person any confidential information or any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

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12. Relationship with the Lenders

The Facility Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than ***** prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

13. Credit appraisal by the Lenders

Without affecting the responsibility of the Obligors for information supplied by it or on its behalf in connection with any Operative Document and the transactions contemplated thereby, each Lender confirms to the Facility Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Operative Document including but not limited to:

- 13.1 the financial condition, status and nature of the Obligors;
- 13.2 the legality, validity, effectiveness, adequacy or enforceability of any Operative Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Operative Document;
- 13.3 whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Operative Document, the transactions contemplated by the Operative Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Operative Document; and
- 13.4 the adequacy, accuracy and/or completeness of any information provided by any Party or by any other person under or in connection with any Operative Document, the transactions contemplated by the Operative Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Operative Document.

14. Written Directions

The Borrower shall be entitled to rely on any written direction believed by it (acting reasonably) to be given by the Facility Agent or the Security Trustee, as the case may be, as having been authorized, to the extent required by this Agreement, by all the Finance Parties.

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SCHEDULE V
THE SECURITY TRUSTEE

1. Acceptance of Trusts

The Security Trustee hereby confirms its acceptance of the trusts created under the Mortgage and the other Operative Documents and covenants and agrees to perform and observe all of its covenants and undertakings set forth in this Agreement, the Mortgage and the other Operative Documents, which shall govern the duties and responsibilities of the Security Trustee to the Finance Parties. The parties hereto agree that Bank of Utah, in its capacity as Security Trustee, acts hereunder solely as security trustee as herein provided and not in its individual capacity except as otherwise herein provided.

2. Duties and Responsibilities of the Security Trustee to the Finance Parties

- 2.1 In the event the Security Trustee shall have knowledge of an Event of Default (which shall not have been cured), the Security Trustee shall give prompt written notice of such Event of Default to the Facility Agent. Subject to the provisions of sub-clause 3.3 of this Schedule V, the Security Trustee shall take such action with respect to any Event of Default as the Security Trustee shall be instructed in writing by the Majority Lenders. If the Security Trustee shall not have received instructions as above provided within ***** after the mailing of notice of such Event of Default the Security Trustee shall, subject always to instructions received thereafter pursuant to the preceding sentence, take such action, or refrain from taking such action, but shall be under no duty to take or refrain from taking any action, with respect to such Event of Default as it shall determine advisable in the best interests of the Finance Parties and shall use the same degree of care and skill in connection therewith as a prudent person would use under the circumstances in the conduct of his or her own affairs. In the absence of actual knowledge of an officer in the "Corporate Trust Department" or its equivalent of the Security Trustee, the Security Trustee shall not be deemed to have knowledge of an Event Default unless notified in writing of such Event of Default by the Facility Agent.
- 2.2 Subject to the terms of sub-clauses 2.1 and 2.3(f) of this Schedule V, with respect to the Aircraft and each Operative Document, upon the written instructions at any time and from time to time of the Majority Lenders, the Security Trustee shall take such of the following actions as may be specified in such instructions: (i) give such notice or direction or exercise such right, remedy or power hereunder or under the Operative Documents as shall be specified in such instructions; and (ii) approve as satisfactory to the Security Trustee all matters expressly required by the terms hereof or thereof to be satisfactory to the Security Trustee, it being understood that without the written instructions of the Majority Lenders the Security Trustee shall not approve any such matter as satisfactory to the Security Trustee. The Security Trustee shall execute such documents as may be required under this Agreement or any other Operative Document as may be specified from time to time in written instructions of the Majority Lenders.
- 2.3 No provision of this Agreement shall be construed to relieve the Security Trustee from liability for the Security Trustee's own grossly negligent action, its own grossly negligent failure to act, or its own wilful misconduct or the Security Trustee's simple negligence in the handling of money, except that:

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- (a) the duties and obligations of the Security Trustee shall be determined solely by the express provisions of this Agreement, and the Security Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Security Trustee;
- (b) in the exercise of good faith, the Security Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Security Trustee and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Security Trustee, the Security Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement or the other Operative Documents;
- (c) the Security Trustee shall not be liable for any error of judgment made in good faith by a responsible officer of it, unless it shall be proved that the Security Trustee was grossly negligent in ascertaining the pertinent facts;
- (d) the Security Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and without gross negligence (or simple negligence in the handling of money) in accordance with the direction in writing of the Majority Lenders, relating to the time, method and place of conducting any proceeding for any remedy available to the Security Trustee, or exercising any right or power conferred upon the Security Trustee under this Agreement, and shall not be obligated to perform any discretionary act under this Agreement without the instructions in writing of the Majority Lenders;
- (e) the Security Trustee shall not be under any obligation to exercise any rights or powers or take any other action upon the instructions of the Majority Lenders (including, without limitation, the insuring, taking care of or taking possession of the Aircraft or any Engine), and no provision of this Agreement shall require the Security Trustee to expend or risk its own funds or otherwise incur any financial liability, unless and until the Security Trustee shall have been fully indemnified by any person reasonably acceptable to the Security Trustee against all liability and expense in connection with the exercise of such right or power or the taking of such other action; and
- (f) the Security Trustee shall have a claim and Lien upon, the Collateral and this Agreement and the Assigned Purchase Agreement prior to the other Finance Parties for any costs or expenses incurred by the Security Trustee acting in accordance with written instructions from Facility Agent and for which the Security Trustee shall not have been reimbursed.

2.4 Promptly upon receipt by the Security Trustee from either Obligor of the financial statements, reports and other documents to be furnished by either Obligor pursuant to this Agreement or pursuant to the other Operative Documents, if any, and of all other notices and documents to be delivered by the Obligors to the Security Trustee pursuant to the other Operative Documents, the Security Trustee shall furnish copies thereof to the Facility Agent, unless such notices and documents have previously been so provided.

3. Certain Rights of the Security Trustee

Except as otherwise provided above:

- 3.1 the Security Trustee may rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, trust certificate, guaranty or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;
- 3.2 whenever in the administration of this Agreement the Security Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Security Trustee (unless other evidence be herein specifically prescribed) may, in the exercise of good faith on its part, rely on a certificate of a responsible officer of any Person;
- 3.3 the Security Trustee may consult with counsel, and the written advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in reliance thereon;
- 3.4 the Security Trustee shall not be liable for any action taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement; and
- 3.5 in furtherance of any trust created hereby, the other Finance Parties shall provide the Security Trustee with all such further documents as the Security Trustee may reasonably request from time to time, in order to give effect to the trust created hereby.

4. Application of Debt Service and Other Payment

To the extent received and subject to Clause 5 (*Funds May Be Held by Security Trustee*) of this Schedule V, the Security Trustee covenants and agrees to apply all payments received by it under this Agreement and the other Operative Documents when and as the same shall be received in the order of priorities specified in Clause 5.4 (*Distribution of Funds Received*) of this Agreement.

5. Funds May Be Held by Security Trustee

Any monies, proceeds from any Collateral, until at any time paid to or property held by the Security Trustee as part of the Collateral, paid out by the Security Trustee as herein provided, shall be held by the Security Trustee on deposit in an Eligible Account, and the Security Trustee shall (unless an Event of Default shall have occurred and be continuing) account to the Borrower for interest upon any such monies so held or shall invest such monies in Cash Equivalents.

6. Security Trustee Not Liable for Delivery Delays or Defects in the Aircraft or Title or any Operative Document; May Perform Duties By other Finance Parties; Reimbursement of Expenses; Holding of the Operative Documents; Monies Held in Trust

- 6.1 Except as otherwise provided in Clause 2 (*Duties and Responsibilities of the Security Trustee*) of this Schedule V above, the Security Trustee shall not be liable to any Person for any delay in the delivery of the Aircraft, or for any default on the part of Airbus or the Borrower, or for any defect in the Aircraft or in the title thereto or any Operative Document, nor shall anything herein be construed as a warranty on the part of the Security Trustee in respect thereof or as a representation on the part of the Security Trustee in respect of the value thereof, or in respect of the title thereto or adequacy thereof, except to the extent provided in sub-clause 6.2 of this Schedule V.

- 6.2 Except as otherwise provided in Clause 2 of this Schedule V (*Duties and Responsibilities of the Security Trustee*) above, the Security Trustee may perform its powers and duties hereunder by or through such attorneys, agents and servants as it shall appoint, and shall be answerable for only its own acts, gross negligence, wilful misconduct (or mere negligence in the handling of money), and not for the default or misconduct of any attorney, agent or servant appointed by it with due care. The Security Trustee shall not be responsible in any way for the recitals herein contained or for the execution or validity of this Agreement or any other Operative Document.
- 6.3 Subject to any limitations set forth in a Fee Letter, the Security Trustee shall be entitled to receive payment of its reasonable expenses and disbursements hereunder (except expenses and disbursements incurred pursuant to sub-clause 8.1 of this Schedule V but including its expenses and disbursements in connection with the enforcement of its rights as Security Trustee for the relevant Collateral, in enforcing remedies hereunder, under the Agreement or under the other Operative Documents, or in collecting upon, maintaining, refurbishing or preparing for sale any portion of the Collateral) and to receive compensation for all services rendered by it in performing its duties in accordance with the terms of this Agreement. All such fees, expenses and disbursements shall be paid by the Borrower (unless paid by a Guarantor) in accordance with the relevant Fee Letter.
- 6.4 Any monies or proceeds from any Collateral at any time held by the Security Trustee hereunder or any other Operative Document shall, until paid out by the Security Trustee as herein provided, be held by it in trust as herein provided for the benefit of the Finance Parties.

7. Successor Security Trustee

7.1 Persons Eligible for Appointment as Security Trustee

There shall at all times be a Security Trustee hereunder, which shall be a banking institution, trust company or corporation having a combined capital and surplus of at least *****, and in the case of a corporation, which is authorized under Applicable Law to exercise corporate trust powers and is subject to supervision or examination by federal or state banking authority. If any such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Clause 7.1, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Security Trustee shall cease to be eligible in accordance with the provisions of this Clause 7.1, the Security Trustee shall resign immediately in the manner and with the effect specified in Clause 8 (*Resignation and Removal; Appointment of Successor Security Trustee*) of this Schedule V below.

8. Resignation and Removal; Appointment of Successor Security Trustee

- 8.1 The Security Trustee may at any time resign by giving written notice of resignation to the Facility Agent, with a copy to the Borrower and the Facility Agent shall promptly notify the Lenders thereof. Upon receipt by the Lenders of such written notice of resignation, the Lenders shall promptly appoint a successor agent, by written instrument, which successor shall be reasonably acceptable to the Borrower so long as no Event of Default shall have occurred and be continuing, in which case, one copy of which instrument shall be delivered to the Security Trustee so resigning, one copy to the successor agent and one copy to each of the Finance Parties. If no successor agent shall have been so appointed and have accepted appointment within ***** after the giving of such notice of resignation, the resigning agent may petition any court of competent jurisdiction for the appointment of a successor agent, or the Finance Parties may petition any such

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

court for the appointment of a successor agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor agent reasonably acceptable to Facility Agent.

- 8.2 With the consent of the Borrower (such consent not to be unreasonably withheld or delayed), the Majority Lenders may, by notice to the Security Trustee, require it to resign in accordance with Clause 8.1 of this Schedule V. In this event, the Security Trustee shall resign in accordance with Clause 8.1 of this Schedule V.
- 8.3 Any resignation or removal of the Security Trustee and appointment of a successor trustee pursuant to any of the provisions of this Clause 8 shall become effective upon acceptance of appointment by the successor trustee as provided in Clause 9 of this Schedule V (*Acceptance of Appointment by Successor Security Trustee*) below.

9. Acceptance of Appointment by Successor Security Trustee

Any successor trustee appointed as provided in Clause 8 of this Schedule V (*Resignation and Removal; Appointment of Successor Security Trustee*) above shall execute, acknowledge and deliver to the relevant beneficiaries, and to its predecessor agent an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the title, rights, powers, duties and obligations of its predecessor hereunder and under the Operative Documents to which its predecessor was a party, with like effect as if originally named as the "Security Trustee" herein and therein, and every provision hereof or thereof applicable to the retiring trustee shall apply to such successor trustee with like effect as if such successor trustee had been originally named herein and therein in the place and instead of the Security Trustee; but nevertheless, on the written request of a Finance Party, or of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall transfer and deliver to such successor all monies, if any, the Aircraft, the Collateral, the Operative Documents and other property held by the trustee so ceasing to act, shall execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act, and shall execute and deliver such instruments of transfer as may be reasonably requested by such successor trustee or required by any Applicable Law. Upon request of any such successor trustee, the relevant beneficiary shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers and recognizing the transfer of title as aforesaid, and shall do and perform any and all acts necessary to establish and maintain the title and rights of the successor trustee in and to the Aircraft, the Collateral, the Operative Documents and other property in the Collateral. Any trustee ceasing to act shall, nevertheless, retain a Security Interest upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Clause 6 of this Schedule V (*Security Trustee Not Liable for Delivery Delays or Defects in the Aircraft or Title or any Operative Document; May Perform Duties by other Finance Parties; Reimbursement of Expenses; Holding of the Operative Documents; Monies held in Trust*). No successor trustee shall accept appointment as provided in this Clause 9 of this Schedule V (*Acceptance of Appointment by Successor Security Trustee*) unless at the time of such acceptance such successor trustee shall be eligible under the provisions of Clause 7.1 of this Schedule V (*Persons Eligible for Appointment as Security Trustee*). Upon acceptance of appointment by a successor trustee as provided in this Clause 9 of this Schedule V such successor trustee shall mail notice of the succession of such trustee hereunder to the Finance Parties.

10. Merger or Consolidation of Security Trustee

Any corporation into which the Security Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or conversion or consolidation to which the Security Trustee shall be a party, or any corporation succeeding to the corporate trust business of the Security Trustee, shall be the successor of the Security Trustee hereunder, provided such corporation shall be eligible under the provisions of Clause 7.1 of this Schedule V (*Persons Eligible for Appointment as Security Trustee*), without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

11. Appointment of Additional and Separate Security Trustees

If at any time or times the Security Trustee shall deem it necessary or prudent in order to conform to any law of any jurisdiction in which the Aircraft, the Collateral or any Operative Document shall be situated or in which any of the same is expected to be enforced, or the Security Trustee shall be advised by counsel that it is so necessary or prudent in the interest of the beneficiaries or the beneficiaries shall in writing so request the Security Trustee, the Security Trustee shall execute and deliver an agreement supplemental hereto and all other instruments and agreements necessary or proper to constitute another bank or trust company or one or more persons approved by the Security Trustee, the Facility Agent and, while no Default is continuing, the Borrower (such consent not to be unreasonably withheld or delayed) which is a reputable financial institution either to act as additional trustee or trustees of the Aircraft, the Collateral or the Operative Documents, jointly with the Security Trustee originally named herein or any successor or successors, or to act as separate agent or agents of the Aircraft, the Collateral or the Operative Documents, in any such case with such powers as may be provided in such supplemental agreement, and to vest in such bank, trust company or Person as such additional agent or separate agent, as the case may be, any property, title, right or power of the Security Trustee deemed necessary or advisable, subject to the remaining provisions of this sub-clause. The Security Trustee may execute, deliver and perform any deed, conveyance, assignment or other instrument in writing as may be required by any additional agent or separate agent for more fully and certainly vesting in and confirming to it or him any property, title, right or powers which by the terms of such supplemental agreement are expressed to be conveyed or conferred to or upon such additional agent or separate agent. Every additional agent and separate agent hereunder shall, to the extent permitted by law, be appointed and act as and be such, and the Security Trustee and its successors as the Security Trustee shall act as and be such, subject to the following provisions and conditions:

- 11.1 all powers, duties, obligations and rights conferred upon the Security Trustee in respect of the receipt, custody and payment of monies shall be exercised solely by the Security Trustee or its successor as Security Trustee;
- 11.2 all other rights, powers, duties and obligations conferred or imposed upon the Security Trustee shall be conferred or imposed upon and exercised or performed by the Security Trustee or its successor as Security Trustee and such additional agent or agents and separate agent or agents jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Security Trustee or its successor as Security Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Aircraft in any such jurisdiction) shall be exercised and performed by such additional agent or agents or separate agent or agents;

11.3 no power hereby given to, or which it is hereby provided may be exercised by, any such additional agent or separate agent shall be exercised hereunder by such additional agent or separate agent except jointly with, or with the consent of, the Security Trustee or its successor as Security Trustee, anything herein contained to the contrary notwithstanding; and

11.4 no agent hereunder shall be personally liable by reason of any act or omission of any other agent hereunder.

If at any time the Security Trustee shall deem it no longer necessary or prudent in order to conform to any such law or shall be advised by such counsel that it is no longer so necessary or prudent in the interest of the Finance Parties then the Facility Agent shall in writing so request the Security Trustee, and the Security Trustee shall execute and deliver all instruments and agreements necessary or proper to remove any additional agent or separate agent. Any additional agent or separate agent may at any time by an instrument in writing constitute the Security Trustee his agent or attorney-in-fact, with full power and authority, to the extent which may be authorized by law, to do all acts and things and exercise all discretion which he is authorized or permitted to do or exercise, for and in his behalf and in his name. In case any such additional agent or separate agent shall die, become incapable of acting, resign or be removed, all the assets, property, rights, powers, trusts, duties and obligations of such additional agent or separate agent, as the case may be, so far as permitted by law, shall vest in and be exercised by the Security Trustee, without the appointment of a new successor to such additional agent or separate agent, unless and until a successor is appointed in the manner hereinbefore provided. Any request, approval or consent in writing by the Security Trustee to any additional agent or separate agent shall be sufficient warrant to such additional agent or separate agent, as the case may be, to take such action as may be so requested, approved or consented to. Each additional agent and separate agent appointed pursuant to this Clause 11 (*Appointment of Additional and Separate Security Trustees*) shall be subject to, and shall have the benefit of, Clause 2 of this Schedule V (*Duties and Responsibilities of the Security Trustee to the Finance Parties*) and Clause 3 of this Schedule V (*Certain Rights of the Security Trustee*).

12. Dealing with Parties

The Security Trustee may accept deposits from, lend money to and generally engage in any kind of banking activities or other business with any party to the Operative Documents and any Affiliate of such party.

SCHEDULE VI
BFE

- (a) *****
- (b) *****
- (c) *****

- (a) *****
- (b) *****
- (c) *****
- (d) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

**EXHIBIT A
FUNDING NOTICE**

, 20

Citibank, N.A., Facility Agent

Re: **Predelivery Deposit Payment Financing for Vertical Horizons, Ltd.**

Ladies and Gentlemen:

Reference is hereby made to that certain Second Amended and Restated Credit Agreement dated as of December 16, 2016 (the “**Credit Agreement**”; capitalized terms used herein without definition shall have the definitions specified in the Credit Agreement) entered into among Vertical Horizons, Ltd., as borrower (the “**Borrower**”), the institutions listed on Schedule I thereto, as lenders (the “**Lenders**”), Bank of Utah, not in its individual capacity but solely as Security Trustee, and Citibank, N.A., as facility agent.

1. Pursuant to Clause 2.3(a) of the Credit Agreement, Borrower hereby requests a Loan in accordance with the following parameters:

(1) Aircraft Number:

1/2/3/4/5/6/7/8/9/10/11/12/13/14/15/16/17/18/19/20/21/22/23/24/25/26/27/28/29/30/31/32/33/34/35/36/37/38/39/40/41/42/
43/44/45/46/47/48/49/50/51/52/53/54/55/56/57/58/59/60/61/62/63/64/65/66/67/68/69/70

(2) Borrowing/Effective Date:

(3) Loan: \$

(4) Equity Contribution: \$

2. The Borrower confirms that all Equity Contributions for the Aircraft the subject of this Loan have been made or will be made by the Borrowing Date.

3. Please distribute the proceeds of the Loan as follows: [Insert payment instructions]

4. Borrower hereby confirms that the representations and warranties of the Borrower in clause 7 of the Credit Agreement are true and accurate on the date hereof as though made on the date hereof except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties were true and accurate on and as of such earlier date).

5. In consideration of the Lenders making their funds available on the Borrowing Date specified in this Funding Notice, in the event that the Loan does not take place on the Borrowing Date specified in this Funding Notice or in the event the Loan takes place on any Delayed Borrowing Date, the Borrower shall compensate the Lenders for their net loss on such funds, including any Break Amounts, by paying the Lenders interest on the aggregate amount thereof (calculated on

the basis of a 360-day year and actual days elapsed) at a rate equal to the Lenders' cost of funds plus the Applicable Margin for the period from and including the Borrowing Date specified in this Funding Notice to but excluding the earlier of (x) the Business Day on which the Borrowing Date shall actually occur, (y) the Business Day on which the Borrower shall notify the Lenders that the Borrowing will not occur prior to the Delayed Borrowing Date (if such notice is given prior to ***** or if later, until the Business Day subsequent to such notice date), or (z) the Delayed Borrowing Date.

For the purposes of the first Loan under this Funding Notice, the Credit Agreement shall be treated as executed and delivered even if it is yet to be executed and delivered. By signing below the Borrower indemnifies the Lenders against any loss they may incur in respect of the first Loan under this Funding Notice. The terms and provisions of this Funding Notice shall be binding upon and inure to the benefit of the Lenders and the Borrower and their successors and assigns.

This Funding Notice shall be governed by the internal laws of the State of New York.

Very truly yours,

VERTICAL HORIZONS, LTD.

By: _____
Name:
Title:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT B
LOAN ASSIGNMENT AGREEMENT

LOAN ASSIGNMENT AGREEMENT dated as of _____, between _____ (the “**Assignee**”) and _____ (the “**Assignor**”) [(the “**Borrower**”) and, _____ (the “**Guarantors**)].

RECITALS

WHEREAS, the Assignor is the holder of the Loan Certificate No. _____ dated as of _____, (the “**Assignor’s Loan Certificate**”) issued under the Second Amended and Restated Credit Agreement, dated as of December 16, 2016 (the “**Credit Agreement**”) among Vertical Horizons, Ltd. (“**Borrower**”), the Lenders party thereto, Bank of Utah, not in its individual capacity but solely as Security Trustee, and Citibank N.A, as Facility Agent (the “**Facility Agent**”);

WHEREAS, the Assignor proposes to assign to the Assignee \$ _____ of the \$ _____ Assignor’s Loan Certificate and a pro rata portion of all of the rights and obligations of the Assignor under the Credit Agreement and the other Operative Documents (as defined below) in respect thereof, on the terms and subject to the conditions specified herein, and the Assignee proposes to accept the assignment of such rights and obligations from the Assignor on such terms and subject to such conditions;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the parties hereto agree as follows:

1. Definitions

Unless otherwise defined herein, terms defined in the Credit Agreement are used herein as therein defined.

2. Assignment

- (a) On _____, (the “**Effective Date**”), and on the terms and subject to the conditions specified herein, the Assignor will sell, assign and transfer to the Assignee, without recourse to or representation, express or implied, by the Assignor (except as expressly specified in Paragraph 5 hereof), a \$ _____ portion of the Assignor’s Loan Certificate and a pro rata portion of the rights and obligations of the Assignor under the Credit Agreement and the other Operative Documents in respect thereof (but not with respect to any indemnity or other claim, interest thereon at the Past Due Rate and breakage amounts, if any, accrued and unpaid as of the Effective Date or thereafter payable to the Assignor in respect of the period prior to the Effective Date), and the Assignee shall accept such assignment from the Assignor and assume all of the obligations of the Assignor accruing from and after the Effective Date under the Credit Agreement and the other Operative Documents relating to the Assignor’s Loan Certificate on such terms and subject to such conditions.
- (b) Upon the satisfaction of the conditions specified in Paragraph 4, (A) the Assignee shall, on the Effective Date, succeed to the rights and be obligated to perform the obligations of a Lender under the Credit Agreement and the other Operative Documents, and (B) the Assignor shall be released from its obligations under the Credit Agreement and the other Operative Documents accrued from and after the Effective Date, in each case to the extent such obligations have been assumed by the Assignee.

3. Payments

As consideration for the sale, assignment and transfer contemplated in Paragraph 2 hereof, the Assignee shall pay to the Assignor, on the Effective Date, in lawful currency of the United States and in immediately available funds, to the account specified below its signature on the signature pages hereof, an amount equal to \$.

4. Conditions

This Assignment Agreement shall be effective upon the due execution and delivery of this Assignment Agreement by the Assignor and the Assignee and the effectiveness of the assignment contemplated by Paragraph 2 hereof is subject to:

- (a) the receipt by the Assignor of the payment provided for in Paragraph 3;
- (b) the delivery to the Facility Agent of the Assignor's Loan Certificate, duly endorsed for [partial] transfer to the Assignee, together with a request in the form attached hereto as Exhibit A that a new Loan Certificate be issued to the Assignee and Assignor; and
- (c) the notification by the Assignee to the Borrower of its identity and of the country of which the Assignee is a resident for tax purposes.

5. Representations and Warranties of the Assignor

The Assignor represents and warrants as follows:

- (a) the Assignor has full power and authority, and has taken all action necessary to execute and deliver this Assignment Agreement and any other documents required or permitted to be executed or delivered by it in connection with this Assignment Agreement and to fulfill its obligations under, and to consummate the transactions contemplated by, this Assignment Agreement, and no governmental authorizations or other authorizations are required in connection therewith;
- (b) the Assignor's interest in the Assignor's Loan Certificate is free and clear of any and all Liens created by or through the Assignor;
- (c) this Assignment Agreement constitutes the legal, valid and binding obligation of the Assignor, enforceable against the Assignor in accordance with its terms; and
- (d) the Assignor has received no written notice of any Default having occurred and continuing on the date of execution hereof.

6. Representations and Warranties of the Assignee

The Assignee hereby represents and warrants to the Assignor and Borrower that:

- (a) the Assignee has full power and authority, and has taken all action necessary to execute and deliver this Assignment Agreement and any and all other documents required or permitted to be executed or delivered by it in connection with this Assignment Agreement and to fulfill its obligations under, and to consummate the transactions contemplated by, this Assignment Agreement, and no governmental authorizations or other authorizations are required in connection therewith;

- (b) this Assignment Agreement constitutes the legal, valid and binding obligation of the Assignee, enforceable against the Assignee in accordance with its terms; and
- (c) the Assignee has fully reviewed the terms of the Operative Documents and has independently and without reliance upon the Assignor and based on such information as the Assignee has deemed appropriate, made its own credit analysis and decision to enter into this Assignment Agreement.

7. Further Assurances

The Assignor and the Assignee hereby agree to execute and deliver such other instruments, and take such other action, as either party may reasonably request in connection with the transactions contemplated by this Assignment Agreement.

8. Governing Law

This Assignment Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

9. Notices

All communications between the parties or notices in connection herewith shall be in writing, hand-delivered or sent by ordinary mail or facsimile, addressed as specified on the signature pages hereof. All such communications and notices shall be effective upon receipt.

10. Binding Effect

This Assignment Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

11. Integration of Terms

This Assignment Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements and other writings with respect to the subject matter hereof.

12. Counterparts

This Assignment Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, taken together, shall constitute one and the same instrument.

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

[ASSIGNEE]

By: _____
Name:
Title:

Address for Notices:

Wire Instructions:

[ASSIGNOR]

By: _____
Name:
Title:

Address for Notices:

Wire Instructions:

[BORROWER]

By: _____
Name:
Title:]

[GUARANTOR]

By: _____

Name:

Title:]

EXHIBIT C
FORM OF STEP-IN AGREEMENT

EXHIBIT D
FORM OF CFM ENGINE AGREEMENT A320NEO

EXHIBIT E
FORM OF CFM ENGINE AGREEMENT A320-200 AND A321-200

**EXHIBIT F
FORM OF LOAN CERTIFICATE**

VERTICAL HORIZONS, LTD.

LOAN CERTIFICATE

No.

New York, New York

\$

[Effective Date]

Vertical Horizons, Ltd. (the "**Borrower**") hereby promises to pay to Citibank, N.A. (the "**Lender**"), or registered transferees, the principal sum of (\$ _____), or, if less, the aggregate unpaid principal amount of all Loans made by Lender to Borrower pursuant to that certain Second Amended and Restated Credit Agreement dated as of December 16, 2016 (the "**Credit Agreement**") among the Borrower, Bank of Utah, not in its individual capacity but solely as security trustee as Security Trustee, and Citibank, N.A., as Facility Agent (the "**Facility Agent**") and certain lenders named therein, payable in full on the final Termination Date, together with interest on the unpaid principal amount hereof from time to time outstanding from and including the Original Signing Date until such principal amount is paid in full. The applicable interest rate for the Loans evidenced by this note can vary in accordance with the definition of "Applicable Rate" in the Credit Agreement. Interest shall accrue with respect to each Interest Period at the Applicable Rate in effect for such Interest Period and shall be payable in arrears on each Interest Payment Date and on the date this Loan Certificate is paid in full. This Loan Certificate shall bear interest at the Past Due Rate on any principal hereof, and, to the extent permitted by Applicable Law, interest and other amounts due hereunder, not paid when due (whether at stated maturity, by acceleration or otherwise), for any period during which the same shall be overdue, payable on demand by the Lender.

Interest shall be payable with respect to the first but not the last day of each Interest Period and shall be payable from (and including) the date of a Loan or the immediately preceding Interest Payment Date, as the case may be, to (and excluding) the next succeeding Interest Payment Date. Interest shall be calculated on the basis of a year of 360 days and actual number of days elapsed. If any sum payable hereunder falls due on a day which is not a Business Day, then such sum shall be payable on the next succeeding Business Day.

Borrower hereby acknowledges and agrees that this note is one of the Loan Certificates referred to in, evidences indebtedness incurred under, and is subject to the terms and provisions of, the Credit Agreement including, without limitation, the repayment in full of the Loans made in respect of an Aircraft upon the Delivery Date of such Aircraft. The Credit Agreement, to which reference is hereby explicitly made, sets forth said terms and provisions, including those under which this Loan Certificate may or must be paid prior to its due date or may have its due date accelerated.

All payments of principal, Break Amount, if any, and interest and other amounts to be made to the Lender or under the Credit Agreement and that certain Second Amended and Restated Mortgage and Security Agreement dated as of December 16, 2016 (as amended or supplemented from time to time, the "**Mortgage**") among the Borrower, the Facility Agent and the Security Trustee, shall be made in accordance with the terms of the Credit Agreement and the Mortgage.

Principal and interest and other amounts due hereon shall be payable in Dollars in immediately available funds prior to 12:00 noon, New York time, on the due date thereof, to the Facility Agent and the Facility Agent shall, subject to the terms and conditions of the Credit Agreement and the Mortgage, remit all such amounts so received by it to the Lender in accordance with the terms of the Credit Agreement and the

Mortgage at such account or accounts at such financial institution or institutions situated in New York as the Lender hereof shall have designated to the Facility Agent in writing, in immediately available funds. In the event the Facility Agent shall fail to make any such payment as provided in the immediately foregoing sentence after its receipt of funds at the place and prior to the time specified above, the Facility Agent agrees to compensate the Lender hereof for loss of use of funds in a commercially reasonable manner. All such payments by the Borrower and the Facility Agent shall be made free and clear of and without reduction for or on account of all wire or other like charges.

The Lender, by its acceptance of this Loan Certificate, agrees to be bound by all provisions of the Operative Documents applicable to Lenders and that, except as otherwise expressly provided in the Credit Agreement or the Mortgage, each payment received by the Facility Agent in respect hereof shall be applied, **first** to the payment of interest hereon (as well as any interest on overdue principal and, to the extent permitted by law, interest and other amounts payable hereunder or under the Operative Documents) due and payable hereunder, **second**, to the payment in full of the outstanding principal of this Loan Certificate then due, and **third**, in the manner specified in clause "third" of Clause 5.4(c) of the Credit Agreement; provided that following an Event of Default, all amounts actually received by the Security Trustee in respect of this Loan Certificate shall be applied in accordance with Clause 5.4(e) of the Credit Agreement.

This Loan Certificate is one of the Loan Certificates referred to in, and issued pursuant to, the Credit Agreement and the Mortgage. The Collateral is held by the Security Trustee as security, in part, for the Loan Certificates. Reference is hereby made to the Credit Agreement and the Mortgage for a statement of the rights and obligations of the Lender, and the nature and extent of the security for this Loan Certificate and of the rights and obligations of the other Lenders, and the nature and extent of the security for the other Loan Certificates, as well as for a statement of the terms and conditions of the trusts created by the Mortgage, to all of which terms and conditions in the Credit Agreement and the Mortgage each Lender agrees by its acceptance of this Loan Certificate.

There shall be maintained a Certificate Register for the purpose of registering transfers and exchanges of Loan Certificates at the office of the Facility Agent specified in the Credit Agreement or at the office of any successor Facility agent in the manner provided in clause 5.6 of the Credit Agreement. As provided in the Credit Agreement and the Mortgage and subject to certain limitations specified therein, this Loan Certificate or any interest herein may, subject to the next following paragraph, be assigned or transferred, and the Loan Certificates are exchangeable for a like aggregate original principal amount of Loan Certificates of any authorized denomination, as requested by the Lender surrendering the same.

Prior to the due presentment for registration or transfer of this Loan Certificate, the Borrower and the Facility Agent shall deem and treat the person in whose name this Loan Certificate is registered on the Certificate Register as the absolute owner of this Loan Certificate and the Lender for the purpose of receiving payment of all amounts payable with respect to this Loan Certificate and for all other purposes whether or not this Loan Certificate is overdue, and neither the Borrower nor the Facility Agent shall be affected by notice to the contrary.

This Loan Certificate is subject to prepayment as permitted by clauses 5.9 and 5.10 of the Credit Agreement and to acceleration by the Facility Agent as provided in clause 5 of the Mortgage, and the Lender, by its acceptance of this Loan Certificate, agrees to be bound by said provisions.

Terms defined in the Credit Agreement and in the Mortgage have the same meaning when used in this Loan Certificate.

This Loan Certificate shall be governed by and construed in accordance with the law of the State of New York.

IN WITNESS WHEREOF, the Borrower has caused this Loan Certificate to be executed in its corporate name by its officer thereunto duly authorized, as of the date hereof.

VERTICAL HORIZONS, LTD.

By: _____
Name:
Title:

ANNEX A

Definitions

For all purposes of the Credit Agreement and the Mortgage and Security Agreement the following terms shall have the following meanings (such definitions to be equally applicable to both the singular and plural forms of the terms defined). Any agreement referred to below shall mean such agreement as amended, supplemented and modified from time to time in accordance with the applicable provisions thereof and of the other Operative Documents. Unless otherwise specified, Clause references are to Clauses of the Credit Agreement or the Mortgage.

“A320neo Aircraft” means any or all, as the context may require, of Aircraft 22, Aircraft 23, Aircraft 24, Aircraft 25, Aircraft 26, Aircraft 27, Aircraft 28, Aircraft 29, Aircraft 30, Aircraft 31, Aircraft 32, Aircraft 33, Aircraft 34, Aircraft 35 Aircraft 36, Aircraft 37, Aircraft 38, Aircraft 39, Aircraft 40, Aircraft 41, Aircraft 42, Aircraft 43, Aircraft 44, Aircraft 45, Aircraft 46, Aircraft 47, Aircraft 48, Aircraft 49, Aircraft 50, Aircraft 51, Aircraft 52, Aircraft 53, Aircraft 54, Aircraft 55, Aircraft 56, Aircraft 57, Aircraft 58, Aircraft 59, Aircraft 60, Aircraft 61, Aircraft 62, Aircraft 63, Aircraft 64, Aircraft 65, Aircraft 66, Aircraft 67, Aircraft 68, Aircraft 69 and Aircraft 70, but only so long as there is an Advance (or any other amount) or a Commitment outstanding in respect of such Aircraft.

“A320-200 Aircraft” means any or all, as the context may require, of Aircraft 14 and Aircraft 15, but only so long as there is an Advance (or any other amount) or a Commitment outstanding in respect of such Aircraft.

“A321-200 Aircraft” means any or all, as the context may require, of Aircraft 1, Aircraft 2, Aircraft 3, Aircraft 4, Aircraft 5, Aircraft 6, Aircraft 7, Aircraft 8, Aircraft 9, Aircraft 10, Aircraft 11, Aircraft 12, Aircraft 13, Aircraft 16, Aircraft 17, Aircraft 18, Aircraft 19, Aircraft 20, and Aircraft 21, but only so long as there is an Advance (or any other amount) or a Commitment outstanding in respect of such Aircraft.

“Accounts” means any bank accounts, deposit accounts or other accounts in the name of the Borrower.

“Additional Aircraft” means any or all, as the context may require, of Aircraft 37, Aircraft 38, Aircraft 39, Aircraft 40, Aircraft 41, Aircraft 42, Aircraft 43, Aircraft 44, Aircraft 45, Aircraft 46, Aircraft 47, Aircraft 48, Aircraft 49, Aircraft 50, Aircraft 51, Aircraft 52, Aircraft 53, Aircraft 54, Aircraft 55, Aircraft 56, Aircraft 57, Aircraft 58, Aircraft 59, Aircraft 60, Aircraft 61, Aircraft 62, Aircraft 63, Aircraft 64, Aircraft 65, Aircraft 66, Aircraft 67, Aircraft 68, Aircraft 69 and Aircraft 70 but only so long as there is an Advance (or any other amount) or a Commitment outstanding in respect of such Aircraft.

“Administration Agreement” means the administration agreement between the Borrower and the Agent dated as of December 18, 2014, together with the administrator fee letter dated as of December 18, 2014, to which, *inter alia*, Frontier Airlines is a party.

“**Advance**” means each Purchase Price Installment paid or payable by or on behalf of the Borrower in respect of each Aircraft in accordance with the terms of the Assigned Purchase Agreement which, for each Purchase Price Installment due on or after the Original Signing Date, is in the amount and payable on the date specified in Schedule III to the Credit Agreement.

“**Affiliate**” means, with respect to any Person, any other Person which directly or indirectly controls, is controlled by, or under common control with, such Person. The term “control” means the possession, directly or indirectly of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**After-Tax Basis**” means on a basis that any payment to be received or receivable by any Person (the “original payment”) is supplemented by a further payment or payments to such Person so that the sum of all such payments (including the original payment), after deducting the net amount of all Taxes payable by such Person or any of its Affiliates under any law or required by Governmental Entity as a result of the receipt or accrual of such payments (after reduction by the amount of current Taxes saved by such Person as a result of the event or item for which such payments are being made to such Person), is equal to the original payment due to such Person.

“**Agents**” means collectively the “**Security Trustee**” and the “**Facility Agent**” (each an “**Agent**”).

“**Airbus**” means Airbus S.A.S., in its capacity as manufacturer of the Aircraft, and its successors and assigns.

“**Airbus Purchase Agreement**” means collectively the (i) with respect to the A320-200 Aircraft and the A321-200 Aircraft, the A321-200 aircraft purchase agreement dated as of October 31, 2014 between Airbus and Frontier Airlines, as amended and supplemented from time to time (but excluding any letter agreements entered into from time to time in relation thereto), to the extent related to such Aircraft and as the same may be further amended and supplemented from time to time and (ii) with respect to the A320neo Aircraft, the A320neo aircraft purchase agreement dated as of September 30, 2011 between Airbus and Frontier Airlines, as amended and supplemented from time to time (but excluding any letter agreements entered into from time to time in relation thereto), to the extent related to such Aircraft and as the same may be further amended and supplemented from time to time.

“**Aircraft**” means any or all, as the context may require, of each Existing Aircraft and each Additional Aircraft, but only so long as there is an Advance (or any other amount) or a Commitment outstanding in respect of such Aircraft.

“**Aircraft Pool**” has the meaning given to it in Clause 10.20(a) of the Credit Agreement.

“**Aircraft 1**” means the A321-200 aircraft (Airframe 1) as more specifically described in Schedule III to the Credit Agreement on line No. 1 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“Aircraft 2” means the A321-200 aircraft (Airframe 2) as more specifically described in Schedule III to the Credit Agreement on line No. 2 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“Aircraft 3” means the A321-200 aircraft (Airframe 3) as more specifically described in Schedule III to the Credit Agreement on line No. 3 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“Aircraft 4” means the A321-200 aircraft (Airframe 4) as more specifically described in Schedule III to the Credit Agreement on line No. 4 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“Aircraft 5” means the A321-200 aircraft (Airframe 5) as more specifically described in Schedule III to the Credit Agreement on line No. 5 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“Aircraft 6” means the A321-200 aircraft (Airframe 6) as more specifically described in Schedule III to the Credit Agreement on line No. 6 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“Aircraft 7” means the A321-200 aircraft (Airframe 7) as more specifically described in Schedule III to the Credit Agreement on line No. 7 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“Aircraft 8” means the A321-200 aircraft (Airframe 8) as more specifically described in Schedule III to the Credit Agreement on line No. 8 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“Aircraft 9” means the A321-200 aircraft (Airframe 9) as more specifically described in Schedule III to the Credit Agreement on line No. 9 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“Aircraft 10” means the A321-200 aircraft (Airframe 10) as more specifically described in Schedule III to the Credit Agreement on line No. 10 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“Aircraft 11” means the A321-200 aircraft (Airframe 11) as more specifically described in Schedule III to the Credit Agreement on line No. 11 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 12**” means the A321-200 aircraft (Airframe 12) as more specifically described in Schedule III to the Credit Agreement on line No. 12 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 13**” means the A321-200 aircraft (Airframe 13) as more specifically described in Schedule III to the Credit Agreement on line No. 13 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 14**” means the A320-200 aircraft (Airframe 14) as more specifically described in Schedule III to the Credit Agreement on line No. 14 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 15**” means the A320-200 aircraft (Airframe 15) as more specifically described in Schedule III to the Credit Agreement on line No. 15 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 16**” means the A321-200 aircraft (Airframe 16) as more specifically described in Schedule III to the Credit Agreement on line No. 16 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 17**” means the A321-200 aircraft (Airframe 17) as more specifically described in Schedule III to the Credit Agreement on line No. 17 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 18**” means the A321-200 aircraft (Airframe 18) as more specifically described in Schedule III to the Credit Agreement on line No. 18 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 19**” means the A321-200 aircraft (Airframe 19) as more specifically described in Schedule III to the Credit Agreement on line No. 19 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 20**” means the A321-200 aircraft (Airframe 20) as more specifically described in Schedule III to the Credit Agreement on line No. 20 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 21**” means the A321-200 aircraft (Airframe 21) as more specifically described in Schedule III to the Credit Agreement on line No. 21 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 22**” means the A320neo aircraft (Airframe 22) as more specifically described in Schedule III to the Credit Agreement on line No. 22 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 23**” means the A320neo aircraft (Airframe 23) as more specifically described in Schedule III to the Credit Agreement on line No. 23 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 24**” means the A320neo aircraft (Airframe 24) as more specifically described in Schedule III to the Credit Agreement on line No. 24 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 25**” means the A320neo aircraft (Airframe 25) as more specifically described in Schedule III to the Credit Agreement on line No. 25 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 26**” means the A320neo aircraft (Airframe 26) as more specifically described in Schedule III to the Credit Agreement on line No. 26 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 27**” means the A320neo aircraft (Airframe 27) as more specifically described in Schedule III to the Credit Agreement on line No. 27 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 28**” means the A320neo aircraft (Airframe 28) as more specifically described in Schedule III to the Credit Agreement on line No. 28 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 29**” means the A320neo aircraft (Airframe 29) as more specifically described in Schedule III to the Credit Agreement on line No. 29 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 30**” means the A320neo aircraft (Airframe 30) as more specifically described in Schedule III to the Credit Agreement on line No. 30 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 31**” means the A320neo aircraft (Airframe 31) as more specifically described in Schedule III to the Credit Agreement on line No. 31 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 32**” means the A320neo aircraft (Airframe 32) as more specifically described in Schedule III to the Credit Agreement on line No. 32 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 33**” means the A320neo aircraft (Airframe 33) as more specifically described in Schedule III to the Credit Agreement on line No. 33 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 34**” means the A320neo aircraft (Airframe 34) as more specifically described in Schedule III to the Credit Agreement on line No. 34 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 35**” means the A320neo aircraft (Airframe 35) as more specifically described in Schedule III to the Credit Agreement on line No. 35 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 36**” means the A320neo aircraft (Airframe 36) as more specifically described in Schedule III to the Credit Agreement on line No. 36 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 37**” means the A320neo aircraft (Airframe 37) as more specifically described in Schedule III to the Credit Agreement on line No. 37 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 38**” means the A320neo aircraft (Airframe 38) as more specifically described in Schedule III to the Credit Agreement on line No. 38 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 39**” means the A320neo aircraft (Airframe 39) as more specifically described in Schedule III to the Credit Agreement on line No. 39 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 40**” means the A320neo aircraft (Airframe 40) as more specifically described in Schedule III to the Credit Agreement on line No. 40 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 41**” means the A320neo aircraft (Airframe 41) as more specifically described in Schedule III to the Credit Agreement on line No. 41 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 42**” means the A320neo aircraft (Airframe 42) as more specifically described in Schedule III to the Credit Agreement on line No. 42 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 43**” means the A320neo aircraft (Airframe 43) as more specifically described in Schedule III to the Credit Agreement on line No. 43 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 44**” means the A320neo aircraft (Airframe 44) as more specifically described in Schedule III to the Credit Agreement on line No. 44 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 45**” means the A320neo aircraft (Airframe 45) as more specifically described in Schedule III to the Credit Agreement on line No. 45 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 46**” means the A320neo aircraft (Airframe 46) as more specifically described in Schedule III to the Credit Agreement on line No. 46 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 47**” means the A320neo aircraft (Airframe 47) as more specifically described in Schedule III to the Credit Agreement on line No. 47 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 48**” means the A320neo aircraft (Airframe 48) as more specifically described in Schedule III to the Credit Agreement on line No. 48 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 49**” means the A320neo aircraft (Airframe 49) as more specifically described in Schedule III to the Credit Agreement on line No. 49 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 50**” means the A320neo aircraft (Airframe 50) as more specifically described in Schedule III to the Credit Agreement on line No. 50 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 51**” means the A320neo aircraft (Airframe 51) as more specifically described in Schedule III to the Credit Agreement on line No. 51 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 52**” means the A320neo aircraft (Airframe 52) as more specifically described in Schedule III to the Credit Agreement on line No. 52 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 53**” means the A320neo aircraft (Airframe 53) as more specifically described in Schedule III to the Credit Agreement on line No. 53 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 54**” means the A320neo aircraft (Airframe 54) as more specifically described in Schedule III to the Credit Agreement on line No. 54 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 55**” means the A320neo aircraft (Airframe 55) as more specifically described in Schedule III to the Credit Agreement on line No. 55 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 56**” means the A320neo aircraft (Airframe 56) as more specifically described in Schedule III to the Credit Agreement on line No. 56 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 57**” means the A320neo aircraft (Airframe 57) as more specifically described in Schedule III to the Credit Agreement on line No. 57 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 58**” means the A320neo aircraft (Airframe 58) as more specifically described in Schedule III to the Credit Agreement on line No. 58 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 59**” means the A320neo aircraft (Airframe 59) as more specifically described in Schedule III to the Credit Agreement on line No. 59 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 60**” means the A320neo aircraft (Airframe 60) as more specifically described in Schedule III to the Credit Agreement on line No. 60 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 61**” means the A320neo aircraft (Airframe 61) as more specifically described in Schedule III to the Credit Agreement on line No. 61 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 62**” means the A320neo aircraft (Airframe 62) as more specifically described in Schedule III to the Credit Agreement on line No. 62 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 63**” means the A320neo aircraft (Airframe 63) as more specifically described in Schedule III to the Credit Agreement on line No. 63 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 64**” means the A320neo aircraft (Airframe 64) as more specifically described in Schedule III to the Credit Agreement on line No. 64 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 65**” means the A320neo aircraft (Airframe 65) as more specifically described in Schedule III to the Credit Agreement on line No. 65 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 66**” means the A320neo aircraft (Airframe 66) as more specifically described in Schedule III to the Credit Agreement on line No. 66 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 67**” means the A320neo aircraft (Airframe 67) as more specifically described in Schedule III to the Credit Agreement on line No. 67 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 68**” means the A320neo aircraft (Airframe 68) as more specifically described in Schedule III to the Credit Agreement on line No. 68 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 69**” means the A320neo aircraft (Airframe 69) as more specifically described in Schedule III to the Credit Agreement on line No. 69 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft 70**” means the A320neo aircraft (Airframe 70) as more specifically described in Schedule III to the Credit Agreement on line No. 70 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

“**Aircraft Appraisal**” means, with respect to an Aircraft, the appraised value of such Aircraft determined by the Facility Agent using valuation information prepared by the Appraisers.

“**Airframe**” means each of nineteen (19) Airbus A321-200 aircraft, forty-nine (49) A320neo aircraft and two (2) A320-200 aircraft, as described in Schedule III of the Credit Agreement (excluding the Engines) together with any and all Parts incorporated in, installed on or attached to such airframes on the respective Delivery Date therefor.

“**Amendment Agreement No. 1**” means the letter agreement to the step-in agreement and the assigned A321 purchase agreement dated May 11, 2015, among the Borrower, Frontier Airlines, the Security Trustee and Airbus.

“**Amendment Agreement No. 2**” means the amendment agreement to step-in agreement and assigned purchase agreements dated August 11, 2015, among the Borrower, the Security Trustee and Airbus.

“**Amendment Agreement No. 3**” means the amendment agreement to step-in agreement and assigned purchase agreements dated the Effective Date, among the Borrower, the Security Trustee and Airbus.

“**Amendment Agreement No. 2 to Assignment and Assumption Agreement**” means the amendment agreement to assignment and assumption agreement dated August 11, 2015, among the Borrower, Frontier Airlines and Airbus.

“**Amendment Agreement No. 3 to Assignment and Assumption Agreement**” means the amendment agreement to assignment and assumption agreement dated the Effective Date, among the Borrower, Frontier Airlines and Airbus.

“**Amendment No. 2 Signing Date**” means January 14, 2016.

“**Applicable Law**” means all applicable laws, treaties, judgments, decrees, injunctions, writs, conventions actions and orders of any Governmental Entity and all applicable rules, guidelines, regulations, orders, directives, licenses and permits of any Governmental Entity and all applicable interpretations thereof.

“**Applicable Margin**” means *****% per annum.

“**Applicable Rate**” means, for any Interest Period, (a) a rate per annum equal to LIBOR for such Interest Period plus the Applicable Margin, or (b) if a Market Disruption Event is continuing, the applicable Mismatch Interest Rate plus the Applicable Margin.

“**Appraisers**” means collectively, Ascend, Oriel and Morten, Beyer and Agnew or any such other independent aircraft appraiser selected by the Facility Agent in its absolute discretion.

“**AR Signing Date**” has the meaning given to it in the first whereas clause of the Credit Agreement.

“**Assignable Price**” means, in respect of an Aircraft, the “Purchase Price” (as such term is defined in the relevant form of Assigned Airbus Purchase Agreement or Replacement Purchase Agreement, as applicable) of such Aircraft as may be increased from time pursuant to the escalation provisions set out in the Assigned Purchase Agreement and the related Engine Agreement, plus the cost of the BFE in respect of such Aircraft and as may be decreased pursuant to any credit letter or memorandum issued by Airbus in favor of the Initial Lender.

“**Assigned Purchase Agreement**” means collectively, each Airbus Purchase Agreement as assigned and transferred to the Borrower and amended and restated in the terms set forth in Schedule 3 to the Assignment and Assumption Agreement.

“**Assignment and Assumption Agreement**” means the Assignment and Assumption Agreement entered into among Frontier Airlines, the Borrower and Airbus in respect of the assignment, in part, of the Airbus Purchase Agreements to the Borrower in respect of the Aircraft, as amended by Amendment Agreement No. 1, as further amended by Amendment Agreement No. 2 to Assignment and Assumption Agreement and by Amendment Agreement No. 3 to Assignment and Assumption Agreement.

“**associated rights**” is defined in the Cape Town Convention.

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“**Base Value**” means, with respect to an Aircraft, the lower of the mean and median of the desktop value of such Aircraft made available by each of the Appraisers to reflect the market value of such Aircraft on the applicable LTV Test Date on the assumption that the Aircraft is delivered in the condition required pursuant to the Assigned Purchase Agreement, and in full life condition, on the date that such Base Value is calculated.

“**Basel II**” means the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of the Credit Agreement (but excluding any amendment arising out of Basel III).

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“**Basel III**” means the agreements on capital requirements, leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision on December 16, 2010 in the form existing on the date of the Mortgage or any other applicable law or regulation implementing such paper (whether such implementation, application or compliance is by a Governmental Entity, any Lender or holding company of a Lender).

“**BFE Budget**” means, in respect of each A321-200 Aircraft, an amount equal to ***** in respect of each such Aircraft, in respect of each A320-200 Aircraft, an amount equal to ***** and, in respect of each A320neo, an amount equal to ***** in respect of each such Aircraft, in each case made by the Borrower to Airbus in respect of BFE.

“**Borrower**” means Vertical Horizons, Ltd., a Cayman Islands exempted company, and its successors and permitted assigns.

“**Borrowing Date**” means (a) the Original Signing Date, (b) the AR Signing Date, (c) the Amendment No. 2 Signing Date, (d) the Effective Date and (e) each date on which an Advance is payable in respect of an Aircraft under the related Assigned Purchase Agreement as specified in Schedule III to the Credit Agreement.

“**Break Amount**” means (A) where the Applicable Rate is not based on LIBOR, the amount, if any, required to compensate each Lender for any losses, costs or expenses (excluding loss of profit) which it may incur as the result of the prepayment or acceleration (or the failure to make any such prepayment on the date irrevocably scheduled therefor) of any Loan Certificate held by it on a date other than the last day of the then current Interest Period therefor, including, without limitation, losses, costs or expenses incurred in connection with unwinding or liquidating any deposits or funding or financing arrangement with its funding sources, as reasonably determined by such Lender and (B) where the Applicable Rate is based on LIBOR, an amount equal to the excess, if any, of (i) the amount of interest which otherwise would have accrued on the principal amount so prepaid or accelerated to the last day of such Interest Period (the “**Break Period**”) at LIBOR therefor in excess of (ii) the interest component of the amount the affected Lender would have bid in the London interbank market for Dollar deposits of leading banks in amounts comparable to such principal amount and with maturities comparable to the Break Period (as reasonably determined by such Lender).

“**Business Day**” means any day other than a Saturday or Sunday or a day on which commercial banks are required or authorized to close in London England and New York City, provided that, if such day relates to the giving of notices or quotes in connection with LIBOR, Business Day shall mean a day on which commercial banks are required or authorized to stay open in London England only.

“**Buyer Furnished Equipment**” or “**BFE**” means those items of equipment which are identified in the specification of an Aircraft in the related Assigned Purchase Agreement as being furnished by the “Buyer”.

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“**Cape Town Convention**” means the English language version of the Convention on International Interests in Mobile Equipment (the “**Convention**”) and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the “**Protocol**”), both signed in Cape Town, South Africa on November 16, 2001, together with any protocols, regulations, rules, orders, agreements, instruments, amendments, supplements, revisions or otherwise that have or will be subsequently made in connection with the Convention and/or the Protocol by the “**Supervisory Authority**” (as defined in the Protocol), the “**International Registry**” or “**Registrar**” (as defined in the Convention) or an appropriate

“**registry authority**” (as defined in the Protocol) or any other international or national body or authority.

“**Cash Equivalents**” means the following securities (which shall mature within ***** of the date of purchase thereof): (a) direct obligations of the U.S. Government; (b) obligations fully guaranteed by the U.S. Government; (c) certificates of deposit issued by, or bankers’ acceptances of, or time deposits or a deposit account with, the Facility Agent or any bank, trust company or national banking association incorporated or doing business under the laws of the United States or any state thereof having a combined capital and surplus and retained earnings of at least ***** and having a rating of Aa or better by Moody’s or AA or better by Standard & Poor’s; (d) commercial paper of any issuer doing business under the laws of the United States or one of the states thereof and in each case having a rating assigned to such commercial paper by Standard & Poor’s of at least A-1 or its equivalent or by Moody’s of at least P-1 or its equivalent; or (e) money market funds which are rated at least Aaa by Moody’s, at least AAAm or AAAM-G by Standard and Poor’s or at least AAA by Fitch, Inc., including funds which meet such rating requirements for which the Facility Agent or an Affiliate of the Facility Agent serves as an investment advisor, administrator, administrator, shareholder servicing agent and/or custodian or subcustodian.

“**CEO Pool**” has the meaning given to it in Clause 10.20(a) of the Credit Agreement.

“**Certificate Register**” has the meaning specified in Clause 5.6 of the Credit Agreement.

“**CFM Engine GTA A320neo**” means the CFM Engine general terms agreement entered into between CFM International, Inc. and Frontier Airlines for the A320neo Aircraft.

“**CFM Engine GTA A320-200 and A321-200**” means the CFM Engine general terms agreement 6-13616 entered into between CFM International, Inc. and Frontier Airlines for the A320-200 Aircraft and the A321-200 Aircraft.

“**Charged Property**” has the meaning given to it in the Share Charge.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Collateral**” means, collectively, (i) the Mortgage Collateral and (ii) the Charged Property.

“**Commitment**” has the meaning specified in Clause 2.1 of the Credit Agreement.

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“**Commitment Fee**” means *****% per annum of the outstanding unutilized Maximum Commitment of each Lender, as cancelled or reduced pursuant to Clause 3.4 of the Credit Agreement.

“**Commitment Termination Date**” means the later of (i) ***** and (ii) the Extension Date in the most recent Extension Notice.

“**Control**” means, with respect to a Person:

- (a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of such Person;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of such Person; and
 - (iii) give directions with respect to the operating and financial policies of such Person which the directors or other equivalent officers of such Person are obliged to comply with,

and

- (b) the holding of more than one-half of the issued share capital of such Person (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

“**Cost of Funds**” means (i) for any “stub” Interest Period described in clause (x) of the definition of “LIBOR”, a percentage per annum that equals the cost of funds of each Lender for such Period (as determined by the Facility Agent from cost-of-funds quotations provided by the Lenders, as certificated thereby), and (ii) with respect to any other Interest Period, a rate per annum equal to the Lender’s cost of funds for such Interest Period determined in accordance with Clause 5.13 of the Credit Agreement and calculated on the basis of a year of 360 days and the actual number of days elapsed.

“**Credit Agreement**” means that certain Second Amended and Restated Credit Agreement dated of December , 2016, among the Borrower, the Lenders, the Facility Agent and the Security Trustee, as amended and supplemented from time to time.

“**Deeds of Confirmation**” means (a) that certain Deed of Confirmation dated the Effective Date, (b) that certain Deed of Confirmation dated January 14, 2016 and (c) that certain Deed of Confirmation dated August 11, 2015, each relating to the Share Charge and each between the Parent and the Security Trustee.

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“**Default**” means any event which with the giving of notice or the lapse of time or both if not timely cured or remedied would become an Event of Default pursuant to Clause 4 of the Mortgage.

“**Delivery Date**” means, for any Aircraft, the date on which such Aircraft is to be delivered by Airbus and accepted by Borrower or its permitted assignee under the Assigned Purchase Agreement.

“**Dollars**”, “**Dollar**” and “**\$**” means the lawful currency of the United States of America.

“**Effective Date**” has the meaning specified in Clause 2.3 of the Credit Agreement.

“**Eligible Account**” means an account established by and with an Eligible Institution at the request of the Security Trustee, which institution (a) agrees, by entering into an account control agreement, for all purposes of the New York UCC, including Article 8 thereof, that (i) such account shall be a “securities account” (as defined in Section 8-501 of the New York UCC), (ii) such institution is a “securities intermediary” (as defined in Section 8-102(a)(14) of the New York UCC), (iii) all property (other than cash) credited to such account shall be treated as a “financial asset” (as defined in Section 8-102(9) of the New York UCC), (iv) the Security Trustee shall be the “entitlement holder” (as defined in Section 8-102(7) of the New York UCC) in respect of such account, (v) it will comply with all entitlement orders issued by the Security Trustee to the exclusion of the Borrower, (vi) it will waive or subordinate in favor of the Security Trustee all claims (including without limitation claims by way of security interest, lien, right of set-off or right of recoupment), and (vii) the “securities intermediary jurisdiction” (under Section 8-110(e) of the New York UCC) shall be the State of New York, or (b) otherwise enters into an account control agreement, charge over a bank account or similar document that is satisfactory to the Security Trustee.

“**Eligible Institution**” means (a) the corporate trust department of a depository institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any U.S. branch of a foreign bank), which has a long-term unsecured debt rating from Moody’s of at least A3 or its equivalent and from Standard & Poor’s of at least A- or its equivalent, or (b) a banking institution in another jurisdiction that is satisfactory to the Security Trustee.

“**Engine**” means in respect of each Airframe, each of the engines delivered with such Airframe under the Assigned Purchase Agreement.

“**Engine Agreement**” means each of (a) the Engine Manufacturer consent agreement dated as of the Effective Date and (b) the Engine Manufacturer consent agreement dated as of August 11, 2015, among the applicable Engine Manufacturer, Frontier Airlines and the Security Trustee substantially in the forms of Exhibit D and Exhibit E to the Credit Agreement.

“**Engine GTA**” means each of the CFM Engine GTA A320neo and the CFM Engine GTA A320-200 and A321-200.

“**Engine Manufacturer**” means CFM International, Inc.

“Equity Contribution” means the amount required to be paid by the Borrower to Airbus with respect to an Aircraft on the Applicable Borrowing Date or determined by reference to the table set out in Schedule III to the Credit Agreement.

“Event of Default” has the meaning specified in Clause 4 of the Mortgage.

“Excluded Taxes” means, with respect to the Facility Agent, the Security Trustee, any Lender, or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) any Taxes imposed on all or part of the net income, net profits, or net gains (whether worldwide, or only insofar as such income, profits, or gains are considered to arise in or relate to a particular jurisdiction or otherwise) of such Person or any franchise, net worth, or net capital Taxes imposed on such Person, in each such case as a result of such Person being organized in, maintaining its principal place of business or lending office in, or conducting activities unrelated to the transactions contemplated by the Operative Documents in the jurisdiction imposing such Taxes and in each such case other than a sales, use, property, value added, stamp, registration, documentary, goods and services, license, excise, or, except as provided in Clause 5.3(a) of the Credit Agreement withholding Taxes, (b) any Taxes imposed on all or part of the gross income or gross receipts (other than Taxes in the nature of a sales, use, property, value added, stamp, registration, documentary, goods and services, license, excise or, except as provided in Clause 5.3(a) of the Credit Agreement withholding Taxes) of such Person, in each such case as a result of such Person being organized in, or maintaining its principal place of business or lending office in the jurisdiction imposing such Taxes, (c) any Taxes imposed as a result of such Person’s failure to comply with Clause 5.3(d) of the Credit Agreement or (d) any U.S. federal withholding Taxes imposed under FATCA.

“Existing Aircraft” means any or all, as the context may require, of Aircraft 1, Aircraft 2, Aircraft 3, Aircraft 4, Aircraft 5, Aircraft 6, Aircraft 7, Aircraft 8, Aircraft 9, Aircraft 10, Aircraft 11, Aircraft 12, Aircraft 13, Aircraft 14, Aircraft 15, Aircraft 16, Aircraft 17, Aircraft 18, Aircraft 19, Aircraft 20, Aircraft 21, Aircraft 22, Aircraft 23, Aircraft 24, Aircraft 25, Aircraft 26, Aircraft 27, Aircraft 28, Aircraft 29, Aircraft 30, Aircraft 31, Aircraft 32, Aircraft 33, Aircraft 34, Aircraft 35 and Aircraft 36, but only so long as there is an Advance (or any other amount) or a Commitment outstanding in respect of such Aircraft.

“Expense” or **“Expenses”** means any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and expenses) of whatever kind and nature but excluding Taxes, any amounts that would be included in Break Amounts, and overhead of whatsoever kind and nature.

“Extension Date” means ***** and if the Lenders give an Extension Notice pursuant to, and in accordance with, Clause 5.2(g) of the Credit Agreement, the anniversary thereof set forth in such Extension Notice.

“Extension Notice” means each extension notice delivered by the Lenders to the Borrower pursuant to, and in accordance with Clause 5.2(g) of the Credit Agreement, extending the Commitment Termination Date.

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“**Facility Agent**” means Citibank, N.A. in its capacity as Facility Agent under the Credit Agreement and any successor thereto in such capacity.

“**Facility Amount**” means the Maximum PDP Loan Amount as cancelled or reduced in accordance with the Credit Agreement.

“**FATCA**” means Sections 1471 through 1474 of the Code, as of the date of the Credit Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

“**Fee Letter**” means collectively (i) that certain Letter Agreement dated December 23, 2014 among the Borrower, the Security Trustee and the Facility Agent (ii) that certain Letter Agreement dated August 11, 2015 among the Borrower, the Security Trustee and the Facility Agent and (iii) that certain Letter Agreement dated the Effective Date among the Borrower, the Security Trustee and the Facility Agent.

“**Finance Parties**” means together the Lenders, the Facility Agent and the Security Trustee (each a “**Finance Party**”).

“**Financed Amount**” means, with respect to an Aircraft and a Borrowing Date, the amount set out in the column entitled “Financial Amount” and which corresponds to such Aircraft and Borrowing Date, in the table set out in Schedule III to the Credit Agreement.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease, lease purchase, installment sale, conditional sale, hire purchase or credit sale or other similar arrangement (whether in respect of aircraft, machinery, equipment, land or otherwise) entered into primarily as a method of raising finance or for financing the acquisition of the relevant asset;
- (e) payments under any lease with a term, including optional extension periods, if any, capable of exceeding ***** (whether in respect of aircraft, machinery, equipment, land or otherwise) characterized or interpreted as an operating lease in accordance with the relevant accounting standards but either entered into primarily as a method of financing the acquisition of the asset leased or having a termination sum payable upon any termination of such lease;

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- (f) any amount raised by receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis) including any bill discounting, factoring or documentary credit facilities;
- (g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (h) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (i) obligations (whether or not conditional) arising from a commitment to purchase or repurchase shares or securities where such commitment is or was in respect of raising finance;
- (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) through (j) above.

“**Frontier Airlines**” means Frontier Airlines, Inc.

“**Frontier Holdings**” means Frontier Airlines Holdings, Inc.

“**GAAP**” means generally accepted accounting principles, as in effect in the United States of America from time to time.

“**Governmental Entity**” means and includes (a) any national government, political subdivision thereof, or state or local jurisdiction therein, (b) any board, commission, department, division, organ, instrumentality, taxing authority, regulatory body, court or judicial body, central bank or agency of any entity referred to in (a) above, however constituted, and (c) any association, organization or institution (international or otherwise) of which any entity mentioned in (a) or (b) above is a member.

“**Group**” means Frontier Holdings and its subsidiaries at any time.

“**Guarantee**” means each Second Amended and Restated Guarantee dated as of the Effective Date and entered into by a Guarantor in favor of the Security Trustee on account of the obligations of the Borrower.

“**Guarantor**” means each of Frontier Airlines and Frontier Holdings.

“**Indemnified Taxes**” means Taxes other than Excluded Taxes.

“**Indemnitee**” or “**Indemnitees**” means the Security Trustee, the Facility Agent, the Lenders and each of their Affiliates, successors, permitted assigns, directors, officers, and employees.

“Independent Director” means a director who at the time of their appointment or at any time when such Person is serving as an Independent Director is not, and has not been for the five (5) years prior to its appointment as an Independent Director, (i) an employee, officer, director, consultant, customer or supplier, or the beneficial owner (directly or indirectly) of the Borrower or either Guarantor; provided, however, that such person may serve as a trustee, director, servicer independent director or manager, independent servicer or non-economic director or in a similar capacity for any other affiliate such Person, or (ii) a spouse of, or Person related to (but not more remote than first cousins), a Person referred to in clause (i) above.

“Initial Lender” means Citibank, N.A.

“Interest Payment Date” means the date falling ***** days after the Original Signing Date and each such date which falls at ***** day intervals thereafter, *provided* that, if any such date shall not be a Business Day, then the relevant Interest Payment Date shall be the next succeeding Business Day; *provided, further*, that no Interest Payment Date may extend past the Termination Date and the last Interest Payment Date shall be the Termination Date.

“Interest Period” means, in respect of a Loan (a) initially, the period commencing on the Original Signing Date or on the date that such Loan is made and ending on the first Interest Payment Date occurring thereafter, and (b) thereafter, the period commencing on the last day of the previous Interest Period and ending on the next Interest Payment Date or, if earlier, the first to occur of the Delivery Date of the Aircraft funded by such Loan and the Termination Date.

“International interest” is defined in the Cape Town Convention.

“International Registry” is defined in the Cape Town Convention.

“Lender” means each Lender identified in Schedule I to the Credit Agreement and any assignee or transferee of such Lender.

“Lender’s Net Price” means, in respect of an Aircraft, the amount specified in the column headed “Lender’s Net Price” which corresponds to such Aircraft in the table set out in Schedule III to the Credit Agreement which is inclusive of all credits in respect of the Engines to be made available pursuant to the relevant Engine Agreement and subject to escalation from the date hereof in an amount equal to any escalation of the Airframe purchase price or SCN cost in accordance with the relevant Assigned Purchase Agreement, the Engine purchase price as agreed in the relevant Engine Agreement and the BFE Budget in accordance with the Credit Agreement.

“LIBOR” means, with respect to any Interest Period, a rate per annum equal to (x) for the first (if for a period of less than one month) Interest Period and for any Interest Period under the last two sentences of Clause 5.2(d) of the Credit Agreement, the rate certified by the Lenders as their Cost of Funds for such period and (y) otherwise, (i) the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for a period equal or comparable to such Interest Period as of 11:00 A.M. (London time) on the day ***** London business days prior to the first day of such Interest

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Period, or (ii) if the Thomson Reuter's Screen LIBOR 01 Page or LIBOR 02 Page is not available but no Market Disruption Event exists, the arithmetic mean of the offered rates (rounded upwards to the nearest 1/16th of one percent) as supplied to the Facility Agent at its request quoted by the principal London offices of Citibank, N.A., HSBC Bank plc and Barclays Bank plc (or such other banks as may from time to time be agreed by the Borrower and the Facility Agent) for deposits to leading banks in the London Interbank Market as of 11:00 A.M. (London time) on the day ***** London business days prior to the first day of such Interest Period for a period equal or comparable to such Interest Period, and if, in any case, that rate is less than zero, LIBOR shall be deemed to be zero.

“**Lien**” means any mortgage, pledge, lien, claim, encumbrance, lease, security interest or other lien of any kind on property.

“**Liquidity Threshold**” has the meaning given to it in Clause 10.20(a) of the Credit Agreement.

“**Loan**” in respect of any Advance means the borrowing made by the Borrower on the Borrowing Date with respect to such Advance from each Lender.

“**Loan Certificates**” means the loan certificates issued pursuant to Clause 5.2(a) of the Credit Agreement and any such certificates issued in exchange or replacement therefor pursuant to Clause 5.7 or 5.8 of the Credit Agreement.

“**LTV**” has, in respect of an Aircraft, the meaning given to it in Clause 10.20(a) of the Credit Agreement.

“**LTV Collateral**” has the meaning given to it in Clause 10.20(c)(ii) of the Credit Agreement.

“**LTV Test**” has the meaning given to it in Clause 10.20(b) of the Credit Agreement.

“**LTV Test Date**” means:

- (a) with respect to an Aircraft, the Borrowing Date which is either (i) the date on which the first Advance is to be made in respect of such Aircraft under the Facility or (ii) if an Advance has previously been made with respect to such Aircraft and a Loan is to be made on the Effective Date with respect to such Aircraft, the Effective Date; and
- (b) in respect of all Aircraft in respect of which an Advance has been made and a Loan remains outstanding, (i) the Effective Date, (ii) the date falling ***** after and (iii) each further date falling at ***** intervals thereafter.

“**Majority Lenders**” means, as of any date of determination, the Lenders of not less than 51% in aggregate outstanding principal amount of all Loan Certificates as of such date. For all purposes of the foregoing definition, in determining as of any date the then aggregate outstanding principal amount of Loan Certificates, there shall be excluded any Loan Certificates, if any, held by the Borrower, either Guarantor or any of their Affiliates (unless such Persons own all Loan Certificates then outstanding).

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“Manuals and Technical Records” means together, those records, logs, manuals, technical data and other materials and documents relating to each Aircraft, together with any amendments thereto, as shall be delivered pursuant to the Assigned Purchase Agreement.

“Market Disruption Event” means, for each Interest Period:

- (a) the Facility Agent (acting on the advice of the Lenders) determines (which determination shall be binding and conclusive on all parties) that, by reason of circumstances affecting the London interbank market or any other applicable financial market generally, adequate and reasonable means do not exist for ascertaining LIBOR for such Interest Period; or
- (b) one or more Lenders collectively holding at least 50% of the principal amount of the Loans advises the Facility Agent that (by reason of circumstances affecting the London interbank market or any other applicable financial market generally) LIBOR for such Interest Period will not adequately and fairly reflect the cost to such Lender of maintaining or funding its Loan for such Interest Period.

“Material Action” means, with respect to any Person, to consolidate or merge such Person with or into any other Person, or sell all or substantially all of the assets of such Person or to institute proceeding to have such Person be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against such Person or file a petition seeking, or consent to, reorganization or relief with respect to such Person under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Person or a substantial part of its property, or make any assignment for the benefit of creditors of such Person, or admit in writing such Person’s inability to pay its debts generally as they become due, or take action in furtherance of any such action, or, to the fullest extent permitted by law, dissolve or liquidate such Person.

“Material Adverse Effect” means a material adverse effect on the business, operations, properties or financial condition of the Borrower or either Guarantor, taken as a whole, or a material adverse effect on the ability of the Borrower or the Guarantors to observe or perform its obligations, liabilities and agreements under any Operative Document to which it is a party.

“Material Event of Default” means the occurrence of an “Event of Default” or “Termination Event” or such similar event howsoever described pursuant to any agreement in respect of Financial Indebtedness (or any agreement guaranteeing Financial Indebtedness) in an amount equal to at least ***** entered into by either Guarantor excluding any such event:

- (a) which is technical and is due to an administrative error; or
- (b) which is curable and the applicable Guarantor taking all necessary steps to cure such event and such has not been continuing for more than ***** beyond any grace period provided for in the applicable agreement.

“Maximum Commitment” means, in respect of a Lender, such Lender’s Participation Percentage multiplied by the Maximum PDP Loan Amount.

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“**Maximum LTV**” has, in respect of an Aircraft the, meaning given to it in Clause 10.20(a) of the Credit Agreement.

“**Maximum PDP Loan Amount**” means an amount equal to *****.

“**Mismatch Interest Rate**” means, for any Interest Period and for any Lender (i) in the case of paragraph (a) of the definition of “Market Disruption Event”, such Lender’s Cost of Funds rate (in lieu of LIBOR) or (ii) in the case of paragraph (b) of the definition of “Market Disruption Event”, a rate of interest equal to the amount by which such Lender’s Cost of Funds rate for such Interest Period exceeds the sum of (x) LIBOR for such Interest Period; plus (y) *****%, and in each case, calculated on the basis of a year of 360 days and the actual number of days elapsed.

“**Mortgage**” means the Second Amended and Restated Mortgage and Security Agreement dated as of the Effective Date, among the Borrower, the Facility Agent and the Security Trustee.

“**Mortgage Collateral**” means the Collateral as defined in the Granting clause of the Mortgage.

“**NEO Pool**” has the meaning given to it in Clause 10.20(a) of the Credit Agreement.

“**Obligors**” means each of the Borrower and each Guarantor (each an “**Obligor**”).

“**Operative Documents**” means the Administration Agreement, the Credit Agreement, the Mortgage, the Loan Certificates, the Share Charge, the Guarantees, the Assigned Purchase Agreements, the Assignment and Assumption Agreement, the Step-In Agreement, Amendment Agreement No. 1, Amendment Agreement No. 2, Amendment Agreement No. 3, Amendment Agreement No. 2 to Assignment and Assumption Agreement, Amendment Agreement No. 3 to Assignment and Assumption Agreement, the Engine Agreements, the Option Agreement, the Servicing Agreement, the Subordinated Loan Agreement, any fee letter and any amendments or supplements of any of the foregoing.

“**Option Agreement**” means the Option Agreement, dated as of the Original Signing Date, between Frontier Airlines and the Borrower.

“**Original Credit Agreement**” has the meaning specified for such term in the recitals to the Credit Agreement.

“**Original Signing Date**” means December 23, 2014.

“**Parent**” means Intertrust SPV (Cayman) Limited, a Cayman Islands company (as trustee of the Trust).

“**Part**” means an appliance, component, part, instrument, accessory, furnishing or other equipment of any nature, including Buyer Furnished Equipment and Engines which is installed in, attached to or supplied with an Aircraft on the Delivery Date thereof.

“**Participant**” has the meaning specified in Clause 19.3(b)(ii) of the Credit Agreement.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

“Participation Percentage” means in respect of each Lender, the percentage set forth for such Lender in Schedule II of the Credit Agreement.

“Party” means a party to the Credit Agreement.

“Past Due Rate” means a per annum rate equal to the Applicable Rate plus *****% calculated on the basis of a year of 360 days and actual number of days elapsed.

“PDP Funding Date Deficiency” means, as of any date, any excess of (x) the sum of (i) the Loans then outstanding and (ii) any Financed Amount due to be paid on such date as set forth on Schedule III over (y) the Maximum PDP Loan Amount, after giving effect to any Equity Contribution scheduled to take place on such date and any repayment of the Loans on such date.

“Permitted Lien” means any Lien permitted under Clause 10.1.13 of the Credit Agreement.

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

“Process Agent Appointment” means an appointment and acceptance of process agent pursuant to which the Borrower appoints Corporation Service Company as agent for service of process in connection with the transactions contemplated by the Operative Documents.

“Prospective International Interest” is defined in the Cape Town Convention.

“Purchase Price Installment” has the meaning given to the term Pre-Delivery Payment Amount in the Assigned Purchase Agreement.

“Regulation D” means Regulation D of the Board of Governors of the Federal Reserve System (or any successor), as the same may be modified and supplemented and in effect from time to time.

“Regulatory Change” means, with respect to any Lender, any change that occurs after the Original Signing Date in Federal, state or foreign law or regulations (including Regulation D) or the adoption or making after such date of any interpretation, directive or request applying to a class of banks or financial institutions including such Lender of or under any Federal, state or foreign law or regulations (whether or not having the force of law and whether or not failure to comply therewith would be unlawful so long as compliance therewith is standard banking practice in the relevant jurisdiction) by any court or governmental or monetary authority charged with the interpretation or administration thereof. For the avoidance of doubt, the coming into effect of any applicable law or regulations, policies, orders, directives or guidelines issued by any governmental body, central bank, monetary authority or other regulatory organization (whether or not having the force of law) with respect to, arising out of, or in connection with (a) Basel II, (b) Basel III or (c) the Dodd Frank Wall Street Reform and Consumer Protection Act shall be deemed a Regulatory Change.

“Relevant Delay” has the meaning specified in Clause 10.12 of the Credit Agreement.

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“Replacement Purchase Agreement” means collectively, each Airbus Purchase Agreement as amended and restated in the terms set forth in Schedule 4 to the Step-In Agreement.

“Required Specification” means:

- (a) in respect of each A321-200 Aircraft, a maximum takeoff weight of ***** tonnes, with sharklets and with CFM56-5B3 engines installed thereon;
- (b) in respect of each A320-200 Aircraft, a maximum takeoff weight of ***** tonnes and with CFM56-5B4/3 engines installed thereon; and
- (b) in respect of each A320neo Aircraft, a maximum takeoff weight of ***** tonnes and with CFM Leap-X1A engines installed thereon.

“Reserve Requirement” means, for any Loan Certificate, the average maximum rate at which reserves (including, without limitation, any marginal, supplemental or emergency reserves) are required to be maintained during the Interest Period in respect of such Loan Certificate under Regulation D by member banks of the Federal Reserve System in New York City with deposits exceeding one billion Dollars against “Eurocurrency liabilities” (as such term is used in Regulation D). Without limiting the effect of the foregoing, the Reserve Requirement includes any other reserves required to be maintained by such member banks by reason of any Regulatory Change with respect to (i) any category of liabilities that includes deposits by reference to which LIBOR is to be determined or (ii) any category of extensions of credit or other assets that includes the Loan Certificates.

“Scheduled Delivery Date” means, for each Aircraft, the date notified by Airbus to the Borrower provided that such date may not be any later than the last day of the Scheduled Delivery Month in respect of such Aircraft.

“Scheduled Delivery Month” means, in respect of an Aircraft, the month which corresponds to such Aircraft in the column entitled “Scheduled Delivery Month” in the table set out in Schedule III to the Credit Agreement.

“SCN” means a “Specification Change Notice” as defined in the Aircraft Purchase Agreement.

“Secured Obligations” means any and all moneys, liabilities and obligations which are now or at any time hereafter may be expressed to be due, owing or payable by the Borrower, the Parent and each Guarantor to the Lenders and/or any Agent in any currency, actually or contingently, with another or others, as principal or surety, on any account whatsoever under any Operative Document or as a consequence of any breach, non-performance, disclaimer or repudiation by the Borrower, either Guarantor or the Parent (or by a liquidator, receiver, administrative receiver, administrator, or any similar officer in respect of any of them) of any of their obligations to the Lenders and/or any Agent under any Operative Document.

“Securities Act” means the Securities Act of 1933, as amended.

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“**Security Trustee**” means Bank of Utah, not in its individual capacity but solely as Security Trustee on behalf of the Facility Agent and the Lenders under the Credit Agreement, and any successor thereto in such capacity.

“**Security Trustee Fee Letter**” means the Bank of Utah fee letter dated on or about the Original Signing Date by the Security Trustee.

“**Servicing Agreement**” means the Amended and Restated Servicing Agreement dated as of August 11, 2015, between the Borrower and Frontier Airlines.

“**Share Charge**” means the Share Charge dated the Original Signing Date, among the Parent and the Security Trustee, as confirmed pursuant to each Deed of Confirmation.

“**Step-In Event**” has the meaning given to it in the Step-In Agreement.

“**Step-In Agreement**” means the Step-In Agreement dated as of the Original Signing Date, among the Borrower, as assignor, the Security Trustee, as assignee, and Airbus in the form specified in Exhibit C to the Original Credit Agreement, as amended by Amendment Agreement No. 1 and Amendment Agreement No. 2 and as further amended by Amendment Agreement No. 3.

“**Subordinated Loan Agreement**” means the Subordinated Loan Agreement, dated as of the Original Signing Date, between Frontier Airlines and the Borrower and the Subordinated Promissory Note dated the Original Signing Date, issued by the Borrower thereunder.

“**Tax**” or “**Taxes**” means any and all present or future fees (including, without limitation, license, documentation and registration fees), taxes (including, without limitation, income, gross receipts, sales, rental, use, turnover, value added, property (tangible and intangible), excise and stamp taxes), licenses, levies, imposts, duties, recording charges or fees, charges, assessments, or withholdings of any nature whatsoever, together with any assessments, penalties, fines, additions to tax and interest thereon.

“**Termination Date**” means the date that is ***** following the then-current Commitment Termination Date.

“**Transferee**” means any person to whom the Collateral or any of it is transferred in accordance with the terms of the Credit Agreement, the Mortgage or the Step-In Agreement.

“**Trust**” means the Vertical Horizons, Ltd. Charitable Trust.

“**Unrestricted Cash and Cash Equivalents**” means at any date in respect of Frontier Holdings, the sum of the cash and cash equivalents (in each case, as such terms are defined by GAAP) of Frontier Holdings on a consolidated based, that may be (i) classified as “unrestricted” in accordance with GAAP on the consolidated balance sheets of Frontier Holdings, (ii) classified in accordance with GAAP as “restricted” on the consolidated balance sheets of the Guarantor solely in favor of the Security Trustee and the Lenders, provided that if Frontier Holdings agrees to any more onerous definition pursuant to any financial covenant in any agreement to which it is a party, this definition shall be deemed to be deleted and replaced with such other definition.

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“**VAT**” means a consumption tax, value added tax, goods and services tax or similar tax, however it may be described.

“**Withholding Taxes**” means a deduction or withholding for or on account of Tax from a payment under an Operative Document.

DATED AS OF DECEMBER 16, 2016

VERTICAL HORIZONS, LTD.
AS BORROWER

AND

BANK OF UTAH
NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY
AS SECURITY TRUSTEE

AND

CITIBANK, N.A. OR AN AFFILIATE
AS FACILITY AGENT

SECOND AMENDED AND RESTATED MORTGAGE
AND SECURITY AGREEMENT IN RESPECT OF THE
PDP FINANCING OF NINETEEN (19) AIRBUS A321-200
AIRCRAFT, FORTY-NINE (49) AIRBUS A320NEO
AIRCRAFT AND TWO (2) AIRBUS A320-200 AIRCRAFT

CONTENTS

| Clause | | Page |
|---------------|---|-------------|
| 1. | Definitions | 5 |
| 2. | Payments under Assigned Purchase Agreements | 5 |
| 3. | Accounts | 5 |
| 4. | Events of Default | 6 |
| 5. | Enforcement of Security | 8 |
| 6. | Borrower's Continuing Obligations | 10 |
| 7. | Miscellaneous | 10 |
| 8. | Service of Process | 15 |
| 9. | Limitation on Liability | 15 |

BETWEEN

- (1) VERTICAL HORIZONS, LTD. (the “Borrower”);
- (2) BANK OF UTAH, not in its individual capacity, except as expressly stated herein, but solely as Security Trustee hereunder (together with its successors hereunder in such capacity, the “Security Trustee”); and
- (3) CITIBANK, N.A. or an affiliate, as Facility Agent for and on behalf of the Lenders (the “Facility Agent”).

WHEREAS, this Mortgage amends and restates in its entirety the amended and restated mortgage and security agreement dated as of August 11, 2015, among the Borrower, the Security Trustee and the Facility Agent;

WHEREAS, the Borrower desires by this Mortgage, among other things to provide for the assignment, mortgage and pledge by the Borrower to the Security Trustee, for the benefit of the Lenders, of the Collateral (as defined below) including the Borrower’s right, title and interest in and to the Assigned Purchase Agreements and the payments and other amounts received in respect thereof in accordance with the terms hereof, as security for the Borrower’s obligations to the Lenders;

WHEREAS, all things have been done to make the Loan Certificates, when executed by the Borrower and issued and delivered under the amended and restated credit agreement between, among others, the parties hereto and amended and restated as of the date hereof (the “Credit Agreement”), the valid obligations of the Borrower; and

WHEREAS, all things necessary to make this Mortgage the valid, binding and legal obligation of the Borrower, for the uses and purposes specified herein and in accordance with its terms, have been done and performed and have happened.

— GRANTING CLAUSE —

NOW, THEREFORE, THIS MORTGAGE AND SECURITY AGREEMENT WITNESSETH, that, to secure the prompt payment of the principal of, Break Amount (if any) on, interest on and all other amounts due with respect to, all Loan Certificates from time to time outstanding under the Credit Agreement and the performance and observance by the Borrower, the Guarantors, and the Parent of all the agreements, covenants and provisions for the benefit of the Finance Parties herein and in the Credit Agreement, the Loan Certificates and the other Operative Documents, and the prompt payment of any and all amounts from time to time owing hereunder and under the Credit Agreement and under the other Operative Documents to each Agent and the Lenders, and for the uses and purposes and subject to the terms and provisions hereof, and in consideration of the premises and of the covenants contained in the Operative Documents, and of the acceptance of the Loan Certificates by the Lenders, and for other good and valuable consideration given by the Lenders, each Agent and the Security Trustee to the Borrower and the

other Obligors, the receipt and sufficiency of which is hereby acknowledged, the Borrower has granted, bargained, sold, assigned, transferred, conveyed, mortgaged, pledged and confirmed, and does hereby grant, bargain, sell, assign, transfer, convey, mortgage, pledge and confirm, unto the Security Trustee and its successors and permitted assigns, for the security and benefit of the Agents and the Lenders, a security interest in and mortgage lien upon, all right, title and interest of the Borrower in, to and under the following described property, rights and privileges (which, collectively, including all property hereafter specifically subjected to the Lien of this Mortgage, shall constitute the "Collateral"), to wit:

- 1 Assigned Purchase Agreements, in respect of the Aircraft, including, without limitation: (i) the right to purchase, accept delivery and take title to each of the Aircraft (and any right to transfer such rights) pursuant to and in accordance with the Assigned Purchase Agreements; (ii) all claims for damages in respect of each Aircraft arising as a result of any default by Airbus under the Assigned Purchase Agreements or by any vendor or other supplier of components or other parts or equipment installed on or in any of the Aircraft, including, without limitation, all warranty, service life policy and indemnity provisions contained in the Assigned Purchase Agreements and all claims thereunder; (iii) any and all rights of the Borrower to compel performance of the terms of the Assigned Purchase Agreements in respect of the Aircraft; and (iv) any and all rights to receive any credits, refunds, rebates or other discounts due to the Borrower with respect to the purchase price of the Aircraft (and the Engines) pursuant to the Assigned Purchase Agreements (except to the extent specifically excluded by the terms of the Operative Documents), together with all rights, powers, privileges, options and other benefits of the Borrower in respect thereof, including, without limitation, the rights to make all waivers and agreements, to give and receive all notices and other instruments or communications, and to take such action upon the occurrence of a default in respect of such provisions, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted thereby or by law, and to do any and all other things which the Borrower is or may be entitled to do in respect of such provisions;

- 2 Each Engine Agreement including, without limitation: (i) all claims for damages in respect of each of the Engines arising as a result of any default by the Engine Manufacturers or by any vendor or other supplier of components or other parts or equipment installed on or in any of the Engines referred to therein, including, without limitation, all warranty and indemnity provisions contained in the Engine Agreements and all claims thereunder; (ii) any and all rights of the Borrower to compel performance of the terms of each Engine Agreement in respect of the Engines, together with all rights, powers, privileges, options and other benefits of the Borrower in respect thereof, including, without limitation, the right to make all waivers and agreements, to give and receive all notices and other instruments or communications, and to take such action upon the occurrence of a default in respect of such provisions, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted thereby or by law, and to do any and all other things which the Borrower is or may be entitled to do in respect of such provisions; and (iii) all payments and credits from each Engine Manufacturer payable under each respective Engine Agreement;

- 3 All payments or proceeds payable to the Borrower with respect to the Assigned Purchase Agreements and the Engine Agreements in respect of the Aircraft or any part thereof as the result of the sale or other disposition thereof, and all estate, right, title and interest of every nature whatsoever of the Borrower in and to the same and every part thereof;
- 4 All Buyer Furnished Equipment (whether now owned or hereafter acquired), furnished to Airbus to be attached to any of the Aircraft and in relation to which the Borrower has rights, together with all warranties, indemnities and claims against any vendor or manufacturer of any such Buyer Furnished Equipment and all credit memoranda, credits, refunds or other amounts owing from any such vendor or manufacturer with respect to such equipment in each case to the extent the rights to which are assignable without the need for consent from or notice to any such vendor or manufacturer;
- 5 All monies and securities deposited or required to be deposited with the Security Trustee by or for the account of the Borrower pursuant to any term of this Mortgage, the Credit Agreement or any of the other Operative Documents, or required to be held by the Security Trustee hereunder, including all Eligible Accounts, cash, Cash Equivalents, and earnings thereon, and other financial assets held in any Eligible Account by the Security Trustee or an Eligible Institution, and all security entitlements with respect thereto; and
- 6 All proceeds of the foregoing.

Any and all properties referred to in this Granting Clause which are hereafter acquired by the Borrower, shall, without further conveyance, assignment or act by the Borrower or the Security Trustee thereby become and be subject to the security interest hereby granted as fully and completely as though specifically described herein.

The Borrower shall at all times remain liable to Airbus under the Assigned Purchase Agreements, and the Engine Manufacturers pursuant to the applicable Engine Agreements, to perform all of the duties and obligations of the "Buyer" thereunder to the same extent as if this Mortgage had not been executed.

The exercise by the Security Trustee of any of the rights assigned hereunder shall not release Borrower from any of its duties or obligations to Airbus or either Engine Manufacturer (as applicable) under the Assigned Purchase Agreements or either Engine Agreement, respectively, except to the extent that such exercise by the Security Trustee shall constitute performance of such duties and obligations.

Notwithstanding any of the foregoing provisions of this Granting Clause, but subject to the express provisions of the other articles of this Mortgage, so long as the Security Trustee has not commenced the exercise of remedies under Clause 5 and/or the Step-In Agreement, the Borrower shall have the right, to the exclusion of the Security Trustee and any others claiming by, through or under the Security Trustee, to exercise in Borrower's name all rights and powers of (A) the "Buyer" with respect to the Aircraft under the Assigned Purchase Agreements and (B) if applicable, the rights of the Borrower under the Engine Agreements, provided, that, the Borrower may not enter into or consent to any change order or other amendment, modification or supplement to the

Engine Agreements and the Borrower may not, in addition to the covenants set out in the Credit Agreement, enter into any change order or other amendment, modification or supplement to the Assigned Purchase Agreement in relation to any Aircraft, without the written consent and countersignature of the Security Trustee (acting at the unanimous direction of the Lenders) if such change order, amendment, modification or supplement would (after giving effect to any additional payments made by the Borrower to the applicable manufacturer):

- (a) change the time of or the amount of any Advance or the manner in which any Advance can be returned or credited to the Borrower under either Assigned Purchase Agreement;
- (b) postpone the applicable Delivery Date of any Aircraft;
- (c) result in the rescission, cancellation or termination of the Assigned Purchase Agreements;
- (d) have the effect of changing the model of the Aircraft; or
- (e) have the effect of changing the configuration of any Aircraft if such change would adversely affect the remarkability of the Aircraft or cause the purchase price of the Aircraft to exceed the Lender's Net Price.

The Borrower shall provide to the Security Trustee promptly after the execution of the same (a) redacted copies, certified by the Borrower, of all material change orders (other than non charge change orders), amendments, modifications or supplements to each Assigned Purchase Agreement that affect the Security Trustee's interest.

— HABENDUM CLAUSE —

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Security Trustee, its successors and assigns, in trust for the equal and proportionate benefit and security of the Agents and the Lenders, except as otherwise provided in Clause 5.4(e) of the Credit Agreement, and for the uses and purposes and subject to the terms and conditions of this Mortgage.

The Borrower does hereby constitute the Security Trustee the true and lawful attorney of the Borrower (which appointment is coupled with an interest), irrevocably, with full power (in the name of the Borrower or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due and to become due under or arising out of the Operative Documents and all other property which now or hereafter constitutes part of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or to take any action or to institute any proceedings which the Security Trustee may deem to be necessary or advisable in the premises; provided that the Security Trustee agrees not to exercise such power of attorney unless an Event of Default shall be continuing.

The Borrower does hereby warrant and represent that (except as permitted herein) it has not assigned or pledged any of its right, title, and interest hereby assigned to anyone other than the Security Trustee.

1. Definitions

Except as otherwise defined in this Mortgage, terms used herein in capitalized form shall have the meanings attributed thereto in Annex A hereto.

2. Payments under Assigned Purchase Agreements

- (a) The Borrower agrees that all payments due or to become due to the Borrower under or in connection with either Assigned Purchase Agreement with respect to any Aircraft at any time when an Event of Default has occurred and is continuing shall be made directly to the Security Trustee, by wire transfer to the account specified in Schedule I to the Credit Agreement (or such other account at such other financial institution in such other location as the Security Trustee may designate to the Borrower and Airbus from time to time), and the right of the Security Trustee so to receive such payments shall not be subject to any defense, counterclaim, set-off or other right or claim of any kind that the Borrower may be able to assert against the Security Trustee.
- (b) Any amounts held by the Security Trustee as part of the Collateral hereunder shall be invested by the Security Trustee from time to time in Cash Equivalents selected by the Facility Agent. Any income realized as a result of any such investment, net of the Security Trustee's reasonable fees and expenses in making such investment, shall be held and applied by the Security Trustee in the same manner as the principal amount of such investment is to be applied and any losses, net of earnings and such reasonable fees and expenses, shall be charged against the principal amount invested. The Security Trustee shall not be liable for any loss resulting from any investment required to be made by it hereunder other than by reason of its willful misconduct or gross negligence, and any such investment may be sold (without regard to its maturity) by the Security Trustee without instructions whenever such sale is necessary to make a distribution required hereby. All Cash Equivalents held by the Security Trustee shall either be (i) registered in the name of, payable to the order of, or specifically endorsed to, the Security Trustee or (ii) held in an Eligible Account.

3. Accounts

The Borrower shall not open any Accounts, except as contemplated in this Clause 3. Before the utilization of any Accounts contemplated by the Operative Documents, the Borrower shall take any action necessary to enable the Security Trustee to obtain and maintain "control" (within the meaning of the applicable Uniform Commercial Code) with respect to the Accounts, and shall ensure that the account bank at which any Account is held enters into an account control agreement, charge over bank account or similar document such as will grant the Security Trustee a first-priority perfected security interest in such Account.

4. Events of Default

Each of the following events shall constitute an Event of Default which shall continue so long as, but only as long as, it shall not have been remedied:

- (a) *Non Payment.* The Borrower shall have failed to make a payment of any principal on any Loan Certificate within ***** after the same shall have become due; or the Borrower shall have failed to make a payment of interest on any Loan Certificate within ***** after the same shall have become due;
- (b) *Other Payments.* The Borrower shall have failed to make any payment of any amount owed to any Finance Party under the Operative Documents, including without limitation, any payment owed pursuant to Clause 5.9 of the Credit Agreement, other than as provided under paragraph (a) of this Clause 4 after the same shall have become due and such failure shall continue for ***** after the Borrower has received notice that such payment is due;
- (c) *Special Purpose Covenants.* The Borrower shall have failed to perform or observe, or caused to be performed and observed, any covenant or agreement to be performed or observed by it under Clause 10.3 of the Credit Agreement;
- (d) *Other Covenants.* The Borrower or either Guarantor shall have failed to perform or observe, or caused to be performed and observed, in any respect, any other covenant or agreement to be performed or observed by it under any Operative Document, and such failure (if capable of remedy) shall continue unremedied for a period of ***** after Borrower's or either Guarantor's receipt of written notice from the Security Trustee or the Facility Agent; provided however that such grace period shall not apply if such breach gives rise to any reasonable likelihood of the sale, forfeiture or other loss of any of the Collateral or the Aircraft or any interest therein;
- (e) *Representations and Warranties.* Any representation or warranty made by the Borrower or either Guarantor in any Operative Document or any document or certificate furnished by any such Obligor in connection therewith or pursuant thereto shall prove to have been incorrect or misleading at the time made, which, if capable of cure, is not cured within ***** after the Borrower or either Guarantor obtains knowledge thereof and to the extent such incorrect or misleading representation or warranty is materially adverse to the Security Trustee or any Lender;
- (f) *Voluntary Bankruptcy.* The commencement by the Borrower or either Guarantor of a voluntary case or winding up under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal, state or other bankruptcy, insolvency or other similar law in the United States or the Cayman Islands, or the consent by the Borrower or either Guarantor to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Borrower or either Guarantor or for

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all or substantially all of its property, or the making by the Borrower or either Guarantor of any assignment for the benefit of creditors of the Borrower or either Guarantor shall take any corporate action to authorize any of the foregoing (including, without limitation, by the passing of a shareholders' resolution for its involuntary winding up) or to authorize a general payment moratorium;

- (g) *Involuntary Bankruptcy.* The commencement of an involuntary case, winding up or other proceeding in respect of the Borrower or either Guarantor under the federal, bankruptcy laws, as now or hereafter constituted, or any other applicable federal state or other bankruptcy, insolvency or other similar law in the United States or the Cayman Islands or seeking the appointment of a liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Borrower or either Guarantor for all or substantially all of its property, or seeking the winding-up or liquidation of its affairs and the continuation of any such case or other proceeding remains undismissed and unstayed for a period of *****, or an order, judgment or decree shall be entered in any proceeding by any court of competent jurisdiction appointing, without the consent of the Borrower or either Guarantor, a receiver, trustee or liquidator of the Borrower or either Guarantor, or for all or substantially all of its property, or sequestering of all or substantially all of the property of either Guarantor or the occurrence of such in respect of any property of the Borrower and any such order, judgment or decree or appointment or sequestration shall be final or shall remain in force undismissed, unstayed or unvacated for a period of *****, after the date of entry thereof;
- (h) *Perfected Security Interest.* The Security Trustee shall cease to hold a valid and perfected security interest in any of the Collateral (except with respect to Permitted Liens);
- (i) *Breach of Assigned Purchase Agreements or Engine Agreement.* The Borrower or either Guarantor breaches or repudiates or evidences an intention to repudiate the terms of either Assigned Purchase Agreement, the Assignment and Assumption Agreement, the Servicing Agent, either Engine Agreement, or either Airbus Purchase Agreement, as applicable, and such breach is not cured within *****;
- (j) *Cross Defaults.* For any reason, any Financial Indebtedness of either Guarantor (or any Financial Indebtedness which a Guarantor has agreed to guarantee) in an aggregate amount in excess of *****) (or its equivalent in other currencies as determined by the Security Trustee), is not paid when due nor within any originally applicable grace period, and such Financial Indebtedness is declared to be due and payable prior to its specified maturity as a result of an event of default or termination event (howsoever described);
- (k) *Judgments:* any judgment against a Guarantor for an amount equal to or in excess of ***** is not paid by the date required by the court, unless such judgment is appealable and is being contested in good faith and by appropriate proceedings by such Guarantor;

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- (l) *BFE Payments*. The Borrower or any Guarantor shall have failed to make the payment of any amount listed in Schedule VI to the Credit Agreement in respect of BFE for each Aircraft in respect of which a Loan is then outstanding when due;
- (m) *Servicing Agreement*. An event occurs that entitles Frontier Airlines to terminate the Servicing Agreement pursuant to Clause 5.2 of the Servicing Agreement;
- (n) *Step-In Agreement*. The occurrence of an Insolvency Event in respect of the Borrower or either Guarantor or a Step-In Event (as defined in the Step-In Agreement); and
- (o) *Financial Covenants*. Either Guarantor shall have failed to perform, observe or comply with, or caused to be performed, observed and complied with, any covenant or agreement to be performed, observed or complied with by it under Clause 9(f) of the Guarantee.

5. Enforcement of Security

- (a) If an Event of Default shall have occurred and be continuing and so long as the same shall be continuing unremedied, then and in every such case, the Security Trustee or the Facility Agent (as applicable) may exercise any or all of the rights and powers and pursue any and all of the remedies pursuant to this Clause 5, and shall have and may exercise all of the rights and remedies of a secured party under the Uniform Commercial Code, including, without limitation, the right to assign its right to purchase the Aircraft from Airbus (subject to the Step-In Agreement).
- (b) If an Event of Default referred to in Clause 4(f) or 4(g) shall have occurred, then and in every such case all unfunded Commitments shall be terminated and the unpaid principal of all Loan Certificates then outstanding, together with interest accrued but unpaid thereon, and all other amounts due to the Lenders under the Operative Documents, shall immediately and without further act become due and payable, without presentment, demand, protest or notice, all of which are hereby waived.
- (c) If any other Event of Default shall have occurred and be continuing, then and in every such case, the Facility Agent or the Security Trustee may at any time, by written notice or notices to the Borrower, (i) terminate all unfunded Commitments and/or (ii) declare all the Loan Certificates to be due and payable, whereupon the unpaid principal of all Loan Certificates then outstanding, together with accrued but unpaid interest thereon, and all other amounts due to the Lenders under the Operative Documents, shall immediately and without further act become due and payable without presentment, demand, protest or other notice, all of which are hereby waived.

- (d) If the principal of the Loan Certificates shall have become due and payable pursuant to this Clause 5, there shall also become due and payable to each holder of a Loan Certificate upon demand, without presentment, protest or notice, all of which are hereby waived, the Break Amount therefor.
- (e) Subject to the consent of the Majority Lenders, each Lender and the Security Trustee shall be entitled, at any sale pursuant to this Clause 5, to credit against any purchase price bid at such sale by each Lender or the Security Trustee all or any part of the unpaid obligations owing to such Lender or the Security Trustee and secured by the Lien of this Mortgage. The Security Trustee and the Lenders shall, upon any such purchase, acquire good title to the property so purchased, to the extent permitted by applicable law, free of all rights of redemption.
- (f) The Security Trustee agrees to give to the Borrower at least ***** prior written revocable notice of any foreclosure of the Lien of this Mortgage, or of any other action to cause the Borrower to lose any rights under the Purchase Agreement (which period of notice the parties hereto confirm is commercially reasonable).
- (g) In case the Security Trustee shall have instituted any proceeding to enforce any right, power or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Security Trustee, then and in every such case, the Security Trustee and the Borrower shall, subject to any determination in such proceedings, be restored to their former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Security Trustee shall continue as if no such proceedings had been instituted.
- (h) Upon written instructions from the Majority Lenders, the Facility Agent shall waive any past Default or Event of Default hereunder and its consequences and upon any such waiver such Default or Event of Default shall cease to exist and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Mortgage, but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon; provided, however, that in the absence of written instructions from all Lenders, the Facility Agent shall not waive any Default (i) in the payment of the principal of, or interest on, or other amounts due under, any Loan Certificate then outstanding, or (ii) in respect of a covenant or provision of an Operative Document which by its terms cannot be waived without the consent of each Lender.
- (i) Each and every right, power and remedy given to the Agents specifically or otherwise in this Mortgage shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by either Agent, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.
- (j) No delay or omission by any Agent in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Borrower or to be an acquiescence therein.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

6. Borrower's Continuing Obligations

6.1 Borrower Liable

Notwithstanding anything herein contained the Borrower shall remain liable under the Operative Documents to which it is a party to perform all the obligations assumed by it thereunder.

6.2 No Liability for the Agents

- (a) Notwithstanding anything herein contained the Agents shall not be under any further obligation or liability under the Operative Documents to which the Borrower is a party by reason of this Mortgage or anything arising out of, or in connection with, it.
- (b) The Agents shall not be under any obligation of any kind:
 - (i) to assume or to perform or fulfill any obligation of the Borrower in, under or pursuant to the Operative Documents to which the Borrower is a party or be under any liability whatsoever as a result of any failure of the Borrower to perform any of its obligations in connection therewith;
 - (ii) (except as otherwise provided in the Operative Documents) to enforce against any of the parties thereto any term or condition of the Operative Documents or to enforce any rights and benefits hereby assigned or to which the Agents may at any time be entitled; and/or
 - (iii) to make any enquiries as to the nature or sufficiency of any payment received by the Agents hereunder or to make any claim or to take any action to collect any moneys hereby assigned.

7. Miscellaneous

7.1 Termination of Mortgage

Upon (or at any time after) payment in full of the principal of and interest on and Break Amount, if any, and all other amounts due under, or otherwise due to the Lenders in respect of, all Loan Certificates and provided that (i) the Commitments shall have terminated and (ii) there shall then be no other amounts due to the Lenders or the Agents under the Operative Documents, the Collateral shall automatically be release from the

Lien of the Mortgage and the Security Trustee shall execute and deliver to or as directed in writing by the Borrower an appropriate instrument evidencing the release of the Collateral from the Lien of this Mortgage, and the Security Trustee shall execute and deliver such instrument as aforesaid and, at the Borrower's expense, will execute and deliver such other instruments or documents as may be reasonably requested by the Borrower to evidence of give effect to such release; *provided, however*, that this Mortgage and the trusts created hereby shall earlier terminate and this Mortgage shall be of no further force or effect and the rights of the Lenders under the Loan Certificates and the Facility Agent shall terminate (and the Security Trustee shall release, by an appropriate instrument, the Collateral from the Lien of this Mortgage) upon any sale or other final disposition by the Security Trustee of all property part of the Collateral and the final distribution by the Security Trustee of all monies or other property or proceeds constituting part of the Collateral in accordance with the terms hereof.

Except as aforesaid otherwise provided and as otherwise provided in Clause 6 of the Credit Agreement, this Mortgage and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

7.2 No Legal Title to Collateral in Lenders

No Lender or Agent shall have legal title to any part of the Collateral. No transfer, by operation of law or otherwise, of any Loan Certificate or other right, title and interest of any Lender or Agent in and to the Collateral or hereunder shall operate to terminate this Mortgage or entitle such Person or any successor or transferee of such Person to an accounting or to the transfer to it of legal title to any part of the Collateral.

7.3 Sale of Collateral by Security Trustee is Binding

Any sale or other conveyance of any part of the Collateral by the Security Trustee made pursuant to the terms of this Mortgage shall bind the Lenders and the Agents and shall be effective to transfer or convey all right, title and interest of the Agents, the Borrower and the Lenders in and to such part of the Collateral. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by the Security Trustee.

7.4 Mortgage for Benefit of Agents and Lenders

Nothing in this Mortgage, whether express or implied, shall be construed to give to any person other than the Borrower, the Agents and the Lenders any legal or equitable right, remedy or claim under or in respect of this Mortgage.

7.5 No Action Contrary to Borrower's Rights; Quiet Enjoyment

Notwithstanding any of the provisions of this Mortgage to the contrary, so long as no Event of Default shall have occurred and be continuing, the Security Trustee agrees that neither it nor any Person claiming by, through or under the Security Trustee, will take

any action in violation of the Borrower's rights, including the right to purchase the Aircraft under the Assigned Purchase Agreements in accordance with the terms of this Mortgage by Borrower.

7.6 Notices.

Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents, waivers or documents provided or permitted by this Mortgage to be made, given, furnished or filed shall be in writing, mailed by certified mail, postage prepaid, fax or electronic mail and:

(a) if to the Borrower:

c/o Intertrust SPV (Cayman) Limited
190 Elgin Avenue
George Town
Grand Cayman, KY1-9005
Cayman Islands
Attention: Directors
Email: *****
Fax: *****

(b) if to the Security Trustee:

Bank of Utah
200 E. South Temple, Suite 210
Salt Lake City, Utah 84111
Telephone:*****
Facsimile:*****
Email:*****

(c) if to the Facility Agent:

Citibank, N.A.
1615 Brett Road
Building 111
New Castle, DE 19720
Attention: Loan Administration
Fax:*****
Email: *****

With a copy to:

Citibank, N.A.
388 Greenwich Street, 34th Floor
New York, NY 10013
Attention: *****
Fax: *****
Email: *****

(d) if to any Lender, addressed to such party at such address as such party shall have furnished by notice to the Borrower and the Security Trustee, or, for any Lender, until an address is so furnished, addressed to the address of such Lender specified in Schedule I to the Credit Agreement.

**** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Whenever any notice in writing is required to be given by the Borrower or any Agents or any Lender to any of the other parties, such notice shall be deemed given and such requirement satisfied when such notice is received, with such notice received if such notice is mailed by certified mail, postage prepaid, or is sent by facsimile, addressed as provided above.

Any party hereto may change the address to which notices to such party will be sent by giving notice of such change to the other parties to this Mortgage.

7.7 Facility Agent's Right to Perform for Borrower

If the Borrower fails to make any payment or to perform or comply with any of its agreements contained herein, then (but in each case no earlier than ***** after notice to Borrower as to the occurrence of such failure, whether or not it shall yet constitute an Event of Default hereunder) the Facility Agent may itself make such payment or perform or comply with such agreement but shall not be obligated hereunder to do so, and the amount of such payment and the amount of the reasonable expenses of the Facility Agent incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest thereon at the Past Due Rate, shall be payable by Borrower upon demand.

7.8 Severability

Any provision of this Mortgage which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.9 No Oral Modifications or Continuing Waivers

No terms or provisions of this Mortgage or the Loan Certificates may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party or other Person against whom enforcement of the change, waiver, discharge or termination is sought and any other party or other Person whose consent is required pursuant to this Mortgage; and any waiver of the terms hereof or of any Loan Certificate shall be effective only in the specific instance and for the specific purpose given.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

7.10 Successors and Assigns

All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, each of the parties hereto and the successors and permitted assigns of each, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by any Lender shall bind the successors and assigns of such Lender.

7.11 Headings

The headings of the various Clauses herein and in the table of contents hereto are for the convenience of reference only and shall not define or limit any of the terms or provisions hereof.

7.12 Governing Law; Counterparts

THIS MORTGAGE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. This Mortgage may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

7.13 Waiver of Jury Trial

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS MORTGAGE OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS MORTGAGE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS CLAUSE.

7.14 Jurisdiction

- (a) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof (collectively, "New York Courts"), in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and the Borrower hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such

New York State or, to the extent permitted by law, in such Federal court. The Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Agent may otherwise have to bring any action or proceeding relating to this Agreement against another party or its properties in the courts of any jurisdiction. The Borrower further agrees that, notwithstanding Clauses 22.2 and 22.3 of the Step-In Agreement, as between the Borrower and the Agents New York Courts will have jurisdiction to settle any dispute arising from or connected with this Mortgage or the Step-In Agreement (with the selection of New York Courts as the appropriate jurisdiction for all or any part of such proceeding to be made by either Agent), New York Courts are appropriate and convenient for settling any dispute between the Borrower and either Agent, and the Borrower agrees that it will not argue to the contrary.

- (b) The Borrower irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (a) of this Clause. The Borrower hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

8. Service of Process

Each party to this Agreement irrevocably consents to service of process in the manner provided for the delivery of notices in Clause 7.6. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law. The Borrower hereby irrevocably appoints and designates Corporation Service Company (the "Agent for Service of Process"), having an address at Corporation Service Company, 80 State Street, Albany, New York 12207-2543 as its true and lawful attorney-in-fact and duly authorized agent for the limited purpose of accepting service of legal process and the Borrower agrees that service of process upon such party shall constitute personal service of such process on such person. The Borrower shall maintain the designation and appointment of the Agent for Service of Process at such address until all amounts payable under this Agreement shall have been paid in full. If the Agent for Service of Process shall cease to so act, the Borrower shall immediately designate and shall promptly deliver to the Facility Agent evidence in writing of acceptance by another agent for service of process of such appointment, which such other agent for service of process shall have an address for receipt of service of process in the State of New York and the provisions above shall equally apply to such other agent for service of process.

9. Limitation on Liability

- 9.1 Notwithstanding anything contained in this Agreement to the contrary, recourse against the Borrower with respect to this Agreement shall be limited to the assets of the

Borrower, as they may exist from time to time and each Agent and Lender agrees not to seek before any court or Governmental Entity to have any shareholder, director or officer of the Borrower, held liable, in their personal or individual capacities, for any actions or inactions of the Borrower or any obligations or liability of the Borrower under this Agreement other than in the case of gross negligence or willful misconduct.

- 9.2 Each of the Security Trustee, the Facility Agent and the Lenders agree that with respect to any actions or inactions of the Borrower or any obligations or liability of the Borrower under this Agreement, it shall not commence any case, proceeding, proposal or other action under any existing or future law of any jurisdiction relating to the bankruptcy, insolvency, reorganization, arrangement in the nature of insolvency proceedings, adjustment, winding-up, liquidation, dissolution or analogous relief with respect to the Borrower.
- 9.3 Nothing in this Clause 9 shall:
- (a) be construed to limit the exercise of remedies pursuant to this Agreement in accordance with its terms; or
 - (b) be construed to waive, release, reduce, modify or otherwise limit the obligations and liabilities of any guarantor of the Borrower's obligations or liabilities hereunder.
- 9.4 The provisions of this Clause 9 shall survive the termination of this Agreement.

[Signature page follows]

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

VERTICAL HORIZONS, LTD.,
as Borrower

By: /s/ Grant Cellier
Name: Grant Cellier
Title: Director

BANK OF UTAH
not in its individual capacity but solely, as Security Trustee

By: /s/ John Thomas
Name: John Thomas
Title: Vice President

By: /s/ Jon Croasmun
Name: Jon Croasmun
Title: Vice President

CITIBANK, N.A.,
as Facility Agent

By: /s/ Meghan O'Connor
Name: Meghan O'Connor
Title: Vice President

By: _____
Name:
Title:

DATED AS OF DECEMBER 16, 2016

FRONTIER AIRLINES INC.
AS GUARANTOR

AND

BANK OF UTAH
NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY
AS SECURITY TRUSTEE

SECOND AMENDED AND RESTATED GUARANTEE
IN RESPECT OF THE PDP FINANCING OF NINETEEN
(19) AIRBUS A321-200 AIRCRAFT, FORTY-NINE (49)
AIRBUS A320NEO AIRCRAFT AND TWO (2) AIRBUS
A320-200 AIRCRAFT

CONTENTS

| Clause | Page |
|-------------------------------------|------|
| 1. Definitions | 1 |
| 2. Guarantee | 2 |
| 3. Guarantee Absolute | 2 |
| 4. Waiver | 5 |
| 5. Certain Actions | 5 |
| 6. Subrogation | 6 |
| 7. Rights Of Third Parties; Set-Off | 6 |
| 8. Representations And Warranties | 7 |
| 9. Covenants | 8 |
| 10. Successors and Assigns | 10 |
| 11. Notices | 10 |
| 12. Governing Law; Counterparts | 11 |
| 13. Waiver of Jury Trial | 11 |
| 14. Jurisdiction | 11 |
| 15. Service of Process | 12 |

THIS SECOND AMENDED AND RESTATED GUARANTEE (as amended, modified or supplemented in accordance with the terms hereof, this “**Guarantee**”), dated as of December 16, 2016, is made

BY:

- (1) **FRONTIER AIRLINES, INC.**, incorporated in Colorado (together with its successors and its permitted assigns, the “**Guarantor**”);
in favor of
- (2) **BANK OF UTAH**, not in its individual capacity but solely, as security trustee (in such capacity, the “**Security Trustee**”) for and on behalf of itself, the Facility Agent (as defined in the Credit Agreement referred to below) and each lender (each a “**Lender**” and collectively, the “**Lenders**”) which is a party to the Second Amended and Restated Credit Agreement, dated as of the date hereof (as amended, modified or supplemented from time to time, the “**Credit Agreement**”), among Vertical Horizons, Ltd., as borrower (the “**Borrower**”), the Facility Agent, the Lenders and the Security Trustee.

WITNESSETH:

WHEREAS:

- (A) This Guarantee amends and restates in its entirety the Amended and Restated Guarantee dated as of August 11, 2015, by the Guarantor in favor of the Security Trustee as confirmed by that certain Guarantee Confirmation dated as of January 14, 2016;
- (B) The Borrower entered into the Credit Agreement for the purpose of financing certain pre-delivery payment obligations in respect of nineteen (19) Airbus A321-200, forty-nine (49) Airbus A320neo and two (2) Airbus A320-200 Aircraft;
- (C) Frontier Airlines, Inc. has entered into a guarantee in respect of the Borrower’s obligations under the Operative Documents; and
- (D) It is a condition precedent to the entering into of the transactions contemplated by the Credit Agreement that the Guarantor shall have executed and delivered this Guarantee.

NOW, THEREFORE, in consideration of the premises and other consideration, the receipt and sufficiency of which are hereby acknowledged by the Guarantor, the Guarantor hereby agrees as follows:

1. DEFINITIONS

- (a) Capitalized terms used and not otherwise defined herein shall have the meaning assigned to such terms in the Credit Agreement.
- (b) Unless the context otherwise requires, any reference herein to any of the Operative Documents refers to such document as it may be modified, amended or supplemented from time to time in accordance with its terms and the terms of each other agreement restricting the modification, amendment or supplement thereof.

2. GUARANTEE

- (a) The Guarantor hereby irrevocably, absolutely and unconditionally guarantees, as primary obligor and as a guarantor of payment and not merely as surety or guarantor of collection, to the Security Trustee, the Facility Agent and each Lender, (i) the full and prompt payment by the Borrower when due of the Secured Obligations incurred by the Borrower and pursuant to the Operative Documents, strictly in accordance with the terms of the Operative Documents, and (ii) the full and timely performance of, and compliance with, each and every duty, agreement, undertaking, indemnity and obligation of the Borrower under the Operative Documents strictly in accordance with the terms thereof, in each case, however created, arising or evidenced, whether direct or indirect, primary or secondary, absolute or contingent, joint or several and whether now or hereafter existing or due or to become due (such payment and other obligations described in paragraphs (i) and (ii) being referred to herein as the “**Liabilities**”).
- (b) The Guarantor further agrees to pay any and all reasonable costs and expenses (including, without limitation, all reasonable fees and disbursements of counsel) that may be paid or incurred by the Security Trustee, the Facility Agent and/or one or more of the Lenders in enforcing any rights with respect to, or collecting, any or all of the Liabilities or enforcing any rights with respect to, or collecting against, the Guarantor hereunder together with interest at the Past Due Rate specified in the Credit Agreement from the date when such expenses are so incurred to the date of actual payment thereof. Without limiting the generality of the foregoing, the liability of the Guarantor hereunder shall extend to all amounts which constitute part of the Liabilities and would be owed by the Borrower but for the fact that such amounts are unenforceable or not allowable due to any circumstance whatsoever or due to the existence of a bankruptcy, suspension of payments, reorganization or similar proceeding involving the Borrower.

3. GUARANTEE ABSOLUTE

- (a) This Guarantee shall constitute a guarantee of payment and of performance and not of collection, and the Guarantor specifically agrees that it shall not be necessary, and that the Guarantor shall not be entitled to require, before or as a condition of enforcing the obligations of the Guarantor under this Guarantee or requiring payment or performance of the Liabilities by the Guarantor hereunder, or at any time thereafter, that any Person: (i) file suit or proceed to obtain or assert a claim for personal judgment against the Borrower or any other Person that may be liable for any Liabilities; (ii) make any other effort to obtain payment or performance of any Liabilities from the Borrower or any other Person that may be liable for such Liabilities; (iii) foreclose against or seek to realize upon the Collateral or any other security now or hereafter existing for such Liabilities; (iv) exercise or assert any other right or remedy to which such Person is or may be entitled in connection with any Liabilities or any security or other guarantee therefor; or (v) assert or file any claim against the assets of any other Person liable for any Liabilities. Notwithstanding anything herein to the contrary, no provision of this Guarantee shall require the Guarantor to pay, perform or discharge any Liabilities prior to the time such Liabilities are due and payable. When making any demand hereunder against the Guarantor, none of the Security Trustee, the Facility Agent or any Lender need make a similar demand on the Borrower; **provided that** any failure by the Security Trustee, the Facility Agent or any Lender to make any such demand or to collect any payments from the Borrower shall not relieve the Guarantor of its obligations or liabilities hereunder and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Security Trustee, the Facility Agent and/or such Lender against the Guarantor. The Security Trustee, the Facility Agent and/or the Lenders may in all events pursue its rights under this Guarantee prior to or simultaneously with pursuing its various rights referred to in the Credit Agreement and the other Operative Documents, as the Security Trustee, the Facility Agent and/or such Lender may determine.

- (b) The Guarantor agrees that this Guarantee shall be continuing until the indefeasible payment in full of all Secured Obligations and the Guarantor guarantees that the Liabilities will be paid and performed strictly in accordance with the terms of the Operative Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Security Trustee, the Facility Agent and/or the Lenders with respect thereto. If for any reason the Borrower shall fail to fully and timely pay or perform and discharge any Liabilities to be paid or performed by the Borrower (whether affirmative or negative in character), the Guarantor shall promptly on demand by the Security Trustee, the Facility Agent and/or any Lender pay or perform or cause to be paid or performed, as the case may be, such Liabilities. Each of the obligations of the Guarantor under this Guarantee is separate and independent of each other obligation of the Guarantor under this Guarantee and separate and independent of the Liabilities, and the Guarantor agrees that a separate action or actions may be brought and prosecuted against the Guarantor to enforce this Guarantee, irrespective of whether any action is brought against the Borrower is joined in any such action or actions. The obligations of the Guarantor shall be continuing and irrevocable, absolute and unconditional, primary and original and immediate and not contingent and shall remain in full force and effect without regard to and not be released, discharged or in any way affected by any circumstance or condition (other than by payment in full of the Liabilities) including, without limitation, the occurrence of any one or more of the following:
- (i) any lack of validity or enforceability of any of the Liabilities under the Operative Documents or any document entered into in connection with the transactions contemplated thereby, any provision thereof, or any other agreement or instrument relating thereto or the absence of any action to enforce the same;
 - (ii) any failure, omission, delay or lack on the part of the Security Trustee, the Facility Agent and/or the Lenders to enforce, assert or exercise any right, power, privilege or remedy conferred on the Security Trustee, the Facility Agent and/or the Lenders in the Credit Agreement, the Security Agreement, or any other Operative Document, or the inability of the Security Trustee, the Facility Agent and/or the Lenders to enforce any provision of any Operative Document for any reason, or any other act or omission on the part of the Security Trustee, the Facility Agent or any Lender;
 - (iii) any change in the time, manner or place of performance or of payment, or in any other term of, all or any of the Liabilities, or any other modification, supplement, amendment or waiver of or any consent to departure from the terms and conditions of any of the Operative Document or any document entered into in connection with the transactions contemplated thereby;
 - (iv) any taking, exchange, release or non-perfection of the Collateral or any other collateral or security, or any taking, release or amendment or waiver of or consent to departure from any other guarantee, for all or any of the Liabilities or the acceptance of any security therefor;
 - (v) the waiver by the Security Trustee, the Facility Agent and/or any Lender of the performance or observance by the Borrower of any of the Liabilities, the waiver of any default in the performance or observance thereof, any extension by the Security Trustee, the Facility Agent and/or any Lender of the time for payment or performance and discharge by the Borrower of any Liabilities or any extension, indulgence or renewal of any Liabilities;

- (vi) any bankruptcy, suspension of payments, insolvency, sale of assets, winding-up, dissolution, liquidation, receivership or reorganization of, or similar proceedings involving, the Borrower or its assets or any resulting release or discharge of any of the Liabilities;
- (vii) the recovery of any judgment against any Person or any action to enforce the same;
- (viii) any failure or delay in the enforcement of the Liabilities of any Person under the Operative Documents or any document entered into in connection with the transactions contemplated by the Operative Documents or any provision thereof;
- (ix) any set-off, counterclaim, deduction, defense, abatement, suspension, deferment, diminution, recoupment, limitation or termination available with respect to any Liabilities and, to the extent permitted by applicable law, irrespective of any other circumstances that might otherwise limit recourse by or against the Guarantor or any other Person;
- (x) the obtaining, the amendment or the release of or consent to any departure from the primary or secondary obligation of any other Person, in addition to the Guarantor, with respect to any Liabilities;
- (xi) any compromise, alteration, amendment, modification, extension, renewal, release or other change, or waiver, consent or other action, or delay or omission or failure to act, in respect of any of the terms, covenants or conditions of any Operative Document or any document entered into in connection with the transactions contemplated by any Operative Document, or any other agreement or any related document referred to therein, or any assignment or transfer of any thereof;
- (xii) any manner of application of Collateral or Proceeds thereof, to all or any of the Liabilities, or any manner of sale or other disposition of any Collateral, or any furnishing or acceptance of additional collateral;
- (xiii) any change in control in the ownership of the Borrower, any change, merger, demerger, consolidation, restructuring or termination of the corporate structure or existence of the Borrower;
- (xiv) to the fullest extent permitted by applicable law, any other circumstance which might otherwise constitute a defense available to, or a discharge of, a guarantor or surety with respect to any Liabilities;
- (xv) any default, failure or delay, whether as a result of actual or alleged force majeure, commercial impracticability or otherwise, in the performance of the Liabilities, or by any other act or circumstances which may or might in any manner or to any extent vary the risk of the Guarantor, or which would otherwise operate as a discharge of the Guarantor;
- (xvi) the existence of any other obligation of the Guarantor, or any limitation thereof, in any Operative Document;
- (xvii) any regulatory change or other governmental action (whether or not adverse); or
- (xviii) the partial payment or performance of the Liabilities (whether as a result of the exercise of any right, remedy, power or privilege or otherwise) or the invalidity of any payment for any reason whatsoever.

Should any money due or owing under this Guarantee not be recoverable from the Guarantor due to any of the matters specified in paragraphs (i) through (xviii) above or for any other reason, then, in any such case, such money shall nevertheless be recoverable from the Guarantor as though the Guarantor were principal debtor in respect thereof and not merely a guarantor and shall be paid by the Guarantor forthwith.

- (c) This Guarantee shall continue to be effective or be automatically reinstated, as the case may be, if at any time any payment, or any part thereof, of any of the Liabilities is rescinded or must otherwise be restored or returned by the Security Trustee, the Facility Agent and/or any Lender for any reason whatsoever, whether upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or otherwise, all as though such payment had not been made, and the Guarantor agrees that it will indemnify the Security Trustee, the Facility Agent and each Lender on demand for all reasonable costs and expenses (including, without limitation, fees and disbursement of counsel) incurred by any such Person in connection with such rescission or restoration. If an event permitting the exercise of remedies under the Operative Documents shall at any time have occurred and be continuing and such exercise, or any consequences thereof provided in any Operative Document, shall at such time be prevented by reason of the pendency against the Borrower of a case or proceeding under a bankruptcy or insolvency law, the Guarantor agrees that, for purposes of this Guarantee and its obligations hereunder, amounts payable under the Operative Documents shall be deemed to have been declared in default, with all attendant consequences as provided in the Operative Documents as if such declaration of default and the consequences thereof had been accomplished in accordance with the terms of the Credit Agreement and the other Operative Documents, and the Guarantor shall forthwith pay any amounts guaranteed hereunder, without further notice or demand.

4. WAIVER

To the fullest extent permitted by applicable law, the Guarantor hereby expressly and irrevocably waives diligence, promptness, demand for payment or performance, filing of claims with any court, any proceeding to enforce any provision of the Operative Documents, notice of acceptance of and reliance on this Guarantee by the Security Trustee, the Facility Agent and each Lender, notice of the creation of any liabilities of the Borrower, any requirement that the Security Trustee, the Facility Agent or any Lender protect, secure, perfect or insure any security interest or Lien on the Collateral or any property subject thereto, any right to require a proceeding first against the Borrower, whether to marshal any assets or to exhaust any right or take any action against the Borrower or any other Person or entity or any collateral or otherwise, any diligence in collection or protection of or realization upon any Liabilities, any obligation hereunder or any collateral security for any of the foregoing, any right of protest, presentment, notice or demand whatsoever, all claims of waiver, release, surrender, alteration or compromise, and all defenses, set-offs, counterclaims, recoupments, reductions, limitations, impairments or terminations, whether arising hereunder or otherwise.

5. CERTAIN ACTIONS

The Security Trustee, the Facility Agent and each Lender may, from time to time at its sole discretion and without notice to the Guarantor, take any or all of the following actions without affecting the obligations of the Guarantor hereunder: (i) retain or obtain a lien upon a security interest in any substitutions or replacements to the Collateral; (ii) retain or obtain the primary or

secondary obligation of any obligor or obligors, in addition to the Guarantor, with respect to any of the Liabilities or any obligation hereunder; (iii) with consent of the Borrower, extend or renew for one or more periods (regardless of whether longer than the original period), alter or exchange any of the Liabilities, or release or compromise any obligation of the Guarantor hereunder or any obligation of any nature of any other obligor (including the Security Trustee) with respect to any of the Liabilities; (iv) release or fail to perfect any Lien upon or security interest in, or impair, surrender, release or permit any substitution or exchange for, all or any part of any property securing any of the Liabilities or any obligation hereunder, or extend or renew for one or more periods (regardless of whether longer than the original period) or release, compromise, alter or exchange any obligations of any nature of any obligor with respect to any such property; and (v) resort to the Guarantor for payment of any of the Liabilities, regardless of whether the Security Trustee, the Facility Agent or the Lender, as the case may be, shall have resorted to any property securing any of the Liabilities or any obligation hereunder or shall have proceeded against any other obligor primarily or secondarily obligated with respect to any of the Liabilities.

6. SUBROGATION

Any amounts received by the Security Trustee, the Facility Agent or any Lender from whatsoever source on account of the Liabilities may be applied by it toward the payment of such of the Liabilities, and in such order of application, as the Security

Trustee, the Facility Agent or such Lender may from time to time elect. No payment made by or for the account of the Guarantor pursuant to this Guarantee shall entitle the Guarantor by subrogation, indemnity or otherwise to any payment by the Security Trustee, the Facility Agent or the Lender, as the case may be, from or out of any property of such Person, and the Guarantor shall not exercise any right or remedy against the Security Trustee, the Facility Agent or the Lender, as the case may be, or any property of such Person by reason of any performance by the Guarantor of this Guarantee.

7. RIGHTS OF THIRD PARTIES; SET-OFF

- (a) This Guarantee is made only for the benefit of, and shall be enforceable only by, the Security Trustee, the Facility Agent and each Lender, and this Guarantee shall not be construed to create any right in any Person other than the Security Trustee, the Facility Agent and each Lender to be a contract in whole or in part for the benefit of any Person other than the Security Trustee, the Facility Agent and each Lender.
- (b) Upon the occurrence of any Event of Default, the Guarantor hereby irrevocably authorizes the Security Trustee, the Facility Agent, each Lender and each of their respective Affiliates, at any time and from time to time without notice to the Guarantor, any such notice being expressly waived by the Guarantor, to set-off and appropriate and apply any and all assets, at any time held or owing by the Guarantor or any of its Affiliates to, or for the credit of the account of the Guarantor, or any part thereof in such amounts as the Security Trustee, the Facility Agent or such Lender, as the case may be, may elect, against and on account of the obligations and liabilities of the Guarantor to the Security Trustee, the Facility Agent and each Lender hereunder of every nature and description of the Security Trustee, the Facility Agent and each Lender. The Security Trustee, the Facility Agent or applicable Lender shall notify the Guarantor promptly of any such set-off and the application made by them, **provided that** the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Security Trustee, the Facility Agent and each Lender under this Clause are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Security Trustee, the Facility Agent and the Lenders may have.

8. REPRESENTATIONS AND WARRANTIES

The Guarantor represents and warrants to the Security Trustee, the Facility Agent and each Lender as follows:

(a) Access to Information

The Guarantor has and will continue to have independent means of obtaining information concerning the Borrower's affairs, financial condition and business. None of the Security Trustee, the Facility Agent or any Lender shall have any duty or responsibility to provide the Guarantor with any credit or other information concerning the Borrower's affairs, financial condition or business which may come into the possession of the Security Trustee, the Facility Agent or any Lender.

(b) Organization

It is a company duly organized and validly existing under the laws of the state of Colorado, with organizational power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted.

(c) Due Qualification

It is duly licensed, qualified and authorized to do business and is in good standing in each jurisdiction where the ownership, leasing or operation of its property or the conduct of its business requires such license, qualification or authorization except for failures to be so qualified which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the business, operations, property, assets, liabilities, financial condition or prospects of the Guarantor.

(d) Power and Authority; Due Authorization

It has (i) all necessary power, authority and legal right to execute, deliver and perform its obligations under this Guarantee and (ii) duly authorized by all necessary organizational action such execution, delivery and performance of this Guarantee.

(e) Binding Obligations

This Guarantee constitutes the legal, valid and binding obligation of the Guarantor, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(f) No Violation

The execution, delivery and performance of this Guarantee will not (i) conflict with, or result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under (A) the constituent documents of the Guarantor or (B) any indenture, lease, loan agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument to which the Guarantor is a party or by which it or its property is bound, (ii) result in or require the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, lease, loan agreement, receivables purchase agreement,

mortgage, deed of trust, or other agreement or instrument or (iii) violate any law, judgment, writ, injunction, decree or any order, rule, regulation applicable to the Guarantor of any court or of any federal, state or foreign regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Guarantor or any of its properties.

(g) Not Insolvent

The execution, delivery and performance by the Guarantor of this Guarantee will not render the Guarantor insolvent, nor is it being made in contemplation of the Guarantor's insolvency; the Guarantor does not, in its reasonable judgment, have an unreasonably small capital for conducting its business as presently contemplated by it. The Guarantor is fully solvent (on a cash flow and balance sheet basis) and will be fully solvent immediately following the execution of this Agreement and the other Operative Documents.

(h) No Default under Airbus Purchase Agreements or Engine Agreements

No event is continuing in respect of the Guarantor which would constitute an incipient or actual default by either Guarantor under any Airbus Purchase Agreement or any Engine GTA.

9. COVENANTS

- (a) The Guarantor shall observe certain policies and procedures relating to the Borrower's existence as separate companies as follows and shall do all things necessary to maintain its corporate existence separate and distinct from the Borrower. The Guarantor shall:
- (i) observe all formalities necessary to remain a legal entity separate and distinct from the Borrower;
 - (ii) maintain its assets and liabilities separate and distinct from those of the Borrower in such a manner that it is not difficult to segregate, identify or ascertain such assets;
 - (iii) maintain records, books and accounts separate from those of the Borrower (other than as otherwise set forth under the Operative Documents);
 - (iv) pay its obligations in the ordinary course of business as a legal entity separate from the Borrower;
 - (v) keep its funds separate and distinct from any funds of the Borrower, and receive, deposit, withdraw and disburse such funds separately from any funds of the Borrower;
 - (vi) not agree to pay, assume, guarantee or become liable for any debt of, or otherwise pledge its assets for the benefit of the Borrower except as otherwise permitted under the Operative Documents;
 - (vii) not hold out that the Borrower is a division of the Guarantor or any other Person or that the Guarantor is a division of the Borrower or any other Person;
 - (viii) not induce any third party to rely on the creditworthiness of the Guarantor in order that such third party will contract with the Borrower (other than any guarantee of the Guarantor in favor of Airbus made in connection with the Airbus Purchase Agreements);
 - (ix) allocate and charge fairly and reasonably any common overhead shared with the Borrower;

- (x) hold itself out as a separate entity from the Borrower, and correct any known misunderstanding regarding its separate identity;
 - (xi) not conduct business in the name of the Borrower and ensure that all communications of the Borrower are made solely in the Borrower's name as the context may require;
 - (xii) not acquire the securities of the Borrower or allow the Borrower to acquire securities of the Guarantor;
 - (xiii) prepare separate financial statements and separate tax returns from the Borrower (**provided that** the Guarantor may publish financial statements that consolidate those of the Guarantor and its subsidiaries, if to do so is required by any applicable law or accounting principles from time to time in effect and subsidiaries of the Guarantor may file consolidated Tax returns with the Guarantor and its subsidiaries for Tax purposes); and
 - (xiv) not enter into any transaction with the Borrower that is more favorable to the Guarantor than transactions that the Guarantor and its subsidiaries would have been able to enter into at such time on an arm's-length basis with a non-affiliated third party or vice versa.
- (b) The Guarantor shall not take any action or omit to take any action that would cause an incipient or actual default under any Airbus Purchase Agreement or any Engine Agreement.
- (c) The Guarantor shall ensure that the Servicing Agreement, the Option Agreement, the Subordinated Loan Agreement, and this Guarantee remain in place and in full force and effect and that neither it nor any other Obligor shall breach any of the terms of any of such documents. The Guarantor shall ensure that no amendment, variation, waiver or other change is made to its memorandum and articles of association or other constituent documents, the Servicing Agreement, the Option Agreement, the Subordinated Loan Agreement, or this Guarantee.
- (d) The Guarantor shall:
- (i) promptly upon acquiring actual knowledge of the same, notify the Facility Agent of any default (whether by the Guarantor, any Affiliate of the Guarantor, Airbus or the Engine Manufacturer) under or cancellation, termination or rescission or purported cancellation, termination or rescission of any Airbus Purchase Agreement or any Engine Agreement specifying in reasonable detail the nature of such default, cancellation, rescission or termination;
 - (ii) not, without the Security Trustee's prior written consent, in any way modify, cancel, terminate or amend or consent to the modification, cancellation, termination or amendment of any Airbus Purchase Agreement or any Engine Agreement except to the extent permitted by the Credit Agreement;
 - (iii) not accept, and shall procure that the Borrower or any other Person does not accept, delivery of any Aircraft from Airbus before or concurrently with repaying to the Lenders all amounts owing in respect of the Loans relating to that Aircraft;
 - (iv) not enter into or consent to any change order or other amendment, modification or supplement to any Airbus Purchase Agreement or any Engine Agreement, in relation to the Aircraft, without the prior written consent and countersignature of the Security Trustee (acting at the unanimous direction of the Lenders) if such change order, amendment, modification or supplement would require the consent of the Security Trustee under the Step-In Agreement or under the Credit Agreement;

- (v) provide to the Security Trustee promptly after the execution of the same copies, certified by the Guarantor, of all material change orders (other than non charge change orders), amendments, modifications or supplements to the Assigned Purchase Agreements that would require the consent of the Security Trustee under the Step-In Agreement or under the Credit Agreement;
 - (vi) provide to the Security Trustee promptly upon request, such information regarding the package of product support and training services as was agreed to be provided by Airbus to the Guarantor under the Assigned Purchase Agreements and agrees not to take any action or omit to take any action which would reduce the product support and training services which would otherwise be available to Intrepid by Airbus with respect to the Aircraft under the Assigned Purchase Agreements; and
 - (vii) not agree to any financial indebtedness cross default (in respect of it or any of its Affiliates) with Airbus that would give rise to a right for Airbus to terminate the Assigned Purchase Agreements.
- (e) The Guarantor shall not accept any repayment of any part of the Subordinated Loan Agreement while the Secured Obligations remain outstanding.

10. SUCCESSORS AND ASSIGNS

- (a) This Guarantee shall be binding upon the Guarantor and upon the Guarantor's successors and assigns and all references herein to the Guarantor or the Security Trustee shall be deemed to include any successor or successors whether immediate or remote, to such Person. The Guarantor shall not assign any of its rights or obligations hereunder without the prior written consent of the Security Trustee, the Facility Agent and each Lender.
- (b) This Guarantee shall inure to the benefit of the Security Trustee, the Facility Agent each Lender and their respective successors and assigns, and all references herein to the Security Trustee, the Facility Agent or any Lender shall be deemed to include any successors and assigns of such Person (whether or not reference in a particular provision is made to such successors and assigns).

11. NOTICES

All notices, demands or requests given pursuant to this Guarantee shall be in writing personally delivered, or sent by facsimile (with subsequent telephone confirmation of receipt thereof) or sent by internationally recognized overnight courier service, to the following addresses:

- (a) if to the Guarantor:
Frontier Airlines, Inc.
7001 Tower Road
Denver, CO 80249
Attention: SVP – General Counsel
Phone: #####
Email: #####

- (b) if to the Security Trustee:

Bank of Utah
200 E. South Temple, Suite 210
Salt Lake City, Utah 84111
Telephone: #####
Facsimile: #####
Email: #####

Whenever any notice in writing is required to be given by the Guarantor or the Security Trustee, such notice shall be deemed given and such requirement satisfied when such notice is received, with such notice received if such notice is mailed by certified mail, postage prepaid, or is sent by facsimile, addressed as provided above.

Either party hereto may change the address to which notices to such party will be sent by giving notice of such change to the other party.

12. GOVERNING LAW; COUNTERPARTS

THIS GUARANTEE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. This Guarantee may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. WAIVER OF JURY TRIAL

EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTEE OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS GUARANTEE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS CLAUSE.

14. JURISDICTION

- (a) The Guarantor hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Guarantee, or for recognition or enforcement of any judgment, and the Guarantor irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Guarantee shall affect any right that the Security Trustee or any

Lender may otherwise have to bring any action or proceeding relating to this Guarantee against another party or its properties in the courts of any jurisdiction.

- (b) The Guarantor irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Guarantee in any court referred to in paragraph (a) of this Clause. The Guarantor hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

15. SERVICE OF PROCESS

Each party to this Guarantee irrevocably consents to service of process in the manner provided for the delivery of notices in Clause 11. Nothing in this Guarantee will affect the right of any party to this Guarantee to serve process in any other manner permitted by law. The Guarantor hereby irrevocably appoints and designates Corporation Services Company (the "**Agent for Service of Process**"), having an address at Corporation Service Company, 80 State Street, Albany, New York 12207 2543, as its true and lawful attorney-in-fact and duly authorized agent for the limited purpose of accepting service of legal process and the Guarantor agrees that service of process upon such party shall constitute personal service of such process on such person. The Guarantor shall maintain the designation and appointment of the Agent for Service of Process at such address until all amounts payable under this Guarantee shall have been paid in full. If the Agent for Service of Process shall cease to so act, the Guarantor shall immediately designate and shall promptly deliver to the Security Trustee evidence in writing of acceptance by another agent for service of process of such appointment, which such other agent for service of process shall have an address for receipt of service of process in the State of New York and the provisions above shall equally apply to such other agent for service of process.

[Signature page follows]

IN WITNESS WHEREOF, this Guarantee has been executed and delivered by the Guarantor's duly authorized officer as of the date first written above.

FRONTIER AIRLINES, INC.

By: /s/ Howard Diamond
Name: Howard Diamond
Title: General Counsel

ACCEPTED and AGREED:

BANK OF UTAH

not in its individual capacity but solely as Security Trustee By:

By: /s/ John Thomas
Name: John Thomas
Title: Vice President

By: /s/ Jon Croasmun
Name: Jon Croasmun
Title: Vice President

Second Amended and Restated Guarantor Signature Page

DATED AS OF DECEMBER 16, 2016

FRONTIER AIRLINES HOLDINGS, INC.
AS GUARANTOR

AND

BANK OF UTAH
NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY
AS SECURITY TRUSTEE

SECOND AMENDED AND RESTATED GUARANTEE IN RESPECT OF THE PDP
FINANCING OF NINETEEN (19) AIRBUS A321-200 AIRCRAFT, FORTY-NINE
(49) AIRBUS A320NEO AIRCRAFT AND TWO (2) AIRBUS A320-200 AIRCRAFT

CONTENTS

| Clause | | Page |
|--------|----------------------------------|------|
| 1. | Definitions | 1 |
| 2. | Guarantee | 2 |
| 3. | Guarantee Absolute | 2 |
| 4. | Waiver | 6 |
| 5. | Certain Actions | 6 |
| 6. | Subrogation | 7 |
| 7. | Rights of Third Parties; Set-Off | 7 |
| 8. | Representations and Warranties | 8 |
| 9. | Covenants | 9 |
| 10. | Successors and Assigns | 12 |
| 11. | Notices | 13 |
| 12. | Governing Law; Counterparts | 13 |
| 13. | Waiver of Jury Trial | 14 |
| 14. | Jurisdiction | 14 |
| 15. | Service of Process | 14 |

THIS SECOND AMENDED AND RESTATED GUARANTEE (as amended, modified or supplemented in accordance with the terms hereof, this “**Guarantee**”), dated as of December 16, 2016, is made

BY:

(1) **FRONTIER AIRLINES HOLDINGS, INC.**, a Delaware corporation (together with its successors and its permitted assigns, the “**Guarantor**”);
in favor of

(2) **BANK OF UTAH**, not in its individual capacity but solely, as security trustee (in such capacity, the “**Security Trustee**”) for and on behalf of itself, the Facility Agent (as defined in the Credit Agreement referred to below) and each lender (each a “**Lender**” and collectively, the “**Lenders**”) which is a party to the Second Amended and Restated Credit Agreement, dated as of the date hereof (as amended, modified or supplemented from time to time, the “**Credit Agreement**”), among Vertical Horizons, Ltd., as borrower (the “**Borrower**”), the Facility Agent, the Lenders and the Security Trustee.

WITNESSETH:

WHEREAS:

- (A) This Guarantee amends and restates in its entirety the Amended and Restated Guarantee dated as of August 11, 2015, by the Guarantor in favor of the Security Trustee as confirmed by that certain Guarantee Confirmation dated as of January 14, 2016;
- (B) The Borrower entered into the Credit Agreement for the purpose of financing certain pre-delivery payment obligations in respect of nineteen (19) Airbus A321-200, forty-nine (49) Airbus A320neo and two (2) Airbus A320-200 Aircraft;
- (C) Frontier Airlines Holdings, Inc. has entered into a guarantee in respect of the Borrower’s obligations under the Operative Documents; and
- (D) It is a condition precedent to the entering into of the transactions contemplated by the Credit Agreement that the Guarantor shall have executed and delivered this Guarantee.

NOW, THEREFORE, in consideration of the premises and other consideration, the receipt and sufficiency of which are hereby acknowledged by the Guarantor, the Guarantor hereby agrees as follows:

1. DEFINITIONS

- (a) Capitalized terms used and not otherwise defined herein shall have the meaning assigned to such terms in the Credit Agreement.
- (b) Unless the context otherwise requires, any reference herein to any of the Operative Documents refers to such document as it may be modified, amended or supplemented from time to time in accordance with its terms and the terms of each other agreement restricting the modification, amendment or supplement thereof.

2. **GUARANTEE**

- (a) The Guarantor hereby irrevocably, absolutely and unconditionally guarantees, as primary obligor and as a guarantor of payment and not merely as surety or guarantor of collection, to the Security Trustee, the Facility Agent and each Lender, (i) the full and prompt payment by the Borrower when due of the Secured Obligations incurred by the Borrower and pursuant to the Operative Documents, strictly in accordance with the terms of the Operative Documents, and (ii) the full and timely performance of, and compliance with, each and every duty, agreement, undertaking, indemnity and obligation of the Borrower under the Operative Documents strictly in accordance with the terms thereof, in each case, however created, arising or evidenced, whether direct or indirect, primary or secondary, absolute or contingent, joint or several and whether now or hereafter existing or due or to become due (such payment and other obligations described in paragraphs (i) and (ii) being referred to herein as the “**Liabilities**”).
- (b) The Guarantor further agrees to pay any and all reasonable costs and expenses (including, without limitation, all reasonable fees and disbursements of counsel) that may be paid or incurred by the Security Trustee, the Facility Agent and/or one or more of the Lenders in enforcing any rights with respect to, or collecting, any or all of the Liabilities or enforcing any rights with respect to, or collecting against, the Guarantor hereunder together with interest at the Past Due Rate specified in the Credit Agreement from the date when such expenses are so incurred to the date of actual payment thereof. Without limiting the generality of the foregoing, the liability of the Guarantor hereunder shall extend to all amounts which constitute part of the Liabilities and would be owed by the Borrower but for the fact that such amounts are unenforceable or not allowable due to any circumstance whatsoever or due to the existence of a bankruptcy, suspension of payments, reorganization or similar proceeding involving the Borrower.

3. **GUARANTEE ABSOLUTE**

- (a) This Guarantee shall constitute a guarantee of payment and of performance and not of collection, and the Guarantor specifically agrees that it shall not be necessary, and that the Guarantor shall not be entitled to require, before or as a condition of enforcing the obligations of the Guarantor under this Guarantee or requiring payment or performance of the Liabilities by the Guarantor hereunder, or at any time thereafter, that any Person: (i) file suit or proceed to obtain or assert a claim for personal judgment against the Borrower or any other Person that may be liable for any Liabilities; (ii) make any other effort to obtain payment or performance of any Liabilities from the Borrower or any other Person that may be liable for such Liabilities; (iii) foreclose against or seek to realize upon the Collateral or any other security now or hereafter existing for such Liabilities; (iv) exercise or assert any other right or remedy to which such Person is or may be entitled in connection with any Liabilities or any security or other guarantee therefor; or (v) assert or file any claim against the assets of any other Person liable for any Liabilities. Notwithstanding anything herein to the contrary, no provision of this Guarantee shall

require the Guarantor to pay, perform or discharge any Liabilities prior to the time such Liabilities are due and payable. When making any demand hereunder against the Guarantor, none of the Security Trustee, the Facility Agent or any Lender need make a similar demand on the Borrower; **provided that** any failure by the Security Trustee, the Facility Agent or any Lender to make any such demand or to collect any payments from the Borrower shall not relieve the Guarantor of its obligations or liabilities hereunder and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Security Trustee, the Facility Agent and/or such Lender against the Guarantor. The Security Trustee, the Facility Agent and/or the Lenders may in all events pursue its rights under this Guarantee prior to or simultaneously with pursuing its various rights referred to in the Credit Agreement and the other Operative Documents, as the Security Trustee, the Facility Agent and/or such Lender may determine.

- (b) The Guarantor agrees that this Guarantee shall be continuing until the indefeasible payment in full of all Secured Obligations and the Guarantor guarantees that the Liabilities will be paid and performed strictly in accordance with the terms of the Operative Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Security Trustee, the Facility Agent and/or the Lenders with respect thereto. If for any reason the Borrower shall fail to fully and timely pay or perform and discharge any Liabilities to be paid or performed by the Borrower (whether affirmative or negative in character), the Guarantor shall promptly on demand by the Security Trustee, the Facility Agent and/or any Lender pay or perform or cause to be paid or performed, as the case may be, such Liabilities. Each of the obligations of the Guarantor under this Guarantee is separate and independent of each other obligation of the Guarantor under this Guarantee and separate and independent of the Liabilities, and the Guarantor agrees that a separate action or actions may be brought and prosecuted against the Guarantor to enforce this Guarantee, irrespective of whether any action is brought against the Borrower is joined in any such action or actions. The obligations of the Guarantor shall be continuing and irrevocable, absolute and unconditional, primary and original and immediate and not contingent and shall remain in full force and effect without regard to and not be released, discharged or in any way affected by any circumstance or condition (other than by payment in full of the Liabilities) including, without limitation, the occurrence of any one or more of the following:
- (i) any lack of validity or enforceability of any of the Liabilities under the Operative Documents or any document entered into in connection with the transactions contemplated thereby, any provision thereof, or any other agreement or instrument relating thereto or the absence of any action to enforce the same;
 - (ii) any failure, omission, delay or lack on the part of the Security Trustee, the Facility Agent and/or the Lenders to enforce, assert or exercise any right, power, privilege or remedy conferred on the Security Trustee, the Facility Agent and/or the Lenders in the Credit Agreement, the Security Agreement, or any other Operative Document, or the inability of the Security Trustee, the Facility Agent and/or the Lenders to enforce any provision of any Operative Document for any reason, or any other act or omission on the part of the Security Trustee, the Facility Agent or any Lender;

- (iii) any change in the time, manner or place of performance or of payment, or in any other term of, all or any of the Liabilities, or any other modification, supplement, amendment or waiver of or any consent to departure from the terms and conditions of any of the Operative Document or any document entered into in connection with the transactions contemplated thereby;
- (iv) any taking, exchange, release or non-perfection of the Collateral or any other collateral or security, or any taking, release or amendment or waiver of or consent to departure from any other guarantee, for all or any of the Liabilities or the acceptance of any security therefor;
- (v) the waiver by the Security Trustee, the Facility Agent and/or any Lender of the performance or observance by the Borrower of any of the Liabilities, the waiver of any default in the performance or observance thereof, any extension by the Security Trustee, the Facility Agent and/or any Lender of the time for payment or performance and discharge by the Borrower of any Liabilities or any extension, indulgence or renewal of any Liabilities;
- (vi) any bankruptcy, suspension of payments, insolvency, sale of assets, winding-up, dissolution, liquidation, receivership or reorganization of, or similar proceedings involving, the Borrower or its assets or any resulting release or discharge of any of the Liabilities;
- (vii) the recovery of any judgment against any Person or any action to enforce the same;
- (viii) any failure or delay in the enforcement of the Liabilities of any Person under the Operative Documents or any document entered into in connection with the transactions contemplated by the Operative Documents or any provision thereof;
- (ix) any set-off, counterclaim, deduction, defense, abatement, suspension, deferment, diminution, recoupment, limitation or termination available with respect to any Liabilities and, to the extent permitted by applicable law, irrespective of any other circumstances that might otherwise limit recourse by or against the Guarantor or any other Person;
- (x) the obtaining, the amendment or the release of or consent to any departure from the primary or secondary obligation of any other Person, in addition to the Guarantor, with respect to any Liabilities;
- (xi) any compromise, alteration, amendment, modification, extension, renewal, release or other change, or waiver, consent or other action, or delay or omission or failure to act, in respect of any of the terms, covenants or conditions of any Operative Document or any document entered into in connection with the transactions contemplated by any Operative Document, or any other agreement or any related document referred to therein, or any assignment or transfer of any thereof;

- (xii) any manner of application of Collateral or Proceeds thereof, to all or any of the Liabilities, or any manner of sale or other disposition of any Collateral, or any furnishing or acceptance of additional collateral;
- (xiii) any change in control in the ownership of the Borrower, any change, merger, demerger, consolidation, restructuring or termination of the corporate structure or existence of the Borrower;
- (xiv) to the fullest extent permitted by applicable law, any other circumstance which might otherwise constitute a defense available to, or a discharge of, a guarantor or surety with respect to any Liabilities;
- (xv) any default, failure or delay, whether as a result of actual or alleged force majeure, commercial impracticability or otherwise, in the performance of the Liabilities, or by any other act or circumstances which may or might in any manner or to any extent vary the risk of the Guarantor, or which would otherwise operate as a discharge of the Guarantor;
- (xvi) the existence of any other obligation of the Guarantor, or any limitation thereof, in any Operative Document;
- (xvii) any regulatory change or other governmental action (whether or not adverse); or
- (xviii) the partial payment or performance of the Liabilities (whether as a result of the exercise of any right, remedy, power or privilege or otherwise) or the invalidity of any payment for any reason whatsoever.

Should any money due or owing under this Guarantee not be recoverable from the Guarantor due to any of the matters specified in paragraphs (i) through (xviii) above or for any other reason, then, in any such case, such money shall nevertheless be recoverable from the Guarantor as though the Guarantor were principal debtor in respect thereof and not merely a guarantor and shall be paid by the Guarantor forthwith.

- (c) This Guarantee shall continue to be effective or be automatically reinstated, as the case may be, if at any time any payment, or any part thereof, of any of the Liabilities is rescinded or must otherwise be restored or returned by the Security Trustee, the Facility Agent and/or any Lender for any reason whatsoever, whether upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or otherwise, all as though such payment had not been made, and the Guarantor agrees that it will indemnify the Security Trustee, the Facility Agent and each Lender on demand for all reasonable costs and expenses (including, without limitation, fees and disbursement of counsel) incurred by any such Person in connection with such rescission or restoration. If an event permitting the exercise of remedies under the Operative Documents shall at any time have occurred and be continuing and such exercise, or any

consequences thereof provided in any Operative Document, shall at such time be prevented by reason of the pendency against the Borrower of a case or proceeding under a bankruptcy or insolvency law, the Guarantor agrees that, for purposes of this Guarantee and its obligations hereunder, amounts payable under the Operative Documents shall be deemed to have been declared in default, with all attendant consequences as provided in the Operative Documents as if such declaration of default and the consequences thereof had been accomplished in accordance with the terms of the Credit Agreement and the other Operative Documents, and the Guarantor shall forthwith pay any amounts guaranteed hereunder, without further notice or demand.

4. **WAIVER**

To the fullest extent permitted by applicable law, the Guarantor hereby expressly and irrevocably waives diligence, promptness, demand for payment or performance, filing of claims with any court, any proceeding to enforce any provision of the Operative Documents, notice of acceptance of and reliance on this Guarantee by the Security Trustee, the Facility Agent and each Lender, notice of the creation of any liabilities of the Borrower, any requirement that the Security Trustee, the Facility Agent or any Lender protect, secure, perfect or insure any security interest or Lien on the Collateral or any property subject thereto, any right to require a proceeding first against the Borrower, whether to marshal any assets or to exhaust any right or take any action against the Borrower or any other Person or entity or any collateral or otherwise, any diligence in collection or protection of or realization upon any Liabilities, any obligation hereunder or any collateral security for any of the foregoing, any right of protest, presentment, notice or demand whatsoever, all claims of waiver, release, surrender, alteration or compromise, and all defenses, set-offs, counterclaims, recoupments, reductions, limitations, impairments or terminations, whether arising hereunder or otherwise.

5. **CERTAIN ACTIONS**

The Security Trustee, the Facility Agent and each Lender may, from time to time at its sole discretion and without notice to the Guarantor, take any or all of the following actions without affecting the obligations of the Guarantor hereunder: (i) retain or obtain a lien upon a security interest in any substitutions or replacements to the Collateral; (ii) retain or obtain the primary or secondary obligation of any obligor or obligors, in addition to the Guarantor, with respect to any of the Liabilities or any obligation hereunder; (iii) with consent of the Borrower, extend or renew for one or more periods (regardless of whether longer than the original period), alter or exchange any of the Liabilities, or release or compromise any obligation of the Guarantor hereunder or any obligation of any nature of any other obligor (including the Security Trustee) with respect to any of the Liabilities; (iv) release or fail to perfect any Lien upon or security interest in, or impair, surrender, release or permit any substitution or exchange for, all or any part of any property securing any of the Liabilities or any obligation hereunder, or extend or renew for one or more periods (regardless of whether longer than the original period) or release, compromise, alter or exchange any obligations of any nature of any obligor with respect to any such property; and (v)

resort to the Guarantor for payment of any of the Liabilities, regardless of whether the Security Trustee, the Facility Agent or the Lender, as the case may be, shall have resorted to any property securing any of the Liabilities or any obligation hereunder or shall have proceeded against any other obligor primarily or secondarily obligated with respect to any of the Liabilities.

6. SUBROGATION

Any amounts received by the Security Trustee, the Facility Agent or any Lender from whatsoever source on account of the Liabilities may be applied by it toward the payment of such of the Liabilities, and in such order of application, as the Security Trustee, the Facility Agent or such Lender may from time to time elect. No payment made by or for the account of the Guarantor pursuant to this Guarantee shall entitle the Guarantor by subrogation, indemnity or otherwise to any payment by the Security Trustee, the Facility Agent or the Lender, as the case may be, from or out of any property of such Person, and the Guarantor shall not exercise any right or remedy against the Security Trustee, the Facility Agent or the Lender, as the case may be, or any property of such Person by reason of any performance by the Guarantor of this Guarantee.

7. RIGHTS OF THIRD PARTIES; SET-OFF

- (a) This Guarantee is made only for the benefit of, and shall be enforceable only by, the Security Trustee, the Facility Agent and each Lender, and this Guarantee shall not be construed to create any right in any Person other than the Security Trustee, the Facility Agent and each Lender to be a contract in whole or in part for the benefit of any Person other than the Security Trustee, the Facility Agent and each Lender.
- (b) Upon the occurrence of any Event of Default, the Guarantor hereby irrevocably authorizes the Security Trustee, the Facility Agent, each Lender and each of their respective Affiliates, at any time and from time to time without notice to the Guarantor, any such notice being expressly waived by the Guarantor, to set-off and appropriate and apply any and all assets, at any time held or owing by the Guarantor or any of its Affiliates to, or for the credit of the account of the Guarantor, or any part thereof in such amounts as the Security Trustee, the Facility Agent or such Lender, as the case may be, may elect, against and on account of the obligations and liabilities of the Guarantor to the Security Trustee, the Facility Agent and each Lender hereunder of every nature and description of the Security Trustee, the Facility Agent and each Lender. The Security Trustee, the Facility Agent or applicable Lender shall notify the Guarantor promptly of any such set-off and the application made by them, **provided that** the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Security Trustee, the Facility Agent and each Lender under this Clause are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Security Trustee, the Facility Agent and the Lenders may have.

8. **REPRESENTATIONS AND WARRANTIES**

The Guarantor represents and warrants to the Security Trustee, the Facility Agent and each Lender as follows:

(a) **Access to Information**

The Guarantor has and will continue to have independent means of obtaining information concerning the Borrower's affairs, financial condition and business. None of the Security Trustee, the Facility Agent or any Lender shall have any duty or responsibility to provide the Guarantor with any credit or other information concerning the Borrower's affairs, financial condition or business which may come into the possession of the Security Trustee, the Facility Agent or any Lender.

(b) **Organization**

It is a company duly organized and validly existing under the laws of the state of Delaware, with organizational power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted.

(c) **Due Qualification**

It is duly licensed, qualified and authorized to do business and is in good standing in each jurisdiction where the ownership, leasing or operation of its property or the conduct of its business requires such license, qualification or authorization except for failures to be so qualified which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the business, operations, property, assets, liabilities, financial condition or prospects of the Guarantor.

(d) **Power and Authority; Due Authorization**

It has (i) all necessary power, authority and legal right to execute, deliver and perform its obligations under this Guarantee and (ii) duly authorized by all necessary organizational action such execution, delivery and performance of this Guarantee.

(e) **Binding Obligations**

This Guarantee constitutes the legal, valid and binding obligation of the Guarantor, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(f) **No Violation**

The execution, delivery and performance of this Guarantee will not (i) conflict with, or result in any breach of any of the terms and provisions of, or constitute (with or without

notice or lapse of time or both) a default under (A) the constituent documents of the Guarantor or (B) any indenture, lease, loan agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument to which the Guarantor is a party or by which it or its property is bound, (ii) result in or require the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, lease, loan agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument or (iii) violate any law or any judgment, writ, injunction, decree, order, rule, regulation applicable to the Guarantor of any court or of any federal, state or foreign regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Guarantor or any of its properties.

(g) **Not Insolvent**

The execution, delivery and performance by the Guarantor of this Guarantee will not render the Guarantor insolvent, nor is it being made in contemplation of the Guarantor's insolvency; the Guarantor does not, in its reasonable judgment, have an unreasonably small capital for conducting its business as presently contemplated by it. The Guarantor is fully solvent (on a cash flow and balance sheet basis) and will be fully solvent immediately following the execution of this Agreement and the other Operative Documents.

(h) **No Default under Airbus Purchase Agreements or Engine Agreements**

No event is continuing in respect of the Guarantor which would constitute an incipient or actual default by either Guarantor under any Airbus Purchase Agreement or any Engine GTA.

9. **COVENANTS**

(a) The Guarantor shall observe certain policies and procedures relating to the Borrower's existence as separate companies as follows and shall do all things necessary to maintain its corporate existence separate and distinct from the Borrower. The Guarantor shall:

- (i) observe all formalities necessary to remain a legal entity separate and distinct from the Borrower;
- (ii) maintain its assets and liabilities separate and distinct from those of the Borrower in such a manner that it is not difficult to segregate, identify or ascertain such assets;
- (iii) maintain records, books and accounts separate from those of the Borrower (other than as otherwise set forth under the Operative Documents);
- (iv) pay its obligations in the ordinary course of business as a legal entity separate from the Borrower;

- (v) keep its funds separate and distinct from any funds of the Borrower, and receive, deposit, withdraw and disburse such funds separately from any funds of the Borrower;
 - (vi) not agree to pay, assume, guarantee or become liable for any debt of, or otherwise pledge its assets for the benefit of the Borrower except as otherwise permitted under the Operative Documents;
 - (vii) not hold out that the Borrower is a division of the Guarantor or any other Person or that the Guarantor is a division of the Borrower or any other Person;
 - (viii) not induce any third party to rely on the creditworthiness of the Guarantor in order that such third party will contract with the Borrower (other than any guarantee of the Guarantor in favor of Airbus made in connection with the Airbus Purchase Agreements);
 - (ix) allocate and charge fairly and reasonably any common overhead shared with the Borrower;
 - (x) hold itself out as a separate entity from the Borrower, and correct any known misunderstanding regarding its separate identity;
 - (xi) not conduct business in the name of the Borrower and ensure that all communications of the Borrower are made solely in the Borrower's name as the context may require;
 - (xii) not acquire the securities of the Borrower or allow the Borrower to acquire securities of the Guarantor;
 - (xiii) prepare separate financial statements and separate tax returns from the Borrower (**provided that** the Guarantor may publish financial statements that consolidate those of the Guarantor and its subsidiaries, if to do so is required by any applicable law or accounting principles from time to time in effect and subsidiaries of the Guarantor may file consolidated Tax returns with the Guarantor and its subsidiaries for Tax purposes); and
 - (xiv) not enter into any transaction with the Borrower that is more favorable to the Guarantor than transactions that the Guarantor and its subsidiaries would have been able to enter into at such time on an arm's-length basis with a non-affiliated third party or vice versa.
- (b) The Guarantor shall not take any action or omit to take any action that would cause an incipient or actual default under any Airbus Purchase Agreement or any Engine Agreement.
- (c) The Guarantor shall ensure that the Servicing Agreement, the Option Agreement, the Subordinated Loan Agreement, and this Guarantee remain in place and in full force and effect and that neither it nor any other Obligor shall breach any of the terms of

any of such documents. The Guarantor shall ensure that no amendment, variation, waiver or other change is made to its memorandum and articles of association or other constituent documents, the Servicing Agreement, the Option Agreement, the Subordinated Loan Agreement, or this Guarantee.

(d) The Guarantor shall:

- (i) promptly upon acquiring actual knowledge of the same, notify the Facility Agent of any default (whether by the Guarantor, any Affiliate of the Guarantor, Airbus or the Engine Manufacturer) under or cancellation, termination or rescission or purported cancellation, termination or rescission of any Airbus Purchase Agreement or any Engine Agreement specifying in reasonable detail the nature of such default, cancellation, rescission or termination;
- (ii) not, without the Security Trustee's prior written consent, in any way modify, cancel, terminate or amend or consent to the modification, cancellation, termination or amendment of any Airbus Purchase Agreement or any Engine Agreement except to the extent permitted by the Credit Agreement;
- (iii) not accept, and shall procure that the Borrower or any other Person does not accept, delivery of any Aircraft from Airbus before or concurrently with repaying to the Lenders all amounts owing in respect of the Loans relating to that Aircraft;
- (iv) not enter into or consent to any change order or other amendment, modification or supplement to any Airbus Purchase Agreement or any Engine Agreement, in relation to the Aircraft, without the prior written consent and countersignature of the Security Trustee (acting at the unanimous direction of the Lenders) if such change order, amendment, modification or supplement would require the consent of the Security Trustee under the Step-In Agreement or under the Credit Agreement;
- (v) provide to the Security Trustee promptly after the execution of the same copies, certified by the Guarantor, of all material change orders (other than non charge change orders), amendments, modifications or supplements to the Assigned Purchase Agreements that would require the consent of the Security Trustee under the Step-In Agreement or under the Credit Agreement;
- (vi) provide to the Security Trustee promptly upon request, such information regarding the package of product support and training services as was agreed to be provided by Airbus to the Guarantor under the Assigned Purchase Agreements and agrees not to take any action or omit to take any action which would reduce the product support and training services which would otherwise be available to Intrepid by Airbus with respect to the Aircraft under the Assigned Purchase Agreements; and
- (vii) not agree to any financial indebtedness cross default (in respect of it or any of its Affiliates) with Airbus that would give rise to a right for Airbus to terminate the Assigned Purchase Agreements.

(e) The Guarantor shall not accept any repayment of any part of the Subordinated Loan Agreement while the Secured Obligations remain outstanding.

(f) **Financial Covenants**

The Guarantor shall:

- (i) at all times ensure that it has: (A) liquidity in the form of Unrestricted Cash and Cash Equivalents in an aggregate amount of not less than ***** and (B) Shareholders' Equity in an aggregate amount of not less than *****; and
- (ii) not make nor declare any Distribution unless its Shareholders' Equity is an aggregate amount of not less than *****.

The Guarantor shall, on each date on which its financial statements are required to be delivered by the Borrower pursuant to Clause 10.15(a) and (b) of the Credit Agreement and on each date on which a Funding Notice is issued under the Credit Agreement, deliver to the Facility Agent a notice in writing (which may be provided by e-mail) confirming compliance with this Clause 9(f), such notice to be accompanied by supporting financial information for the Guarantor and the Group (which, in respect of the confirmation to be provided on the date of a Funding Notice, shall be the group management accounts most recently prepared and the knowledge of any officer of the Guarantor) and shall otherwise promptly notify the Security Trustee of any breach by the Guarantor of any of its obligations hereunder. For purposes of this Clause 9(f), the following definitions shall apply:

"Distribution" means any dividend or other distribution to any class of its shareholders.

"Shareholders' Equity" means the Guarantor's shareholders' equity as stated in its financial statements calculated in accordance with GAAP.

"Unrestricted Cash and Cash Equivalents" means at any date in respect of the Guarantor, the sum of the cash and cash equivalents (in each case, as such terms are defined by GAAP) of the Guarantor on a consolidated based, that may be (i) classified as "unrestricted" in accordance with GAAP on the consolidated balance sheets of the Guarantor, (ii) classified in accordance with GAAP as "restricted" on the consolidated balance sheets of the Guarantor solely in favor of the Security Trustee and the Lenders, provided that if the Guarantor agrees to any more onerous definition pursuant to any financial covenant in any agreement to which it is a party, this definition shall be deemed to be deleted and replaced with such other definition.

10. **SUCCESSORS AND ASSIGNS**

- (a) This Guarantee shall be binding upon the Guarantor and upon the Guarantor's successors and assigns and all references herein to the Guarantor or the Security Trustee shall be

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

deemed to include any successor or successors whether immediate or remote, to such Person. The Guarantor shall not assign any of its rights or obligations hereunder without the prior written consent of the Security Trustee, the Facility Agent and each Lender.

- (b) This Guarantee shall inure to the benefit of the Security Trustee, the Facility Agent each Lender and their respective successors and assigns, and all references herein to the Security Trustee, the Facility Agent or any Lender shall be deemed to include any successors and assigns of such Person (whether or not reference in a particular provision is made to such successors and assigns).

11. **NOTICES**

All notices, demands or requests given pursuant to this Guarantee shall be in writing personally delivered, or sent by facsimile (with subsequent telephone confirmation of receipt thereof) or sent by internationally recognized overnight courier service, to the following addresses:

- (a) if to the Guarantor:

Frontier Airlines Holdings, Inc.
7001 Tower Road
Denver, CO 80249
Attention: SVP – General Counsel
Phone: *****
Email: *****

- (b) if to the Security Trustee:

Bank of Utah
200 E. South Temple, Suite 210
Salt Lake City, Utah 84111
Telephone: *****
Facsimile:*****
Email:*****

Whenever any notice in writing is required to be given by the Guarantor or the Security Trustee, such notice shall be deemed given and such requirement satisfied when such notice is received, with such notice received if such notice is mailed by certified mail, postage prepaid, or is sent by facsimile, addressed as provided above.

Either party hereto may change the address to which notices to such party will be sent by giving notice of such change to the other party.

12. **GOVERNING LAW; COUNTERPARTS**

THIS GUARANTEE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

PERFORMANCE. This Guarantee may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. **WAIVER OF JURY TRIAL**

EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTEE OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS GUARANTEE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS CLAUSE.

14. **JURISDICTION**

- (a) The Guarantor hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Guarantee, or for recognition or enforcement of any judgment, and the Guarantor irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Guarantee shall affect any right that the Security Trustee or any Lender may otherwise have to bring any action or proceeding relating to this Guarantee against another party or its properties in the courts of any jurisdiction.
- (b) The Guarantor irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Guarantee in any court referred to in paragraph (a) of this Clause. The Guarantor hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

15. **SERVICE OF PROCESS**

Each party to this Guarantee irrevocably consents to service of process in the manner provided for the delivery of notices in Clause 11. Nothing in this Guarantee will affect the right of any party to this Guarantee to serve process in any other manner permitted by

law. The Guarantor hereby irrevocably appoints and designates Corporation Services Company (the “**Agent for Service of Process**”), having an address at Corporation Service Company, 80 State Street, Albany, New York 12207-2543, as its true and lawful attorney-in-fact and duly authorized agent for the limited purpose of accepting service of legal process and the Guarantor agrees that service of process upon such party shall constitute personal service of such process on such person. The Guarantor shall maintain the designation and appointment of the Agent for Service of Process at such address until all amounts payable under this Guarantee shall have been paid in full. If the Agent for Service of Process shall cease to so act, the Guarantor shall immediately designate and shall promptly deliver to the Security Trustee evidence in writing of acceptance by another agent for service of process of such appointment, which such other agent for service of process shall have an address for receipt of service of process in the State of New York and the provisions above shall equally apply to such other agent for service of process.

[Signature page follows]

IN WITNESS WHEREOF, this Guarantee has been executed and delivered by the Guarantor's duly authorized officer as of the date first written above.

FRONTIER AIRLINES HOLDINGS, INC.

By: /s/ Howard Diamond

Name: Howard Diamond

Title: General Counsel

ACCEPTED and AGREED:

BANK OF UTAH

not in its individual capacity but solely,
as Security Trustee

By: /s/ John Thomas

Name: John Thomas

Title: Vice President

By: /s/ Jon Croasmun

Name: Jon Croasmun

Title: Vice President

Second Amended and Restated Signature Page

Vertical Horizons, Ltd.
as Buyer

and

Bank of Utah
not in its individual capacity but solely as security trustee
as Security Trustee

and

Airbus S.A.S.
as Airbus

Step-in Agreement
Five (5) Airbus A320neo Aircraft and nine (9) Airbus A321ceo Aircraft

Execution Version

Contents

| | |
|--|-----------|
| 1. INTERPRETATION | 2 |
| 2. REPRESENTATIONS AND WARRANTIES | 12 |
| 3. ASSUMPTION AND AGREEMENT | 14 |
| 4. UNDERTAKINGS OF THE BUYER | 15 |
| 5. UNDERTAKINGS OF THE SECURITY TRUSTEE | 16 |
| 6. UNDERTAKINGS OF AIRBUS | 18 |
| 7. RIGHTS FOLLOWING SERVICE OF STEP-IN NOTICE | 21 |
| 8. AIRBUS OPTION | 23 |
| 9. LIABILITY OF THE PARTIES | 24 |
| 10. TERMINATION OF THE RELEVANT RIGHTS | 24 |
| 11. INDEMNITIES | 26 |
| 12. ONWARD TRANSFER OF RIGHTS | 27 |
| 13. NOTICES | 28 |
| 14. CONFIDENTIALITY | 29 |
| 15. PROVISIONS SEVERABLE | 30 |
| 16. AMENDMENTS | 30 |
| 17. FURTHER ASSURANCE | 30 |
| 18. THIRD PARTY RIGHTS | 30 |
| 19. ENTIRE AGREEMENT | 30 |
| 20. COUNTERPARTS | 31 |
| 21. CAPE TOWN CONVENTION | 31 |
| 22. GOVERNING LAW AND JURISDICTION | 31 |
| 23. SERVICE OF PROCESS | 31 |
| 24. LIMITED RECOURSE | 32 |
| 25. LIMITATION OF SECURITY TRUSTEE LIABILITY | 32 |
| SCHEDULE 1 PRE-DELIVERY PAYMENTS, SCHEDULED DELIVERY MONTHS | 34 |
| SCHEDULE 2 FORM OF LETTER OF RELEASE | 39 |
| SCHEDULE 3 FORM OF STEP-IN NOTICE | 42 |
| SCHEDULE 4 FORM OF REPLACEMENT PURCHASE AGREEMENT | 44 |
| APPENDIX A PDP LOAN AGREEMENT EXTRACTS | |

STEP-IN AGREEMENT

Dated 23 December 2014

Between:

- (1) **Vertical Horizons, Ltd.**, a company incorporated pursuant to the laws of the Cayman Islands whose registered address and principal place of business is at the offices of Intertrust SPV (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1 9005, Cayman Islands (the **Buyer**);
- (2) **Bank of Utah**, not in its individual capacity but solely as security trustee for the Facility Agent and the Lenders (the **Security Trustee**); and
- (3) **Airbus S.A.S.**, registered in France and having its registered office at 1 rond-point Maurice Bellonte, 31707 Blagnac Cedex, France (**Airbus**).

Recitals:

- (A) Pursuant to (a) the A320 Purchase Agreement, Airbus has agreed to sell and Frontier has agreed to purchase and take delivery of the A320 Aircraft and (b) the A321 Purchase Agreement, Airbus has agreed to sell and Frontier has agreed to purchase and take delivery of the A321 Aircraft.
- (B) Pursuant to the Assignment and Assumption Agreement, certain rights and obligations of Frontier in respect of the A320 Aircraft and the A321 Aircraft were transferred by Frontier to the Buyer.
- (C) Pursuant to (a) the Assigned A320 Purchase Agreement, Airbus has agreed to sell and the Buyer has agreed to purchase and take delivery of the A320 Aircraft and (b) the Assigned A321 Purchase Agreement, Airbus has agreed to sell and the Buyer has agreed to purchase and take delivery of the A321 Aircraft.
- (D) Pursuant to the PDP Loan Agreement, the Lenders have agreed to make available to the Buyer certain facilities on the terms and conditions contained in the PDP Loan Agreement for the purposes of refinancing and financing the Pre-Delivery Payments paid or payable (as the case may be) to Airbus in relation to the Aircraft.
- (E) It is a condition of the disbursement of funds under the PDP Loan Agreement that the parties enter into this Agreement which sets out the terms and conditions upon which Airbus agrees to grant and the Security Trustee agrees to assume the Relevant Rights and perform the Relevant Obligations in each case in respect of the Aircraft.

It is agreed as follows:

1. Interpretation

1.1 In this Agreement (including the Recitals), unless the context otherwise requires or unless otherwise defined or provided for in this Agreement, the following words and expressions shall have the respective meanings ascribed to them:

A320 Aircraft means, as the context requires, all or any of the A320 Airframes, together with the Engines and the Manuals and Technical Records relating respectively thereto.

A320 Airframes means, as the context requires, all or any of the five (5) Airbus A320neo aircraft which are the subject of this Agreement and bearing CAC-IDs ***** together with all Parts incorporated in, installed on or attached to such airframes on the respective Delivery Dates of such airframes.

A320 Purchase Agreement means the A320neo aircraft purchase agreement dated 30 September 2011, as amended and supplemented from time to time (but excluding any letter agreements entered into from time to time in relation thereto), between Airbus (as seller) and Frontier (as buyer) with respect to, *inter alia*, the A320 Aircraft (Frontier having acquired the rights and obligations of Republic Airways Holdings, Inc. thereunder pursuant to an assignment and assumption agreement dated 6 November 2013 between Republic Airways Holdings, Inc., Frontier and Airbus).

A321 Aircraft means, as the context requires, all or any of the A321 Airframes, together with the Engines and the Manuals and Technical Records relating respectively thereto.

A321 Airframes means, as the context requires, all or any of the nine (9) Airbus A321ceo aircraft which are the subject of this Agreement and bearing CAC-IDs ***** together with all Parts incorporated in, installed on or attached to such airframes on the respective Delivery Dates of such airframes.

A321 Purchase Agreement means the A321ceo aircraft purchase agreement dated 31 October 2014, as amended and supplemented from time to time (but excluding any letter agreements entered into from time to time in relation thereto), between Airbus (as seller) and Frontier (as buyer) with respect to the A321 Aircraft.

Affected Aircraft has the meaning given to it in paragraph (a) of Clause 6.8.

Affected Amounts has the meaning given to it in paragraph (a) of Clause 6.8.

Affiliate means, with respect to any person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such person or any of the member companies of the same group as such person, as the case may be.

Agreement means this Agreement and all schedules, appendices, exhibits and annexes hereto as the same may be amended or supplemented from time to time.

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Airbus Termination Event means (i) the occurrence of any event or the existence of any circumstance which entitles Airbus to terminate or cancel all or any part of either Assigned Purchase Agreement; or (ii) any breach by Frontier or Frontier Holdings of its obligations under the Guarantee executed by it that are, in the opinion of Airbus (acting reasonably), material.

Airbus Termination Event Notice means a notice served by Airbus in accordance with clause 6.4(a).

Aircraft means, together, the A320 Aircraft and the A321 Aircraft.

Assigned A320 Purchase Agreement means the A320 Purchase Agreement, as and to the extent assigned to and assumed by the Buyer pursuant to the Assignment and Assumption Agreement and as amended and restated by the Assignment and Assumption Agreement.

Assigned A321 Purchase Agreement means the A321 Purchase Agreement, as and to the extent assigned to and assumed by the Buyer pursuant to the Assignment and Assumption Agreement and as amended and restated by the Assignment and Assumption Agreement.

Assigned Purchase Agreements means, together, the Assigned A320 Purchase Agreement and the Assigned A321 Purchase Agreement (each, an **Assigned Purchase Agreement**).

Assignment and Assumption Agreement means the assignment and assumption agreement in respect of the A320 Purchase Agreement (to the extent relating to the A320 Aircraft) and the A321 Purchase Agreement dated on or about the date of this Agreement and entered into between Airbus, Frontier and the Buyer.

BFE Transfer Documents means, in respect of a Relevant Aircraft:

- (a) a BFE bill of sale pursuant to which full legal and beneficial title to the BFE free and clear of all Encumbrances is transferred to Airbus; and
- (b) a BFE indemnity letter including an acknowledgement that Airbus accepts no responsibility for the condition of the BFE and an indemnity in favour of Airbus for any Losses suffered or incurred by Airbus as a consequence of Airbus acquiring title to the BFE and/or transferring title to such BFE,

in each case in a form and substance reasonably satisfactory to Airbus issued by the Buyer and/or the Security Trustee.

Business Day means a day (other than a Saturday or a Sunday) on which banks are open for business in Toulouse, London (only in respect of determining LIBOR) and New York.

Buyer Furnished Equipment and **BFE** means all the items of equipment that are furnished by or on behalf of the Buyer and/or the Security Trustee in respect of a Relevant Aircraft and installed on such Relevant Aircraft by Airbus on or prior to the Delivery Date applicable to that Relevant Aircraft.

Cape Town Convention means the Convention on International Interests in Mobile Equipment and its Protocol on Matters specific to Aircraft Equipment concluded in Cape Town on 16 November 2001.

Certificate of Acceptance means in respect of a Relevant Aircraft, a certificate of acceptance relating to such Relevant Aircraft in the form set out in the applicable Assigned Purchase Agreement or the applicable Replacement Purchase Agreement.

Decision Date means, with respect to any Relevant Aircraft, the date falling thirty (30) days after the occurrence of a Step-In Event *****.

Delivery, with respect to any Relevant Aircraft:

- (a) with regard to any time prior to a Step-In, means the delivery of such Relevant Aircraft by Airbus to (i) the Buyer or its assignee pursuant to the terms and conditions set out in the applicable Assigned Purchase Agreement or (ii) Frontier pursuant to the terms and conditions set out in the applicable Re-Assigned Purchase Agreement; and
- (b) with regard to any time after a Step-In, means the delivery of such Relevant Aircraft by Airbus to the “Buyer” or its assignee pursuant to the terms and conditions set out in the applicable Replacement Purchase Agreement.

Delivery Date means, in relation to each Relevant Aircraft, the date on which title to such Relevant Aircraft is transferred to the “Buyer” or its assignee under, and in accordance with the provisions of, the applicable Assigned Purchase Agreement, the applicable Re-Assigned Purchase Agreement or the applicable Replacement Purchase Agreement.

Encumbrance means:

- (a) any mortgage, charge, pledge, assignment, title retention, lien or other encumbrance securing any obligation of any person or any other agreement or arrangement having a similar effect; or
- (b) any agreement or arrangement giving effect to any of the foregoing.

Engines means:

- (a) with respect to an A320 Airframe, collectively the set of two (2) CFM International LEAP-X1A26 engines attached to such A320 Airframe on the Delivery Date of such A320 Airframe; and
- (b) with respect to an A321 Airframe, collectively the set of two (2) CFM International CFM56-5B3/3 engines attached to such A321 Airframe on the Delivery Date of such A321 Airframe.

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Facility Acceleration Event means, by reason of the occurrence of a Loan Event of Default, the exercise by the Facility Agent of its rights under the PDP Loan Agreement to declare all amounts outstanding under the PDP Loan Agreement to be immediately due and payable.

Facility Agent means Citibank, N.A. as facility agent for and on behalf of the Lenders.

Final Price means the Final Price as defined in the applicable Assigned Purchase Agreement or the applicable Replacement Purchase Agreement.

Finance Parties means the Security Trustee, the Facility Agent and the Lenders and Finance Party means any one of them.

Financed Pre-Delivery Payments means, in relation to a Pre-Delivery Payment, the amount equal to that Pre-Delivery Payment or that part of that Pre-Delivery Payment which has been financed or refinanced or is to be financed or refinanced by the Lenders pursuant to the PDP Loan Agreement (whether or not initially paid by the Buyer) as set out (i) in the case of the A320 Aircraft, in column 3 of Part A of Schedule 1 and (ii) in the case of the A321 Aircraft, in column 3 of Part B of Schedule 1 and **Financed Pre-Delivery Payment** means any one (1) such payment.

Frontier means Frontier Airlines, Inc., a corporation incorporated and existing under the laws of the State of Colorado, the United States of America.

Frontier Holdings means Frontier Airlines Holdings, Inc., a corporation incorporated and existing under the laws of the State of Delaware, the United States of America.

Guarantees means, together:

- (a) the guarantee and indemnity dated on or about the date of this Agreement between Frontier as guarantor and Airbus as beneficiary pursuant to which Frontier has agreed, amongst other things, to guarantee to Airbus the due and punctual performance by the Buyer of all of its obligations owed to Airbus under each Relevant Document to which it is a party; and
- (b) the guarantee and indemnity dated on or about the date of this Agreement between Frontier Holdings as guarantor and Airbus as beneficiary pursuant to which Frontier Holdings has agreed, amongst other things, to guarantee to Airbus the due and punctual performance by the Buyer of all of its obligations owed to Airbus under each Relevant Document to which it is a party,

(each, a **Guarantee**).

Indemnitees has the meaning given to that term in Clause 11.

Insolvency Event means, in relation to a person, the occurrence of any of the following:

- (a) such person is unable or admits inability to pay its debts as they fall due or suspends making payments on all or a substantial part of its debts;

- (b) a moratorium or other protection from its creditors is declared or imposed in respect of all or a substantial part of the indebtedness of such person;
- (c) any corporate action on the part of such person is, or legal proceedings are, taken (including the making of an application, the presentation of a petition, the filing or service of a notice or the passing of a resolution) in relation to:
 - (i) the suspension of all or a substantial part of the payments, a moratorium of all or a substantial part of the indebtedness, winding-up, dissolution or administration of such person save, in the case of a winding-up, a winding-up petition which is discharged, stayed or dismissed within thirty (30) days of its presentation;
 - (ii) the appointment of a liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of such person or all or a substantial part of the assets of such person; or
- (d) any expropriation, attachment, sequestration, distress or execution affects all or a substantial part of the assets of such person; or
- (e) any analogous event or circumstance to those described in paragraphs (a) to (d) above occurs in any jurisdiction.

International Registry means the registry established pursuant to the Cape Town Convention.

Lenders means the banks and financial institutions which are party to the PDP Loan Agreement as lenders from time to time, being as at the date of this Agreement, Citibank, N.A.

Letter of Release means a letter of release in the form set out in Schedule 2.

LIBOR has the meaning given to that term in the PDP Loan Agreement (as set out in Appendix B hereto).

Loan Event of Default has the meaning given to the term Event of Default in the PDP Loan Agreement (a complete list of which Events of Default as at the date hereof are set out in Appendix A) *****.

Losses includes all losses, payments, damages, liabilities, claims, proceedings, actions, penalties, fines, duties, taxes, fees, rates, levies, charges, demands or other sanctions of a monetary nature, insurance premiums, judgements, costs and expenses.

Manuals and Technical Records means together, those records, logs, manuals, technical data and other materials and documents relating to each Relevant Aircraft, as shall be delivered pursuant to the applicable Assigned Purchase Agreement or the applicable Replacement Purchase Agreement.

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Material Event of Default means:

- (a) ***** the occurrence of an Insolvency Event in respect of the Buyer; or
- (b) the occurrence of the Loan Event of Default set out in paragraph (a) (*Non Payment*) of Appendix A,*****; or
- (c) the occurrence of a Facility Acceleration Event.

Material Event of Default Notice means a written notice from the Security Trustee given to Airbus in accordance with the provisions of Clause 5.5.

Non-Financed Pre-Delivery Payments means in relation to a Pre-Delivery Payment, the amount equal to that Pre-Delivery Payment or that part of that Pre-Delivery Payment which has been paid or is to be paid by the Buyer (and which has not been financed or refinanced by the Lenders under the PDP Loan Agreement) as set out (i) in the case of the A320 Aircraft, in column 4 of Part A of Schedule 1 and (ii) in the case of the A321 Aircraft, in column 4 of Part B of Schedule 1 and **Non-Financed Pre-Delivery Payment** means any one (1) such payment.

Notice means, with respect to a Relevant Aircraft:

- (a) a Step-in Notice; or
- (b) a Letter of Release

as the case may be, in each case relating to such Relevant Aircraft.

Option means, in relation to any Relevant Aircraft, the option granted to Airbus pursuant to Clause 8.1.

Option Date means, in respect of an Option, the date upon which Airbus pays the Option Price to the Facility Agent.

Option Period means, in relation to any Relevant Aircraft, the period commencing on the date of the occurrence of a Step-In Event and ending on the date falling ***** after service by the Security Trustee of a Step-In Notice relating to that Relevant Aircraft.

Option Price means, in respect of a Relevant Aircraft, an amount equal to the aggregate of:

- (a) all of the Financed Pre-Delivery Payments actually received by Airbus in respect of such Relevant Aircraft at the commencement of the relevant Option Period (without prejudice to Clause 11.2); and
- (b) interest on the amount referred to in paragraph (a) above calculated at the rate of *****.

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Part means an appliance, component, part, instrument, accessory, furnishing or other equipment of any nature, excluding any Buyer Furnished Equipment and the Engines, which is installed in, attached to or supplied with a Relevant Aircraft on the Delivery Date thereof.

PDP Advance means, in respect of a Relevant Aircraft, an advance of funds by the Facility Agent under the PDP Loan Agreement for the purposes of financing or re-financing a Pre-Delivery Payment which is due and payable or which has been paid under the applicable Assigned Purchase Agreement.

PDP Loan Agreement means the PDP loan agreement dated on or about the date of this Agreement made between the Buyer, as borrower, the Lenders, the Security Trustee and the Facility Agent relating to the financing and/or refinancing of certain Pre-Delivery Payments in respect of the Aircraft.

PDP Loan Margin means *****.

PDP Payment Dates means, in respect of each Aircraft, the dates when Pre-Delivery Payments are due as set out (i) in the case of the A320 Aircraft, in column 1 of Part A of Schedule 1 and (ii) in the case of the A321 Aircraft, in column 1 of Part B of Schedule 1 and **PDP Payment Date** means any one (1) such date.

Permitted Transferee means, any person to whom the Security Trustee intends to transfer the benefit and burden of the corresponding Relevant Rights and/or Relevant Obligations in accordance with this Agreement who has been approved in writing by Airbus (such approval not to be unreasonably withheld or delayed), it being agreed and acknowledged by the Security Trustee that Airbus shall be entitled to withhold its approval in respect of any person which is:

- (a) a person to whom it is illegal for Airbus to sell an aircraft or a party with which Airbus is prohibited by applicable law or regulation from doing business; or
- (b) a special purpose company or similar entity (unless such special purpose company or other entity has been guaranteed to the satisfaction of Airbus (acting reasonably) by an entity that otherwise satisfies the definition of a Permitted Transferee);
- (c) an airframe manufacturer or an engine manufacturer, or an entity directly or indirectly controlled by an airframe manufacturer or an engine manufacturer, or an Affiliate of any such persons; or
- (d) a person with which Airbus (acting reasonably) objects to doing business, either (i) by reason of the occurrence of a contractual or non-contractual dispute with that person or (ii) by reason of the default by such person or any of its Affiliates in the performance of any material obligation owed to Airbus under any contract; or
- (e) subject to or, in the reasonable opinion of Airbus, is likely to become the subject of an Insolvency Event prior to the Delivery of any Relevant Aircraft.

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Pre-Delivery Payments means, in respect of each Aircraft, the amounts paid or payable by the Buyer under the applicable Assigned Purchase Agreement (such payments being the pre-delivery payments paid or payable under the applicable Purchase Agreement, as assigned to the Buyer) on specified dates, each as more particularly set out (i) in the case of the A320 Aircraft, in column 2 of Part A of Schedule 1 and (ii) in the case of the A321 Aircraft, in column 2 of Part B of Schedule 1 and **Pre-Delivery Payment** means any one (1) such payment.

Purchase Agreements means, together, the A320 Purchase Agreement and the A321 Purchase Agreement (each, a **Purchase Agreement**).

Re-Assigned Purchase Agreement means:

- (a) in relation to the A320 Aircraft, the Assigned A320 Purchase Agreement, as re-assigned to and assumed by Frontier pursuant to the Re-Assignment and Assumption Agreement; and
- (b) in relation to the A321 Aircraft, the Assigned A321 Purchase Agreement, as re-assigned to and assumed by Frontier pursuant to the Re-Assignment and Assumption Agreement.

Re-Assignment and Assumption Agreement means the re-assignment and re-assumption agreement in respect of each Assigned Purchase Agreement dated on or about the date of this Agreement and entered into between Frontier, the Buyer and Airbus with respect to the re-assignment to Frontier and re-assumption by Frontier of rights, interests, obligations and liabilities under each Assigned Purchase Agreement in respect of the Relevant Aircraft (as defined therein).

Re-Assignment Event has the meaning given to that term in the Re-Assignment and Assumption Agreement.

Relevant Aircraft means any Aircraft in respect of which a PDP Advance has been made.

Relevant Documents means this Agreement, the Assignment and Assumption Agreement, each Assigned Purchase Agreement, the Re-Assignment and Assumption Agreement, each Re-Assigned Purchase Agreement, each Guarantee and the Security Assignment (and, individually, each a **Relevant Document**).

Relevant Obligations means, in respect of a Relevant Aircraft, collectively:

- (a) the obligations of the Security Trustee under this Agreement;
- (b) the obligations of the “Buyer” under the applicable Replacement Purchase Agreement (including the obligation to pay the Final Price to Airbus); and
- (c) the obligation of the Security Trustee after a Step-In and prior to Delivery to provide to Airbus a duly executed BFE Indemnity Letter in a form consistent with Airbus’ then standard practice, having regard to the circumstances.

Relevant Rights means, in respect of a Relevant Aircraft, collectively:

- (a) the right to Step-In in accordance with this Agreement;
- (b) the right to receive from Airbus in accordance with the terms and conditions set out in the applicable Replacement Purchase Agreement any payment or repayment of an amount equal to or in respect of any part of any Pre-Delivery Payments received by Airbus *****, and
- (c) the right to require Airbus in accordance with the terms and conditions set out in the applicable Replacement Purchase Agreement to apply an amount equal to any such Pre-Delivery Payments relating to such Relevant Aircraft and received by Airbus and which have not pursuant to a final, non-appealable judgement been repaid by Airbus to the Buyer or any claimant acting through the Buyer (without prejudice to Clause 11.2), in partial satisfaction of the Final Price.

Replacement A320 Purchase Agreement means, following a Step-In, the aircraft purchase agreement relating to each of the Step-In Aircraft that is an A320 Aircraft, in the form set out in Part A of Schedule 4.

Replacement A321 Purchase Agreement means, following a Step-In, the aircraft purchase agreement relating to each of the Step-In Aircraft that is an A321 Aircraft, in the form set out in Part B of Schedule 4.

Replacement Purchase Agreements means, together, the Replacement A320 Purchase Agreement and the Replacement A321 Purchase Agreement (each, a **Replacement Purchase Agreement**).

Scheduled Delivery Month means, in respect of each Aircraft, the month during which the Delivery Date is, at the date of this Agreement, scheduled to occur, as specified (i) in the case of the A320 Aircraft, in column 6 of Part A of Schedule 1 and (ii) in the case of the A321 Aircraft, in column 6 of Part B of Schedule 1.

Secured Obligations means any and all moneys and financial liabilities which are (or which are expressed to be) now or at any time hereafter due, owing or payable by the Buyer to any Finance Party in any currency, actually or contingently, with another or others, as principal or surety, on any account whatsoever in favour of any Finance Party in relation to any PDP Advance under or pursuant to the PDP Loan Agreement, the Security Assignment and this Agreement, including as a consequence of any breach, non-performance, disclaimer or repudiation by the Buyer (or by a liquidator, receiver, administrative receiver, administrator or any similar officer in respect of the Buyer) of any of such obligations; and any and all obligations which are (or which are expressed to be) now or at any time hereafter to be performed by the Buyer in favour of any Finance Party in relation to any PDP Advance pursuant to the PDP Loan Agreement, the Security Assignment and this Agreement.

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Security Assignment means the mortgage and security agreement relating to the Assigned Purchase Agreements dated on or about the date of this Agreement made between the Buyer, the Facility Agent and the Security Trustee.

Share Charge means (i) the share charge in respect of the shares in the Buyer dated on or about the date of this Agreement between Intertrust SPV (Cayman) Limited and the Security Trustee (ii); or any share charge over the shares in the Buyer made between Intertrust SPV (Cayman) Limited and the Security Trustee which replaces, but is not in addition to the original share charge, if the original share charge referred to in (i) above is found to be defective or unenforceable by the Security Trustee.

Standstill Period means a period ending ***** after the date Airbus serves an Airbus Termination Notice (or if, in the event of an Insolvency Event having occurred in respect of the Buyer, the Security Trustee is stayed or otherwise prohibited by law or by order of a court with jurisdiction over such proceeding from sending a Step-In Notice, ***** after the end of such stay or prohibition).

Step-In means, pursuant to the service by the Security Trustee of a Step-In Notice in accordance with the terms and conditions set out in this Agreement, the election by the Security Trustee to (i) step-in and purchase the Relevant Aircraft referred to in the Step-In Notice in accordance with the terms of each applicable Replacement Purchase Agreement and (ii) assume the benefit and the burden of the Relevant Rights and the Relevant Obligations with respect to such Relevant Aircraft referred to in the Step-In Notice.

Step-In Aircraft means, following the occurrence of a Step-In Event, the Relevant Aircraft the Security Trustee has elected to purchase in accordance with the provisions of this Agreement and as identified in the Step-In Notice.

Step-In Event means:

- (a) the service by the Security Trustee of a Material Event of Default Notice in accordance with Clause 5.5; or
- (b) the service by Airbus of an Airbus Termination Event Notice.

Step-In Notice means the notice (if any) served by the Security Trustee pursuant to Clause 7.1 in the form set out in Schedule 3.

Terminated Aircraft has the meaning given to such term in Clause 7.3.

Termination Event means the occurrence of any of the events or circumstances set out in Clause 10.1.

US Dollars and **US\$** means the lawful currency of the United States of America.

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1.2 In this Agreement:

- (a) references to Clauses, Appendices and Schedules are to be construed as references to the Clauses of, and the Appendices and Schedules to, this Agreement, references to sub-Clauses shall unless otherwise specifically stated be construed as references to the sub-Clauses of the Clause in which the reference appears and references to this Agreement include its Schedules;
- (b) references to this Agreement (or to any specified provisions of this Agreement) or any other document shall be construed as references to this Agreement, that provision or that document as in force for the time being and as amended in accordance with its terms, or, as the case may be, with the agreement of the relevant parties;
- (c) words importing the plural shall include the singular and vice versa;
- (d) headings to clauses or sections are for convenience only and are to be ignored in construing this Agreement;
- (e) references to a person shall be construed as including references to an individual, firm, company, corporation, unincorporated body of persons, any state or any agency thereof and shall include references to its successors, permitted transferees and permitted assigns;
- (f) references to any statute or statutory provision include any statute or statutory provision which amends, extends, consolidates or replaces the same, or which has been amended, extended, consolidated or replaced by the same, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute;
- (g) **liability** includes any obligation or liability (whether present or future, actual or contingent, secured or unsecured, as principal or surety or otherwise);
- (h) the words **other** and **otherwise** shall not be construed ejusdem generis with any foregoing words where a wider construction is possible;
- (i) the words **herein**, **hereof** and **hereunder**, and words of similar import shall be construed to refer to a document in its entirety and not to any particular provision of such document; and
- (j) any representation or agreement made in favour of the Security Trustee is so made in its capacity as security trustee and is made for the benefit of the Security Trustee, the Facility Agent and the Lenders.

2. **Representations and Warranties**

2.1 Each party to this Agreement hereby represents and warrants to the other parties that, as at the date of this Agreement:

- (a) it is duly incorporated and existing under the laws of its jurisdiction of incorporation and has the power and authority to enter into and perform its obligations under this Agreement and all necessary action has been taken by it to authorise the execution, delivery and performance of this Agreement;

- (b) no authorisations, consents or approvals are required to be obtained by it under the laws, rules and regulations of any governmental authorities or other official bodies in its jurisdiction of incorporation known to be applicable in connection with this Agreement; and
- (c) this Agreement constitutes its valid and legally binding obligation, enforceable in accordance with its terms subject to general principles of equity and any applicable law from time to time in effect relating to bankruptcy or liquidation or any other applicable law affecting generally the enforcement of creditors' rights.

2.2 The Buyer further represents and warrants to the Security Trustee and Airbus that, as at the date of this Agreement:

- (a) the execution and delivery of, the performance of its obligations under, and compliance by it with the provisions of the Security Assignment and this Agreement will not:
 - (i) conflict with any agreement, mortgage, bond or other instrument or treaty to which it is a party;
 - (ii) contravene any existing applicable law of its jurisdiction of incorporation; or
 - (iii) contravene or conflict with any provision of its constitutional documents;
- (b) its business is limited exclusively to the acquisition, financing, owning, leasing and disposal of the Aircraft in accordance with the transactions contemplated by the PDP Loan Agreement and the Relevant Documents to which it is a party and matters incidental thereto;
- (c) each Assigned Purchase Agreement is in full force and effect and is enforceable against it in accordance with its terms subject to general principles of equity and any applicable law from time to time in effect relating to bankruptcy or liquidation or any other applicable law affecting generally the enforcement of creditors' rights;
- (d) it is not in breach of any provision of either Assigned Purchase Agreement;
- (e) other than pursuant to the Security Assignment, it has not created or allowed to subsist any Encumbrance over the whole or any part of its rights under either Assigned Purchase Agreement in respect of any of the Aircraft;
- (f) the extracts of the PDP Loan Agreement set out in Appendix A to this Agreement are true and accurate in all respects; and

(g) the information set out in Schedule 1 is accurate and those Pre-Delivery Payments noted as having been paid on the date hereof have been paid to Airbus.

2.3 The Security Trustee represents and warrants to Airbus that the extracts of the PDP Loan Agreement set out in Appendix A to this Agreement are true and accurate in all respects on the date of this Agreement and Appendix A contains all events of default under the PDP Loan Agreement, the Security Assignment or any other agreement between the Security Trustee and the Buyer that relates to the financing of the Aircraft.

2.4 Airbus further represents and warrants to the Security Trustee and Buyer as follows:

(a) *****

(b) *****

3. Assumption and Agreement

3.1 Airbus acknowledges receipt of the Security Assignment and, to the extent that the same is not inconsistent or in conflict with the provisions of this Agreement, consents to the granting of the Security Assignment. Airbus, the Buyer and the Security Trustee each agree (for the benefit solely of Airbus and the Security Trustee) that, in the event of any conflict or inconsistency between the provisions of the Security Assignment (insofar as it relates to the Assigned Purchase Agreements and associated rights) and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3.2 *****, the Security Trustee acknowledges in favour of Airbus that Airbus shall be entitled to continue to deal with the Buyer (to the exclusion of the Security Trustee) in connection with the Relevant Rights at all times until a Step-In Notice has been served and shall be entitled to conclusively assume (without obligation to make any enquiry) that any exercise by the Buyer in connection with the Relevant Rights and the Relevant Obligations prior to the service of a Step-In Notice has been in accordance with this Clause.

3.3 In consideration of the Lenders entering into the PDP Loan Agreement pursuant to which they have agreed, subject to the terms and conditions thereof, to finance the Financed Pre-Delivery Payments in relation to the Relevant Aircraft payable to Airbus on the relevant PDP Payment Dates, Airbus, the Security Trustee and the Buyer hereby agree that, subject to the terms and conditions of this Agreement and provided that Airbus has not previously delivered an Airbus Termination Notice under Clause 10.2 in respect of such Relevant Aircraft following the occurrence of a Termination Event, upon receipt by Airbus of a Step-In Notice in respect of a Relevant Aircraft:

(a) the rights and obligations of Airbus to the Buyer under the applicable Assigned Purchase Agreement that relates solely to such Relevant Aircraft shall cease;

(b) the Buyer shall remain fully liable to Airbus to perform all the obligations of the "Buyer" under the applicable Assigned Purchase Agreement, subject to the operation of the Re-Assignment and Assumption Agreement;

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (c) the Security Trustee shall assume and perform in favour of Airbus the Relevant Obligations and receive the benefit of and be entitled to exercise the Relevant Rights in each case that relate solely to such Relevant Aircraft and in accordance with the terms of the applicable Replacement Purchase Agreement; and
- (d) Airbus' obligations and liabilities that relate solely to such Relevant Aircraft shall be owed solely to the Security Trustee subject to and in accordance with the terms of this Agreement and the applicable Replacement Purchase Agreement (but not, for the avoidance of doubt, the applicable Assigned Purchase Agreement).

3.4 It is a condition precedent to the obligations of Airbus under this Agreement that Airbus receives a copy of each Guarantee, the Assignment and Assumption Agreement, the Re-Assignment and Assumption Agreement and the Security Assignment, in each case duly executed by the parties thereto. Airbus hereby irrevocably confirms satisfaction of such condition precedent.

3.5 The condition specified in Clause 3.4 is inserted for the sole benefit of Airbus and may be waived in whole or in part and with or without conditions by Airbus at its sole discretion.

4. Undertakings of the Buyer

4.1 Prior to the issuance of a Notice in respect of a Relevant Aircraft, the Buyer undertakes that it shall not without the prior consent of the Security Trustee, enter into any agreement with Airbus which would:

- (a) rescind, cancel or terminate any of the rights or obligations under the applicable Assigned Purchase Agreement to the extent relating to such Relevant Aircraft; or
- (b) ***** defer the Delivery Date of such Relevant Aircraft to the extent that the aggregate deferral in relation thereto does not exceed the date falling ***** after the last day of its Scheduled Delivery Month,

provided that the consent of the Security Trustee shall not be required in order for the Buyer to agree with Airbus to advance the Scheduled Delivery Month of such Relevant Aircraft for any period of time.

4.2 Prior to the issuance of a Notice in respect of a Relevant Aircraft, the Buyer hereby undertakes to Airbus and the Security Trustee that it shall:

- (a) notify the Security Trustee promptly after any change in the Scheduled Delivery Month of such Relevant Aircraft has been agreed; and
- (b) *****, obtain (or cause to be obtained), maintain (or cause to be maintained) in full force and effect and comply in all material respects with the conditions and restrictions (if any) imposed in, or in connection with, such consents, authorisations, licences or approvals of governmental or public bodies or authorities or courts and do, or cause to be done, all other acts and things, which may from time to time be required or be desirable under law for the continued due performance of its obligations under the Relevant Documents to which it is a party.

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4.3 The Buyer shall be responsible for all the documentation and transaction costs incurred in connection with the negotiation, preparation, execution and registration of the Relevant Documents including without limitation the legal fees and tax advisory fees of Airbus and the Finance Parties.

4.4 Following a Step-In the Buyer acknowledges that *****.

5. Undertakings of the Security Trustee

5.1 Until such time as a Step-In Notice has been received by Airbus in respect of a Relevant Aircraft, the Security Trustee agrees and undertakes that:

- (a) it shall not, and shall not be entitled to, exercise or otherwise enforce any of the Relevant Rights or perform any of the Relevant Obligations in respect of such Relevant Aircraft (other than the performance of its obligations under this Agreement); and
- (b) the Buyer shall be free to agree to advance the Scheduled Delivery Month of such Relevant Aircraft for any period of time without the consent of the Security Trustee; and
- (c) the Buyer together with Airbus shall be free to defer the Delivery Date of such Relevant Aircraft to the extent the aggregate deferral in relation thereto does not exceed the date falling ***** after the last day of its Scheduled Delivery Month.

5.2 The Security Trustee agrees and undertakes that:

- (a) it shall only be entitled to exercise or otherwise enforce any of the Relevant Rights or to perform any of the Relevant Obligations relating to a Relevant Aircraft in accordance with the provisions of this Agreement and the applicable Replacement Purchase Agreement; and
- (b) the purchase price payable by it for a Step-In Aircraft shall be the Final Price as defined in and as calculated pursuant to the applicable Replacement Purchase Agreement at the Delivery Date of such Step-In Aircraft.

5.3 The Security Trustee undertakes that:

- (a) prior to or contemporaneously with its service of the Step-In Notice relating to any Relevant Aircraft the Facility Agent shall have exercised its right to declare all amounts outstanding under the PDP Loan Agreement in respect of the Relevant Aircraft to be immediately due and payable and the Buyer shall have failed to pay all such amounts on the date the same are expressed to be due and payable pursuant to the PDP Loan Agreement; and

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- (b) unless to do so would be reasonably likely to be contrary to applicable law, prior to or contemporaneously with its service of the Step-In Notice relating to any Relevant Aircraft, the Security Trustee shall have (i) made demand under any guarantee provided by Frontier or Frontier Holdings which is now held by the Security Trustee as security for all or any other part of the Buyer's obligations under the PDP Loan Agreement and (ii) if security is hereafter created in favour of the Security Trustee as security for all or any part of the Buyer's obligations under the PDP Loan Agreement (for the avoidance of doubt other than the Share Charge and the Security Assignment), the Security Trustee shall have taken all steps reasonably available to it to enforce such security.
- 5.4 Nothing in this Agreement shall limit or restrict the ability of any Finance Party to exercise any rights they may have against the Buyer or any other person:
- (a) under the PDP Loan Agreement; or
- (b) under or pursuant to any security or guarantee now or hereafter held by any Finance Party for all or any part of the Buyer's obligations under the PDP Loan Agreement,
- provided that it is agreed (for the benefit solely of Airbus and the Security Trustee) that, in the event of any conflict between the provisions of the PDP Loan Agreement and this Agreement, this Agreement shall prevail.
- 5.5 The Security Trustee undertakes to *****.
- 5.6 The parties agree that for the purposes of this Agreement, Airbus shall not be deemed to have knowledge of and need not recognise any event, condition, right, remedy or dispute affecting the interest of the Buyer or any Finance Party under this Agreement or the PDP Loan Agreement until such time as Airbus shall have received written notice thereof from the Security Trustee or any Finance Party.
- 5.7 The Security Trustee hereby confirms to Airbus that, as of the date of this Agreement, it has not and it covenants that it shall not at any time after the date of this Agreement take the benefit of any form of Encumbrance over the shares (howsoever described) of the Buyer (whether pursuant to a share pledge or other similar document and whether pursuant to a single transaction or a series of transactions) other than the Share Charge (a **Prohibited Charge**) without the prior written consent of Airbus. Without prejudice to Airbus' entitlement to exercise any rights and/or remedies pursuant to the terms of this Agreement or at law in respect of a breach by the Security Trustee of the covenant set out above, the Security Trustee and the Buyer each agree that:
- (a) if the Security Trustee:
- (i) in breach of the covenant set out above, takes the benefit of a Prohibited Charge and, thereafter, takes any steps to enforce or otherwise exercise any of its rights arising out of any such Prohibited Charge; or

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- (ii) commences enforcement of the Share Charge in circumstances where the Security Trustee has not served the Step-In Notice pursuant to which the Security Trustee has irrevocably confirmed to Airbus that it has elected to assume and exercise all of the rights and obligations under each applicable Assigned Purchase Agreement relating to all undelivered Relevant Aircraft,

Airbus shall, if it reasonably determines that such action has a material adverse effect on it, be entitled at any time thereafter to terminate or cancel this Agreement in respect of any or all of the Relevant Aircraft without liability to the Security Trustee or the Buyer ***** in respect of any or all of the Relevant Aircraft (following which Clauses 6.4 to 6.6 shall apply, *****); and

- (b) the creation of any Prohibited Charge or the commencement of any enforcement of the Share Charge, in each case other than as permitted by this Clause 5.7, shall constitute a Re-Assignment Event for the purposes of the Re-Assignment and Assumption Agreement and, as contemplated by clause 2.2 of the Re-Assignment and Assumption Agreement, Airbus may, by written notice to each of the Buyer and Frontier, terminate the Assignment and Assumption Agreement with respect to any or all undelivered Relevant Aircraft.

5.8 The Security Trustee and the Buyer shall not (without the prior written consent of Airbus, not to be unreasonably withheld or delayed) *****

- (i) *****
- (ii) *****
- (iii) *****

6. Undertakings of Airbus

6.1 Until such time as Airbus receives a Notice in respect of a Relevant Aircraft and served in accordance with the provisions of this Agreement, Airbus agrees for the benefit of the Security Trustee that it shall not, without the prior written consent of the Security Trustee, enter into any agreement with the Buyer to amend the provisions of either Assigned Purchase Agreement to the extent relating to a Relevant Aircraft in a manner which would be detrimental in any material respect to the rights of the Security Trustee in respect of the Relevant Rights or Relevant Obligations provided that:

- (a) Airbus and the Buyer may, in respect of any Relevant Aircraft, agree to:
 - (i) defer the Delivery Date of any Relevant Aircraft to the extent that the aggregate deferral in relation thereto does not exceed the date falling ***** after the last day of such Relevant Aircraft's Scheduled Delivery Month; and/or

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- (ii) advance the Delivery Date of any Relevant Aircraft for any period of time; and
 - (b) this Clause 6.1 shall not (and shall not be construed to) restrict or otherwise limit the ability of Airbus to exercise its rights and to comply with its obligations under each Assigned Purchase Agreement to the extent relating to SCNs.
- 6.2 Airbus confirms, as at the date of this Agreement:
- (a) so far as Airbus is aware no Airbus Termination Event has occurred and is continuing; and
 - (b) Airbus has received from the Buyer the amounts specified in column 5 of (in the case of the A320 Aircraft) Part A or (in the case of the A321 Aircraft) Part B of Schedule 1 to this Agreement on account of the Pre-Delivery Payments in respect of the Relevant Aircraft and all of the information contained in Schedule 1 is accurate as at the date hereof.
- 6.3 Subject always to the terms of this Agreement and provided no Airbus Termination Notice has been given under Clause 10.2 following the occurrence of a Termination Event with respect to any Relevant Aircraft that is continuing, Airbus undertakes to the Security Trustee that, prior to the termination or cancellation of an Assigned Purchase Agreement (which termination or cancellation by Airbus shall be made subject to Clause 6.4), Airbus will not unless required to do so by applicable law (and not by contract), transfer title to any of the Relevant Aircraft that are the subject of that Assigned Purchase Agreement to any person other than, subject to the terms and conditions set out in this Agreement, the Security Trustee or a Permitted Transferee, other than in circumstances where (a) the Security Trustee or its Permitted Transferee has executed or is required under the terms of this Agreement to execute and has failed to do so, a Letter of Release with respect to such Relevant Aircraft or (b) there has occurred a Re-Assignment Event.
- 6.4 If an Airbus Termination Event occurs with respect to any Relevant Aircraft, Airbus undertakes that:
- (a) it shall, prior to exercising any rights to terminate or cancel the applicable Assigned Purchase Agreement, notify the Security Trustee in writing (with a copy to the Buyer) of the occurrence of the Airbus Termination Event, which notification shall specify the steps or actions (if any) which would be required to be undertaken in order to remedy the Airbus Termination Event (an **Airbus Termination Event Notice**); and
 - (b) subject to Clause 6.5, it shall not exercise any rights to terminate or cancel the applicable Assigned Purchase Agreement to the extent relating to such Relevant Aircraft until such time as the Standstill Period has expired.

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- 6.5 Notwithstanding the provisions of Clause 6.4, Airbus may exercise its rights under an Assigned Purchase Agreement to terminate that Assigned Purchase Agreement in part or in full at any time prior to the expiry of the Standstill Period, if, in the reasonable opinion of Airbus, it would be detrimental to the rights of Airbus as against the Buyer under that Assigned Purchase Agreement if such termination were delayed until the expiry of the Standstill Period. Following such termination, the provisions of Clause 6.6 shall apply as between the Security Trustee and Airbus.
- 6.6 If Airbus exercises its right to terminate or cancel an Assigned Purchase Agreement in respect of any Relevant Aircraft under the proviso to Clause 5.7 or Clause 6.5 prior to the expiry of the Standstill Period, or if an Assigned Purchase Agreement is rejected by the debtor or terminated by a bankruptcy court having jurisdiction in a proceeding under the United States Bankruptcy Code or in connection with any equivalent bankruptcy or insolvency proceedings in any other jurisdiction, Airbus agrees for the benefit of the Security Trustee that, as between Airbus and the Security Trustee and notwithstanding such termination or cancellation, the Security Trustee shall be entitled to serve a Step-In Notice prior to the expiry of the Standstill Period as if the applicable Assigned Purchase Agreement were still in full force and effect. In such circumstances, following the service by the Security Trustee of a Step-In Notice the provisions of Clauses 7.4 to 7.5(b) shall apply as between Airbus and the Security Trustee.
- 6.7 If the Security Trustee has not served a Step-In Notice prior to the expiry of the Standstill Period, Airbus shall be entitled to exercise such rights as it then has to terminate or cancel either or both of the Assigned Purchase Agreements in respect of any or all of the relevant Aircraft without liability to the Security Trustee.

6.8

- (a) With regard solely to those Relevant Aircraft in respect of which:
 - (i) *****
 - (ii) *****The parties agree that provided that *****.
- (b) Following the occurrence of a Step-In, the parties acknowledge and agree that *****
- (c) The Security Trustee agrees and acknowledges that *****.
- (d) The Buyer agrees and acknowledges *****.
- (e) *****

6.9 Upon becoming aware of the occurrence of an Airbus Termination Event, *****.

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7. **Rights following service of Step-In Notice**

- 7.1 Following the occurrence of a Step-In Event which is continuing and provided: (i) the Security Trustee has complied with the provisions of Clause 5.5; and (ii) no Airbus Termination Notice has been given under Clause 10.2 following the occurrence of a Termination Event in respect of the Relevant Aircraft and is continuing:
- (a) the Security Trustee shall, prior to the Decision Date, serve the Step-In Notice to Airbus (with a copy to the Buyer) with respect to any one or more of the Relevant Aircraft;
 - (b) if the Security Trustee elects to serve the Step-In Notice, the Security Trustee shall not be entitled to exercise or otherwise deal with the Relevant Rights or the Relevant Obligations in respect of a Relevant Aircraft until such time as the Step-In Notice has been served in accordance with the terms of this Agreement and received by Airbus; and
 - (c) The Security Trustee shall have the right to serve only one Step-In Notice which shall relate to one or more of the Relevant Aircraft.
- 7.2 It is hereby agreed by the Security Trustee that the Step-In Notice shall:
- (a) identify each of the Relevant Aircraft in respect of which the Step-In Notice is served;
 - (b) provide reasonable details of the breach or event which has given rise to the relevant Step-In Event; and
 - (c) with respect to each Relevant Aircraft referred to therein, irrevocably confirm to Airbus that the Security Trustee elects to assume and exercise all of the Relevant Rights and to perform the Relevant Obligations relating to that Relevant Aircraft.
- 7.3 It is agreed by the Security Trustee that with regard to each Relevant Aircraft in respect of which no Step-In Notice is served on or before the Decision Date for such Relevant Aircraft (each a **Terminated Aircraft** and together the **Terminated Aircraft**):
- (a) the Relevant Rights of the Security Trustee in and to such Terminated Aircraft shall automatically terminate;
 - (b) the obligations and liabilities of Airbus to the Security Trustee in and to the Relevant Rights relating to such Terminated Aircraft shall automatically terminate and the Encumbrance of the Security Assignment in relation thereto shall be discharged;
 - (c) the Security Trustee shall have no further right or obligation whatsoever against or towards Airbus with respect of the Relevant Rights and the Relevant Obligations relating to such Terminated Aircraft; and
 - (d) Airbus shall have no further obligations under this Agreement with respect to such Terminated Aircraft.

The Security Trustee undertakes that, with regard to the Terminated Aircraft, it shall upon request execute and deliver to Airbus a Letter of Release on the earlier to occur of (i) the date of the Step-In Notice (if any) and (ii) the Decision Date.

- 7.4 Within ***** of the date of delivery of a Step-In Notice with respect to any Relevant Aircraft, the Security Trustee shall notify Airbus in writing whether it or a Permitted Transferee is to be party to the applicable Replacement Purchase Agreement(s). *****.
- (a) the Security Trustee (or, if a Permitted Transferee has become the “Buyer” under the applicable Replacement Purchase Agreement, the Permitted Transferee) shall thereafter be entitled to exercise all of the Relevant Rights relating to such Relevant Aircraft in accordance with the provisions of this Agreement and the applicable Replacement Purchase Agreement provided the Security Trustee (or, if a Permitted Transferee has become the “Buyer” under the applicable Replacement Purchase Agreement, the Permitted Transferee) assumes and complies with the Relevant Obligations corresponding to such Relevant Rights; and
 - (b) subject to and in accordance with the terms and conditions set out in the applicable Replacement Purchase Agreement, Airbus shall, on such Relevant Aircraft’s Delivery Date, transfer to the Security Trustee or the Permitted Transferee (as applicable) title to the Relevant Aircraft in accordance with the terms and conditions set out in the applicable Replacement Purchase Agreement.
- 7.5 The Buyer hereby irrevocably confirms that following a Step-In by the Security Trustee in respect of any Relevant Aircraft and provided Airbus has not delivered an Airbus Termination Notice under Clause 10.2 prior to the occurrence of such Step-In:
- (a) any application or reimbursement of the Pre-Delivery Payments in favour of or at the direction of the Security Trustee (or, if a Permitted Transferee has become the “Buyer” under the applicable Replacement Purchase Agreement, the Permitted Transferee) shall discharge Airbus from its obligations to make or apply such payments in favour of or at the direction of the Buyer. In such circumstances, the Buyer further irrevocably agrees that it shall have no entitlement to and shall not claim against Airbus any right to apply or to require Airbus to reimburse to the Buyer or Frontier an amount equal to any such Pre-Delivery Payments so applied or reimbursed in favour of, or at the direction of, the Security Trustee (or, if a Permitted Transferee has become the “Buyer” under the applicable Replacement Purchase Agreement, the Permitted Transferee); and
 - (b) any Delivery of a Relevant Aircraft to the Security Trustee or a Permitted Transferee (if applicable) shall discharge Airbus from its obligation to deliver such Relevant Aircraft to the Buyer. In such circumstances, the Buyer further irrevocably agrees that it shall have no entitlement to and shall not claim against Airbus any right to require Airbus to deliver such Relevant Aircraft to the Buyer.

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7.6 Airbus undertakes that, following a Step-In and provided Airbus has not delivered an Airbus Termination Notice pursuant to Clause 10.2, Airbus shall, at the request of the Security Trustee, provide to the Security Trustee (or, if a Permitted Transferee has become the “Buyer” under the applicable Replacement Purchase Agreement, the Permitted Transferee) a package of product support and training services in an amount which will be the lesser of (a) the amount the Seller is obligated to provide, in relation to the Relevant Aircraft, to Frontier under the applicable Purchase Agreement (to the extent Frontier has not consumed such services prior to the time of such request) and (b) the amount customarily provided by Airbus to the then operator of such Relevant Aircraft. The Security Trustee and Airbus agree to negotiate in good faith with a view to minimising the additional costs to Airbus associated with any such proposal. Without prejudice to the foregoing, in the event that Airbus (at its discretion) elects to propose any services in excess of the amount set out above, the Security Trustee agrees that Airbus shall be entitled to be compensated by the Security Trustee (or, if a Permitted Transferee has become the “Buyer” under the applicable Replacement Purchase Agreement, the Permitted Transferee) for any additional cost incurred by Airbus in connection therewith (including any cost incurred as a consequence of having to duplicate any such services as may have already been performed in favour of the Buyer), such costs to be agreed between Airbus and the Security Trustee (or, if a Permitted Transferee has become the “Buyer” under the applicable Replacement Purchase Agreement, the Permitted Transferee).

8. Airbus Option

- 8.1 The Security Trustee with the consent and approval of the Buyer, hereby grants Airbus the option to be released from Airbus’ obligations under this Agreement in respect of any Relevant Aircraft upon payment to the Security Trustee of the Option Price, provided in each case that the option may only be exercised during the Option Period. *****.
- 8.2 If Airbus exercises an Option, Airbus shall pay to the Security Trustee the Option Price relating to the Relevant Aircraft no later than ***** after the date of exercise of the relevant Option provided that the Security Trustee has provided Airbus with details of the bank account into which such payment should be made.
- 8.3 An Option, once exercised, shall be irrevocable in respect all the Relevant Aircraft to which it relates.
- 8.4 If Airbus exercises any Option pursuant to this Clause 7.6, upon payment of the Option Price by Airbus to the Security Trustee in respect of the applicable Relevant Aircraft:
- (a) the rights and interests of the Security Trustee in the Relevant Rights relating to such Relevant Aircraft shall automatically terminate;
 - (b) the Security Trustee shall have no further right or obligation whatsoever against or towards Airbus in respect of the Relevant Rights and Relevant Obligations relating to such Relevant Aircraft; and
 - (c) Airbus shall have no further right or obligation whatsoever against or towards Security Trustee in respect of the Relevant Rights relating to such Relevant Aircraft, and concurrently therewith, Security Trustee shall execute and deliver to Airbus and the Buyer, a Letter of Release.

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- 8.5 The Option relating to the Relevant Aircraft shall automatically lapse if Airbus does not exercise the Option on or before expiry of the Option Period.
- 8.6 The Buyer acknowledges and consents to the Option with respect to the Relevant Aircraft and agrees that, upon payment of the Option Price by Airbus to the Security Trustee:
- (a) the Pre-Delivery Payments received by Airbus under each applicable Assigned Purchase Agreement in respect of the Relevant Aircraft shall be reduced by an amount equal to the Option Price; and
 - (b) an amount equal to the Option Price for all applicable Relevant Aircraft shall immediately become due and payable by the Buyer under each applicable Assigned Purchase Agreement as Pre-Delivery Payments.

9. Liability of the Parties

- 9.1 The Security Trustee shall have no obligation or liability under the Assigned Purchase Agreements by reason of, or arising out of, any Relevant Document.
- 9.2 Following a Step-In and until the actual and due performance by the Security Trustee of all the Relevant Obligations in respect of a Step-In Aircraft, the Buyer shall not be discharged from any of the obligations assumed by it under the applicable Assigned Purchase Agreement by reason of or arising out of this Agreement and shall remain fully liable to Airbus to perform all of the obligations of the “Buyer” under the applicable Assigned Purchase Agreement in respect of such Step-In Aircraft and each of the other Relevant Aircraft. Nothing in this Agreement or any other Relevant Document shall in any way affect the obligation of the Buyer to perform each of the obligations set out in the Assigned Purchase Agreements relating to any other Aircraft.
- 9.3 Without prejudice to the terms of this Agreement, each of the Buyer and the Security Trustee agree that nothing contained in any Relevant Document shall:
- (a) subject Airbus to any duplicate liability in respect of a Relevant Aircraft: (i) to the Buyer after receipt of a Notice and (ii) to the Security Trustee prior to receipt of a Notice relating to such Relevant Aircraft; or
 - (b) *****

10. Termination of the Relevant Rights

- 10.1 A Termination Event occurs if:
- (a) the Security Trustee does not serve the Step-In Notice in respect of the Relevant Aircraft on or before the Decision Date;

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- (b) the Security Trustee is required to serve a Letter of Release in respect of a Relevant Aircraft pursuant to any provision of this Agreement and has failed to do so within a reasonable time following request in writing from Airbus; or
- (c) the Security Trustee or a Permitted Transferee (as applicable) does not enter into an A320 Replacement Purchase Agreement with respect to any Step-In Aircraft that are A320 Aircraft or an A321 Replacement Purchase Agreement with respect to any Step-In Aircraft that are A321 Aircraft, ***** pursuant to Clause 7.4.

10.2 Upon the occurrence of any Termination Event, and provided that such event has not been cured or waived, Airbus shall have the right to terminate all or part of this Agreement with respect to any or all Relevant Aircraft by notice (the **Airbus Termination Notice**) to the Security Trustee (copied to the Buyer) and from the date of such Airbus Termination Notice

- (a) the rights and interests of the Security Trustee in and to the Relevant Rights relating to such Relevant Aircraft shall terminate;
- (b) the obligations and liabilities of Airbus to the Security Trustee in and to the Relevant Rights relating to such Relevant Aircraft shall terminate;
- (c) the Security Trustee shall have no further right or obligation whatsoever against or towards Airbus in respect of the Relevant Rights and the Relevant Obligations relating to such Relevant Aircraft;
- (d) Airbus shall have no further obligations towards the Buyer or the Security Trustee under this Agreement with respect to such Relevant Aircraft;
- (e) at the cost and expense, if any, of the Buyer, the Security Trustee agrees to release any and all Encumbrances created by the Security Trustee in respect of such Relevant Aircraft; and

provided that if the events set out in Clause 10.1(a) occur, Airbus shall be automatically released from all its obligations under this Agreement in respect of all Relevant Aircraft without the need to give an Airbus Termination Notice.

10.3 The Security Trustee undertakes that:

- (a) *****
- (b) *****
- (c) *****
- (d) *****
- (e) on or before the Delivery Date for each Relevant Aircraft, provided:
 - (i) no Material Event of Default has occurred which is then continuing; and

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- (ii) the Buyer has paid to the Facility Agent all monies then due and payable by the Buyer to the Finance Parties pursuant to the PDP Loan Agreement (other than the repayment of principal outstanding and related interest under the PDP Loan Agreement that would be payable on the Delivery Date of the Aircraft, provided that the Facility Agent (acting reasonably) is satisfied that such amount will be paid to it by the Buyer contemporaneously with Delivery of the Relevant Aircraft),

10.4 With regards to a Relevant Aircraft in respect of which a Letter of Release is executed by the Security Trustee (or is required to be executed by the Security Trustee pursuant to this Agreement and is not so executed) such Relevant Aircraft shall cease to be a “*Relevant Aircraft*” for the purposes of this Agreement and the Buyer shall continue to perform all of the obligations of the “Buyer” under the applicable Assigned Purchase Agreement.

10.5 *****

11. Indemnities

11.1 The Buyer hereby indemnifies and holds Airbus harmless from and against any and all Losses suffered by Airbus in any way relating to or arising out of:

- (a) the entry into, and performance of, this Agreement; and
- (b) any action or inaction of the Buyer or the Security Trustee in connection with this Agreement,

except to the extent that any such Loss arises as a consequence of the gross negligence or wilful misconduct of Airbus or the breach by Airbus of any representation or warranty made by it under this Agreement.

11.2 If Airbus, having applied or reimbursed, as the case may be, an amount equal to any Pre-Delivery Payments then held by Airbus in accordance with the direction of the Security Trustee in any exercise by the Security Trustee of the Relevant Rights is subsequently obliged to comply with a final, non-appealable judgment to reimburse any Pre-Delivery Payments to the Buyer, the Security Trustee hereby undertakes, upon the first written demand of Airbus, to reimburse to Airbus, an amount equal to the amount so reimbursed to the Buyer, *****

- (a) *****
- (b) *****
- (c) *****

If Airbus becomes aware of any possibility of any proceedings or other events which may lead to the indemnity contained in this Clause 11.2 becoming applicable, *****.

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- 11.3 The Security Trustee agrees to indemnify and hold Airbus and its officers, directors and employees (collectively, the **Indemnitees**) harmless from and against any and all Losses which are imposed upon or incurred by or asserted against such Indemnatee in any manner resulting from or arising out of the exercise (or purported exercise) by the Security Trustee of its rights or remedies under this Agreement if it is determined by a final judgment of a court of competent jurisdiction that the Security Trustee was not entitled to exercise such rights or remedies or that such rights or remedies were exercised contrary to the provisions of the Security Assignment, this Agreement, or applicable law.
- The Buyer irrevocably agrees to indemnify the Security Trustee against any Losses incurred by the Security Trustee in complying with its obligations pursuant to Clause 11 of this Agreement except to the extent that any such Loss arises as a consequence of the gross negligence or wilful misconduct of the Security Trustee.
- 11.4 Any claim for payment by an Indemnatee under this Clause 11 shall be substantiated by the certificate of the Vice-President, Contracts Division of Airbus containing evidence of such claim, including if applicable, a copy of any relevant judgement.
- 11.5 The indemnities set out in this Clause 11 shall survive the execution and delivery of this Agreement and shall continue in full force and effect notwithstanding the occurrence of the Delivery Date in respect of any Relevant Aircraft.

12. Onward Transfer of Rights

- 12.1 Save for any transfer to a Permitted Transferee pursuant to this Clause 12 below, the Security Trustee may not assign, sell, transfer, delegate or otherwise deal with or dispose of any Relevant Right or Relevant Obligation relating to any Relevant Aircraft.
- 12.2 No transfer of the Relevant Rights and/or the Relevant Obligations applicable to any Relevant Aircraft by the Security Trustee to a Permitted Transferee shall be permitted or effective until and unless:
- (a) the Security Trustee shall have served a Step-In Notice on Airbus in accordance with the provisions of this Agreement;
 - (b) Airbus and the Permitted Transferee have entered into arrangements satisfactory to Airbus (acting reasonably) pursuant to which, amongst other things, the Permitted Transferee irrevocably commits to: (i) step-in and purchase the Relevant Aircraft in accordance with (A) in the case of each Relevant Aircraft that is an A320 Aircraft, the Replacement A320 Purchase Agreement and (B) in the case of each Relevant Aircraft that is an A321 Aircraft, the Replacement A321 Purchase Agreement (as applicable) and (ii) assume the Relevant Rights and Relevant Obligations with respect to such Relevant Aircraft; and
 - (c) Airbus confirms in writing to the Security Trustee that, with regard to the subject Relevant Aircraft: (i) the arrangements referred to in Clause 12.2(i) have been entered into; and (ii) the Security Trustee is released from its obligations under this Agreement (including its obligations under the Replacement Purchase Agreement(s) for such Relevant Aircraft) with respect to such Relevant Aircraft.

12.3 Any purported assignment, sale, transfer, delegation or other disposal of any Relevant Rights or Relevant Obligations in contravention of the provisions of this Agreement shall be null and void and have no force or effect on or against Airbus.

13. Notices

13.1 Any notice or other communication given or made under this Agreement shall be in writing in the English language and, provided it shall be addressed as set out below, it shall be deemed to have been duly given as follows:

- (a) if sent by personal delivery, upon delivery at the address of the relevant party;
- (b) if sent by post, ***** after being deposited in the post, postage prepaid, in a correctly addressed envelope;
- (c) if sent by facsimile, when despatched during business hours (or if after business hours, the next Business Day) with correct confirmation printout, to the parties as follows:

- (i) in the case of the Buyer to:

Vertical Horizons, Ltd.
c/o Intertrust SPV (Cayman) Limited
190 Elgin Avenue
George Town
Grand Cayman, KY1 9005
Cayman Islands

Fax: *****

Email: cayman.spvinfo@intertrustgroup.com

Attention: Directors

- (ii) with a copy to:

Frontier Airlines, Inc.
7001 Tower Road
Denver, CO 80249
United States of America

Fax: *****

Attention: SVP – General Counsel

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(iii) in the case of the Security Trustee to:
Bank of Utah
200 E. South Temple
Suite 210
Salt Lake City, UT 84111
United States of America

Fax: *****
Attention: Corporate Trust Services

(iv) in the case of Airbus to:

Airbus S.A.S.
1 rond point Maurice Bellonte
31707 Blagnac Cedex
France

Fax: +*****
Attention: Head of Contracts

Any party may change its contact details by giving ***** prior written notice to the other parties.

13.2 Each party shall be entitled to rely on the information contained in any notice issued or served pursuant to this Agreement and shall not have to further enquire as to the accuracy of the information contained in any such notice.

14. Confidentiality

Each party agrees that it shall not disclose any information relating to any Relevant Document except:

- (a) as required by any applicable law or governmental regulations;
- (b) as required in connection with any legal proceedings arising from or in connection with any Relevant Document;
- (c) with the prior written consent of each other party hereto;
- (d) to its professional, legal and other advisors **provided that** such advisors are under a legal, ethical or professional duty to treat such information as confidential and not to disclose the same to third parties;
- (e) *****
- (f) *****
- (g) to any proposed Permitted Transferee **provided that** such proposed Permitted Transferee has executed a confidentiality agreement (in form and content satisfactory to Airbus) in favour of Airbus or has otherwise agreed in favour of Airbus to maintain confidentiality (in a manner satisfactory to Airbus), subject, in the case of each Relevant Document (other than this Agreement), to the confidentiality provisions contained in such Relevant Document that apply as between the parties to such Relevant Document.

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15. Provisions severable

Every provision contained in this Agreement shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining such provisions shall not in any way be affected thereby. Any provision of this Agreement which may prove to be or becomes illegal, invalid or unenforceable in whole or in part, shall so far as reasonably possible and subject to applicable laws, be performed according to the spirit and purpose of this Agreement.

16. Amendments

The parties agree that the provisions of this Agreement shall not be amended except by an instrument in writing executed by or on behalf of each of the Buyer, the Security Trustee and Airbus.

17. Further Assurance

The parties agree, at the cost and expense the Buyer (and in any event subject to its costs and expenses being paid), from time to time to do and perform, or cause to be done and performed, such other and further acts and execute and deliver or cause to be executed and delivered any and all such other instruments as may be required by law or reasonably requested by a party hereto in order to establish, maintain and protect the rights and remedies of the parties and to carry out and effect the intent and purpose of this Agreement.

18. Third party rights

The parties do not intend that any term of this Agreement shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement. The parties may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under and to the extent permitted pursuant to the terms of this Agreement without the consent of any person who is not a party to this Agreement.

19. Entire agreement

This Agreement sets out the entire agreement between the parties. It supersedes all previous agreements between the parties on the subject matter of this Agreement. No other term, express or implied, forms part of this Agreement. No usage, custom or course of dealing forms part of or affects this Agreement.

20. Counterparts

This Agreement may be executed by the parties on separate counterparts, each of which when so executed shall be an original, and each such counterpart shall together constitute one and the same instrument.

21. Cape Town Convention

Prior to the Delivery Date of a Relevant Aircraft none of the Security Trustee or the Buyer shall seek, nor shall they be entitled, to register any interest in such Relevant Aircraft or this Agreement at the International Registry. *****

22. Governing Law and Jurisdiction

22.1 This Agreement is governed by English law. The parties hereto agree that the courts of England shall have exclusive jurisdiction to settle any dispute (a **Dispute**) arising from or connected with this Agreement.

22.2 The parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and accordingly that they will not argue to the contrary.

22.3 Each party waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:

- (a) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and
- (b) the issue of any process against its assets or revenues for the enforcement of a judgement or, in an action in rem, for the arrest, detention or sale of any of its assets or revenues.

23. Service of Process

23.1 Without prejudice to any other mode of service allowed under any relevant law, each of the parties to this Agreement irrevocably appoints:

- (a) in the case of the Buyer: Walkers at 6 Gracechurch Street, London EC3V OAT, United Kingdom;
- (b) in the case of the Security Trustee: Walkers at 6 Gracechurch Street, London EC3V OAT, United Kingdom; and
- (c) in the case of Airbus: Airbus Operations Limited, New Filton House, Filton, Bristol BS99 7AR, United Kingdom (Attention: Legal Department),

as its agent for service of process in relation to any proceedings before the English courts in connection with this Agreement.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 23.2 Each party agrees that:
- (a) the addresses referred to in Clause 23.1 above may be revised provided at least five (5) Business Days prior written notice is given to the other parties; and
 - (b) failure by a process agent to notify the relevant party of the process will not invalidate the proceedings concerned. _____[

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*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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25.4 *****

IN WITNESS whereof each of the parties has executed this Agreement as a deed the day and year first before written.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Schedule 1 Pre-Delivery Payments, Scheduled Delivery Months

Part A – A320 Aircraft

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*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Part B – A321 Aircraft

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*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

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****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

To: **Vertical Horizons, Ltd.**
c/o Intertrust SPV (Cayman) Limited
190 Elgin Avenue
George Town
Grand Cayman, KY1 9005
Cayman Islands

Fax: *****
Attention: Directors

with a copy to:

Frontier Airlines, Inc.
Tower Road
Denver, CO 80249
United States of America

Fax: *****
Attention: SVP – General Counsel

Airbus S.A.S.
1 rond point Maurice Bellonte
31707 Blagnac Cedex
France

Fax: +*****
Attention: Head of Contracts

Dated: []

Dear Sirs

Step-In Agreement made between (i) Vertical Horizons, Ltd., (ii) Bank of Utah, not in its individual capacity but solely as security trustee (“Security Trustee”) and (iii) Airbus S.A.S. (Airbus) relating to *** Airbus A320neo aircraft and ***** Airbus A321ceo aircraft (the “Aircraft”),) dated [] (the Agreement).**

We refer to the Agreement. Capitalised terms and expressions used in this Letter of Release not otherwise defined herein shall have the meanings given in the Agreement.

This Letter of Release relates to [] ([]) [A320neo/A321ceo] aircraft, MSN[s] [], CAC ID[s][] (the **Released Aircraft**) which [is one of] [are [] ([]) of] the Aircraft as defined in the Agreement.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

With effect from the date of this Letter of Release, we hereby irrevocably confirm to Airbus and the Buyer that:

- 1 the Released Aircraft is released from the terms and conditions of the Agreement and the Agreement shall terminate with respect to the Released Aircraft;
- 2 we terminate all our right, title or interest in and to the Relevant Rights [(with respect to the Released Aircraft only)];
- 3 the Encumbrance of the Security Assignment created in respect of the Relevant Rights relating to the Released Aircraft is hereby released and the Relevant Rights relating to the Released Aircraft are free and clear of all Encumbrances attributable to the Security Trustee; and
- 4 Airbus is released from its duties, obligations and liabilities to us [(but only in respect to the Released Aircraft)] under the Agreement.

For the avoidance of doubt this release does not extend to the Buyer’s other obligations to the Security Trustee or the Finance Parties pursuant the Security Assignment or the PDP Loan Agreement, including without limitation, its obligation to repay amounts owing thereunder, with respect to the Aircraft.

By countersigning this Letter of Release, Airbus releases the Security Trustee from its obligations under the Agreement with respect to the Released Aircraft.

[The Agreement shall remain in full force and effect and nothing in this Letter of Release is to be construed as a release of the Security Trustee rights, title and interest in and to the Relevant Rights with respect to any other Relevant Aircraft (as defined in the Agreement) arising pursuant to the Agreement.]

This Letter of Release shall be governed by and construed in accordance with the laws of England.

Please countersign this Letter of Release and confirm your agreement to the aforementioned.

Yours faithfully

Executed as a Deed by)
Bank of Utah)
(not in its individual capacity but solely)
as Security Trustee))
))
and signed by [●])
its [●])

in the presence of:

Name:

Address:

Acknowledged and agreed

By and on behalf of

Vertical Horizons, Ltd.

Schedule 3 Form of Step-In Notice

To: **Airbus S.A.S.**
1 rond point Maurice Bellonte
31707 Blagnac Cedex
France

Fax: +*****
Attention: Head of Contracts

Cc: **Vertical Horizons, Ltd.**
c/o Intertrust SPV (Cayman) Limited
190 Elgin Avenue
George Town
Grand Cayman, KY1 9005
Cayman Islands

Fax: *****
Attention: Directors

with a copy to:

Frontier Airlines, Inc.
Tower Road
Denver, CO 80249
United States of America

Fax: *****
Attention: SVP – General Counsel

Dated: []

Dear Sirs

Step-In Agreement made between (i) Vertical Horizons, Ltd., (ii) Bank of Utah, not in its individual capacity but solely as security trustee (“Security Trustee”) and (iii) Airbus S.A.S. (Airbus) relating to *** Airbus A320neo aircraft and ***** Airbus A321ceo aircraft dated [] (the Agreement).**

We refer to the Agreement. Capitalised terms and expressions used in this Step-In Notice not otherwise defined herein shall have the meanings given in the Agreement.

This is the Step-In Notice for the purposes of the Agreement.

This Step-In Notice is being served pursuant to clause 7 of the Agreement as a result of:

[The occurrence of a Step-In Event arising from the service by [Airbus of a notice in accordance with clause 6.4 of the Agreement] [the Security Trustee of a Material Event of Default Notice in accordance with clause 5.5 of the Agreement and the Material Event of Default relating to such Material Event of Default have not been waived or cured for the purposes of clause 5.6 of the Agreement].

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

In accordance with clause 7 of the Agreement, the Security Trustee hereby irrevocably confirms to Airbus that it elects to assume and exercise the Relevant Rights and perform the Relevant Obligations relating to the following Relevant Aircraft (hereinafter the Step-In Aircraft):

[]

This Step-In Notice is governed by and shall be construed in accordance with English law.

Yours faithfully

For and on behalf of:

Bank of Utah not in its individual capacity but solely as Security Trustee

By:

Title:

A320 Purchase Agreement

BETWEEN

AIRBUS S.A.S.

as Seller

AND

[]

as Buyer

CONTENTS

| CLAUSES | TITLES | |
|---------|------------------------------------|----|
| 0 | DEFINITIONS AND INTERPRETATION | 2 |
| 1 | SALE AND PURCHASE | 6 |
| 2 | SPECIFICATION | 6 |
| 3 | PRICES | 8 |
| 4 | PRICE REVISION | 9 |
| 5 | PAYMENTS | 9 |
| 6 | MANUFACTURE PROCEDURE – INSPECTION | 13 |
| 7 | CERTIFICATION | 14 |
| 8 | TECHNICAL ACCEPTANCE | 16 |
| 9 | DELIVERY | 17 |
| 10 | EXCUSABLE DELAY | 19 |
| 11 | NON-EXCUSABLE DELAY | 22 |
| 12 | WARRANTIES AND SERVICE LIFE POLICY | 23 |
| 13 | PATENT AND COPYRIGHT INDEMNITY | 42 |
| 14 | BUYER FURNISHED EQUIPMENT | 44 |
| 15 | INDEMNIFICATION AND INSURANCE | 47 |
| 16 | REMEDIES | 48 |
| 17 | ASSIGNMENTS AND TRANSFERS | 49 |
| 18 | MISCELLANEOUS PROVISIONS | 50 |

CONTENTS

| EXHIBITS | TITLES | |
|------------------|---|-----------|
| Exhibit A | Part 1 - AIRFRAME PRICE REVISION FORMULA | 56 |
| | Parts 2 - PROPULSION SYSTEM PRICE REVISION FORMULA | 59 |
| Exhibit B | FORM OF CERTIFICATE OF ACCEPTANCE | 62 |
| Exhibit C | FORM OF BILL OF SALE | 63 |
| Exhibit D | PRE-DELIVERY PAYMENTS, SCHEDULED DELIVERY MONTHS | 65 |

A320 FAMILY PURCHASE AGREEMENT

This A320 Purchase Agreement is made on [] 2014 (the “**Agreement**”).

BETWEEN:

AIRBUS S.A.S., a *société par actions simplifiée*, created and existing under French law having its registered office at 1, rond-point Maurice Bellonte, 31700 Blagnac, France and registered with the Toulouse *Registre du Commerce* under number RCS Toulouse 383 474 814 (the “**Seller**”);

and

[] a [] company incorporated and existing under the laws of New York and having its registered office at [] (the “**Buyer**”).

WHEREAS subject to the terms and conditions of this Agreement, the Seller desires to sell the Aircraft to the Buyer and the Buyer desires to purchase the Aircraft from the Seller.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

0. DEFINITIONS AND INTERPRETATION

0.1 In addition to words and terms elsewhere defined in this Agreement, the initially capitalized words and terms used in this Agreement shall have the meaning set out below.

Affiliate means with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person.

Aircraft means an Airbus A320 aircraft delivered under this Agreement, including the Airframe, the Propulsion Systems, the NEO Option and any part, component, furnishing or equipment installed on the Aircraft on Delivery.

Airframe means the Aircraft excluding the Propulsion Systems.

Airframe Base Price has the meaning set out in Clause 3.1 which includes the SCN Budget.

Airframe Price Revision Formula is set out in Part 1 of Exhibit A.

Aviation Authority means when used in respect of any jurisdiction the government entity, which under the laws of such jurisdiction has control over civil aviation or the registration, airworthiness or operation of aircraft in such jurisdiction.

Business Day means a day, other than a Saturday or Sunday, on which business of the kind contemplated by this Agreement is carried on in France, in Germany and in the Buyer's country or, where used in relation to a payment, which is a day on which banks are open for business in France, in Germany, in the Buyer's country and in New York, as appropriate.

Declaration of Design and Performance or DDP means the documentation provided by an equipment manufacturer guaranteeing that the corresponding equipment meets the requirements of the Specification, the interface documentation as well as all the relevant certification requirements.

Delivery means the transfer of title to the Aircraft from the Seller to the Buyer in accordance with Clause 9.

Delivery Date means the date on which Delivery occurs.

Delivery Location means the facilities of the Seller at the location of final assembly of the Aircraft.

Export Airworthiness Certificate means an export certificate of airworthiness issued by the Aviation Authority of the Delivery Location.

Facility Agent means Citibank N.A. as facility agent for and on behalf of the Lenders under the PDP Loan Agreement.

Final Price has the meaning set out in Clause 3.2.

Frontier means Frontier Airlines, Inc. a company incorporated and existing under the laws of Colorado.

Frontier A320 PA means the aircraft purchase agreement dated 30 September 2011 as amended and supplemented from time to time, made between Frontier and the Seller.

Irrevocable SCN means an SCN which is irrevocably part of the A320 Specification, as expressly set forth in Appendix 1, *****and which cost is included in the Airframe Base Price set out in Clause 3.1.

Lenders has the meaning ascribed to such term in the Step-In Agreement.

Manufacture Facilities means the various manufacture facilities of the Seller, its Affiliates or any sub-contractor, where the Airframe or its parts are manufactured or assembled.

New Engine Option or **NEO** has the meaning set out in Clause 2.1.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Other Agreement means any Other PDP Agreement but only if the Buyer has exercised its entitlement to purchase or otherwise acquire title to an aircraft under such Other PDP Agreement and has become obliged to Airbus or its Affiliates to purchase such aircraft.

Other PDP Agreement means any other pre-delivery payment financing arrangement, other than that which is connected with this Agreement, entered into from time to time between the Seller (or any of its Affiliates) and the Buyer (or any of its Affiliates) in connection with a financing of aircraft for Frontier pursuant to which the Buyer (or any of its Affiliates) has a conditional right to purchase or otherwise acquire title to an aircraft from Airbus (or any of its Affiliates).

PDP Loan Agreement has the meaning ascribed to such term in the Step-in Agreement.

Predelivery Payment means the payment(s) determined in accordance with Clause 5.2.

Propulsion Systems has the meaning given to it in Clause 2.3.

Propulsion Systems Manufacturer means the manufacturer of the Propulsion System as set out in Clause 2.3.

Propulsion System Price Revision Formula is set out in Part 2 of Exhibit A.

Propulsion Systems Reference Price means the Propulsion Systems Manufacturer reference price as set out in Exhibit A Part 2.

Ready for Delivery means the time when the Technical Acceptance Process has been completed in accordance with Clause 8 and all technical conditions required for the issuance of the Export Airworthiness Certificate have been satisfied.

SCN Budget means: the amount of *****, being the cost in delivery condition ***** of the SCNs which the Buyer and the Seller have assumed to be applicable to each Airframe as delivered hereunder and which cost is included in the Airframe Base Price set out in Clause 3.1.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Security Trustee means the Bank of Utah, not in its individual capacity but solely as security trustee for and on behalf of the Facility Agent and the Lenders.

Seller Furnished Equipment or **SFE** corresponds to items of equipment that are identified in the Specification as being furnished by the Seller.

Sharklets means a new large wingtip device designed to enhance the eco-efficiency and payload range performance of the A320 family aircraft and which is an Irrevocable SCN.

Specification Change Notice or **SCN** means an agreement in writing between the parties to amend the Specification pursuant to Clause 2.

Specification means either: (a) the Standard Specification with Irrevocable SCNs if no other SCNs are applicable; or (b) if SCNs are applicable, the Standard Specification as amended by all applicable SCNs.

Standard Specification means the A320 standard specification document number D.000.02000, Issue 8, dated June 20, 2011.

Step-In Agreement means the step-in agreement dated _____ 2014 made between the Buyer, the Security Trustee and the Seller in respect of the Aircraft.

0.2 Clause headings and the Index are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement.

0.3 In this Agreement unless the context otherwise requires:

- (a) references to Clauses, Appendices and Exhibits are to be construed as references to the Clauses of, and Appendices, and Exhibits to this Agreement and references to this Agreement include its Schedules, Exhibits and Appendices;
- (b) words importing the plural shall include the singular and vice versa; and
- (c) references to a person shall be construed as including, without limitation, references to an individual, firm, company, corporation, unincorporated body of persons and any state or agency of a state.

1. SALE AND PURCHASE

The Seller shall sell and deliver and the Buyer shall buy and take delivery of five (5) A320 Aircraft on the Delivery Date at the Delivery Location upon the terms and conditions contained in this Agreement.

2. SPECIFICATION

2.1 Aircraft Specification

The Aircraft shall be manufactured in accordance with the Standard Specification, as may already have been modified or varied prior to the date of this Agreement by the Specification Change Notices and Irrevocable SCN's listed in Appendix 1.

The Seller is currently developing a new engine option (the "New Engine Option" or "NEO"), applicable to the Aircraft. The specification of the Aircraft shall be derived from the current Standard Specification and based on the new Propulsion Systems, as set forth in Clause 2.3 below, and Sharklets, combined with the required airframe structural adaptations, as well as Aircraft systems and software adaptations required to operate such Aircraft. The foregoing is currently reflected in the irrevocable SCNs listed in Appendix 1, the implementation of which is hereby irrevocably accepted by the Buyer.

The New Engine Option shall modify the design weights of the Standard Specification as follows:

| | |
|------|-------|
| | A320 |
| MLW | ***** |
| MZFW | ***** |

2.2 Specification Amendment

The Specification may be further amended following signature of this Agreement in accordance with the terms of this Clause 2.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

2.2.1 Specification Change Notices

The Specification may be amended by written agreement between the Buyer and the Seller in a Specification Change Notice. Each SCN shall be in the Seller standard form and shall set out the particular change to be made to the Specification and the effect, if any, of such change on the Aircraft affected thereby and on the text of the Specification. An SCN may result in an adjustment of the Final Price, which adjustment, if any, shall be specified in the SCN.

2.2.2 Development Changes

The Specification may also be amended to incorporate changes deemed necessary by the Seller to improve the Aircraft, prevent delay or ensure compliance with this Agreement (“**Development Changes**”), as set forth in this Clause 2.

(i) Manufacturer Specification Changes Notices

(a) The Specification may be amended by the Seller through a Manufacturer Specification Change Notice (“**MSCN**”) which shall be substantially in the Seller’s standard form and shall set out the change to be made to the Specification and the effect, if any, of such change on the Aircraft affected thereby and the Specification.

(b) *****

(ii) In the event of the Seller revising the Specification to incorporate Development Changes which have no adverse effect on any of the elements as set forth in 2.2.2(i)(a) above such revision shall be performed by the Seller without the Buyers consent.

(iii) The Seller is considering turning certain items, which are currently BFE in the Specification, into SFE and the parties agree that such BFE items shall be excluded from the provisions of Clauses 2.2.2(i) and 2.2_2(ii) above and, should they become SFE, shall furthermore be chargeable to the Buyer.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

2.3 **Propulsion System**

Each Airframe shall be equipped with a set of two (2) CFM International LEAP-1A26 engines propulsion systems (the “**Propulsion Systems**”).

2.4 **Milestones**

2.4.1 **Customization Milestones Chart**

Within a reasonable period following signature of the Agreement, the Seller shall provide the Buyer with a customisation milestones chart (the “**Customisation Milestone Chart**”), setting out how far in advance of the Scheduled Delivery Month of the Aircraft an SCN must be executed in order to integrate into the Specification any items requested by the Buyer from the Sellers catalogues of Specification change options (the “**Option Catalogues**”).

2.4.2 **Contractual Definition Freeze**

The Customisation Milestone Chart shall in particular define the date(s) by which the contractual definition of the Aircraft must be finalized and all SCNs need to have been executed by the Buyer (the “**Contractual Definition Freeze**” or “**CDF**”) in order to enable their incorporation into the manufacturing of the Aircraft and Delivery of the Aircraft in the Scheduled Delivery Month. Each such date shall be referred to as a “**CDF Date**”.

3. **PRICES**

3.1 **Airframe Base Price**

The Airframe Base Price is *****.

The Airframe Base Price has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in *****.

3.2 **Final Price**

The Final Price of each Aircraft shall be the Airframe Base Price as increased by:

- (i) the price of any unpaid MSCNs and any Specification Change Notices contracted after the date ***** as adjusted to the Delivery Date of such Aircraft in accordance with the Airframe Price Revision Formula;

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (ii) escalation of the Airframe Base Price from a theoretical delivery date of ***** to the Delivery Date of such Aircraft in accordance with the Airframe Price Revision Formula;
- (iii) the Propulsion Systems Reference Price and its corresponding escalation from a theoretical delivery date of ***** for the Propulsion Systems to the actual Delivery Date of such Aircraft in accordance with the Propulsion System Price Revision Formula; and
- (iv) any other amount due from the Buyer to the Seller pursuant to this Agreement and/or any other agreement between the Buyer and the Seller with respect to the Aircraft.

4. INTENTIONALLY LEFT BLANK

5. PAYMENTS

5.1 Seller's Account

The Buyer shall pay the Predelivery Payments, the Balance of Final Price and/or any other amount due by the Buyer to the Seller, to the following account:

Beneficiary Name: *****

account identification: *****

with:

SWIFT: *****

ABA: *****

or to such other account as may be designated by the Seller.

5.2 Predelivery Payments

5.2.1 The Buyer shall pay Predelivery Payments to the Seller in accordance with the schedule set out in Exhibit D.

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- 5.2.2 Any Predelivery Payment received by the Seller shall constitute an instalment in respect of the Final Price of the Aircraft. The Seller shall be entitled to hold and use any Predelivery Payment as absolute owner thereof, subject only to: (i) the obligation to deduct any such Predelivery Payment from the Final Price when calculating the Balance of Final Price; or (ii) the obligation to pay to the Buyer an amount equal to the Predelivery Payments pursuant to any other provision of this Agreement.
- 5.2.3 If any Predelivery Payment is not received ***** then, in addition to any other rights and remedies available to Seller, the Seller shall have no obligation to deliver any or all of the Aircraft remaining to be delivered under the Agreement within their respective Scheduled Delivery Month(s). Upon receipt of the full amount of all delayed Predelivery Payments, together with any amount due pursuant to Clause 5.6, the Seller shall inform the Buyer of new Scheduled Delivery Month(s) consistent with the Seller's other commitments and production capabilities.
- 5.2.4 *****

5.3 **Balance of Final Price**

- 5.3.1 The "**Balance of Final Price**" payable by the Buyer to the Seller on the Delivery Date shall be the Final Price less the amount of Predelivery Payments received by the Seller on or before the Delivery Date.
- 5.3.2 Upon receipt of the Seller's invoice, and immediately prior to Delivery, the Buyer shall pay to the Seller the Balance of Final Price.

5.4 **Other Charges**

Unless expressly stipulated otherwise, any other charges due under this Agreement other than those set out in Clauses 5.2 and 5.3 shall be paid by the Buyer at the same time as payment of the Balance of Final Price or, if invoiced after the Delivery Date, ***** the invoice date.

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5.5 **Method of Payment**

5.5.1 All payments provided for in this Agreement shall be made in US Dollars (US\$) in immediately available funds.

5.5.2 *****

5.6 **Overdue Payments**

If any payment due to the Seller under this Agreement including but not limited to any Predelivery Payment is not received on its respective due date, without prejudice to the Seller's other rights under this Agreement and at law, the Seller shall be entitled to claim from the Buyer, and the Buyer shall *****

5.7 **Taxes**

5.7.1 *****

5.7.2 *****

5.7.3 *****

5.8 **Proprietary Interest**

The Buyer shall not, by virtue of anything contained in this Agreement (including, without limitation, any Predelivery Payments hereunder, or any designation or identification by the Seller of a particular aircraft as an Aircraft to which any of the provisions of this Agreement refers) acquire any proprietary, insurable or other interest whatsoever in any Aircraft before Delivery of and payment for such Aircraft, as provided in this Agreement.

5.9 **Set-Off**

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5.10 **Cross-Collateralisation**

5.10.1 *****

5.10.2 *****

(i) *****

(ii) *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

6. MANUFACTURE PROCEDURE – INSPECTION

6.1 Manufacture Procedure

The Airframe shall be manufactured in accordance with the relevant requirements of the laws of the jurisdiction of incorporation of the Seller or of its relevant Affiliate as enforced by the Aviation Authority of such jurisdiction.

6.2 Inspection

6.2.1 Subject to providing the Seller with insurance certificates satisfactory to the Seller, the Buyer or its duly authorised representatives (the “**Buyer’s Inspector(s)**”) shall be entitled to inspect the manufacture of the Airframe and all materials and parts obtained by the Seller for the manufacture of the Airframe on the following terms and conditions:

- (i) any inspection shall be made according to a procedure to be agreed upon with the Buyer but shall be conducted pursuant to the Seller’s own system of inspection as developed under the supervision of the relevant Aviation Authority;
- (ii) the Buyer’s Inspector(s) shall have access to such relevant technical data as is reasonably necessary for the purpose of the inspection;
- (iii) any inspection and any related discussions with the Seller and other relevant personnel by the Buyer’s Inspector(s) shall be at reasonable times during business hours and shall take place in the presence of relevant inspection department personnel of the Seller; and
- (iv) the inspections shall be performed in a manner not to unduly delay or hinder the manufacture or assembly of the Aircraft or the performance of this Agreement by the Seller or any other work in progress at the Manufacture Facilities.

6.2.2 Location of Inspections

The Buyer's Inspector(s) shall be entitled to conduct any such inspection at the relevant Manufacture Facility of the Seller or the Affiliates and where possible at the Manufacture Facilities of the sub-contractors provided that if access to any part of the Manufacture Facilities where the Airframe manufacture is in progress or materials or parts are stored are restricted for security or confidentiality reasons, the Seller shall be allowed reasonable time to make the relevant items available elsewhere.

6.3 Seller's Service for Buyer's Inspector(s)

For the purpose of the inspections, and commencing with the date hereof until the Delivery Date, the Seller shall furnish without additional charge suitable space and office equipment in or conveniently located with respect to the Delivery Location for the use of a reasonable number of Buyer's Inspector(s).

7. CERTIFICATION

7.1 Type Certification

The Aircraft has been type certificated under European Aviation Safety Agency (EASA) procedures for certification in the transport category. The Seller has obtained the relevant type certificate (the "**Type Certificate**") to allow the issuance of the Export Airworthiness Certificate.

7.2 Export Airworthiness Certificate

7.2.1 The Aircraft shall be delivered to the Buyer with an Export Airworthiness Certificate.

7.2.2 If, any time before the date on which the Aircraft is Ready for Delivery, any law or regulation is enacted, promulgated, becomes effective and/or an interpretation of any law or regulation is issued which requires any change to the Specification for the purposes of obtaining the Export Airworthiness Certificate (a "**Change in Law**"), the Seller shall make the required variation or modification and the parties hereto shall sign a Specification Change Notice which specifies the effects, if any, upon the guaranteed performances, weights, interchangeability, time of Delivery, price of the Aircraft and text of the Specification.

7.2.3 The Seller shall as far as practicable (but at its sole discretion and without prejudice to Clause 7.3.1(ii)) take into account the information available to it concerning any proposed law, regulation or interpretation which could become a Change in Law in order to minimise the costs of changes to the Specification as a result of such proposed law, regulation or interpretation becoming effective prior to the Aircraft being Ready for Delivery.

7.3 Costs of SCNs for Certification

7.3.1 The costs of implementing the variation or modification referred to in Clause 7.2.2 above shall be:

(i) *****

(ii) *****

7.3.2 Notwithstanding the provisions of sub-Clauses 7.3.1 (i) and (ii), if the Change in Law relates to the Propulsion Systems, the costs shall be borne in accordance with such arrangements as may be made separately between the Buyer and the Propulsion System Manufacturer, however such costs shall not be borne by the Seller.

7.4 Validation of Export Airworthiness Certificate

7.4.1 The Seller shall endeavour to obtain the validation of the Export Airworthiness Certificate by the Buyer's Aviation Authority.

7.4.2 Where the Buyer's Aviation Authority requires a modification to comply with additional import aviation requirements and/or supply of additional data prior to the issuance of the Export Airworthiness Certificate the Seller shall incorporate such modification and/or provide such data at costs to be borne by the Buyer. The parties shall sign a Specification Change Notice which specifies the effects, if any, upon the guaranteed performances, weights, interchangeability, time of Delivery and price of the Aircraft.

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8. TECHNICAL ACCEPTANCE

8.1 Technical Acceptance Process

8.1.1 Prior to Delivery the Aircraft shall undergo a technical acceptance process, proposed by the Seller (the “**Technical Acceptance Process**”). Completion of the Technical Acceptance Process shall demonstrate the satisfactory functioning of the Aircraft and shall be deemed to demonstrate compliance with the Specification. Should it be established that the Aircraft does not comply with the Technical Acceptance Process requirements, the Seller shall without hindrance from the Buyer be entitled to carry out any necessary changes and, as soon as practicable thereafter, resubmit the Aircraft to such further Technical Acceptance Process as is necessary to demonstrate the elimination of the non-compliance.

8.1.2 The Technical Acceptance Process shall:

- (i) commence on a date notified by the Seller to the Buyer by no less than ***** notice;
- (ii) take place at the Delivery Location;
- (iii) be carried out by the personnel of the Seller; and
- (iv) include a technical acceptance flight which shall *****.

8.2 Buyer’s Attendance

8.2.1 The Buyer shall be entitled to attend the Technical Acceptance Process and notification of the start of such Technical Acceptance Process shall be done in accordance with Clause 9.1.2.

8.2.2 If the Buyer elects to attend the Technical Acceptance Process, the Buyer:

- (i) shall co-operate in complying with the reasonable requirements of the Seller with the intention of completing the Technical Acceptance Process within *****;

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(ii) may have a ***** of the Buyer's representatives (with no more than ***** such representatives having access to the cockpit at any one time) accompany the Seller's representatives on a technical acceptance flight and during such flight the Buyer's representatives shall comply with the instructions of the Seller's representatives.

8.2.3 If the Buyer does not attend or fails to co-operate in the Technical Acceptance Process, the Seller shall be entitled to complete the Technical Acceptance Process and the Buyer shall be deemed to have accepted the Technical Acceptance Process as satisfactory in all respects.

8.3 **Certificate of Acceptance**

Following completion of the Technical Acceptance Process, the Buyer shall sign and deliver to the Seller, in accordance with Clause 9.2.1, a certificate of acceptance in respect of the Aircraft in the form of Exhibit B (the "**Certificate of Acceptance**").

8.4 **Aircraft Utilisation**

The Seller shall, without payment or other liability, be entitled to use the Aircraft prior to Delivery as may be necessary to obtain the certificates required under Clause 7, and such use shall not prejudice the Buyer's obligation to accept Delivery of the Aircraft hereunder. However the Seller shall not be authorised to use the Aircraft during more than ***** for any other purpose without the specific agreement of the Buyer.

9. **DELIVERY**

9.1 **Delivery Schedule**

9.1.1 Subject to the terms and conditions set out in this Agreement, the Seller shall have the Aircraft Ready for Delivery at the Delivery Location within the following months (each a "**Scheduled Delivery Month**") or quarters (each a "**Scheduled Delivery Quarter**");

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| Aircraft Rank | CAC ID Reference | | Scheduled Delivery | |
|---------------|------------------|---------------|--------------------|-------|
| | | | Month/Quarter | Year |
| 1 | ***** | A320 Aircraft | ***** | ***** |
| 2 | ***** | A320 Aircraft | ***** | ***** |
| 3 | ***** | A320 Aircraft | ***** | ***** |
| 4 | ***** | A320 Aircraft | ***** | ***** |
| 5 | ***** | A320 Aircraft | ***** | ***** |

9.1.2 The Seller will give the Buyer written notice of the Scheduled Delivery Month of each Aircraft not already identified above at least ***** before the first day of the Scheduled Delivery Quarter of the respective Aircraft or upon execution of this Agreement for Aircraft to be delivered earlier than ***** before the first day of the Scheduled Delivery Quarter. The Seller shall give the Buyer at least ***** prior written notice of the anticipated date on which the Aircraft shall be Ready for Delivery. Thereafter the Seller shall notify the Buyer of any change in such date necessitated by the conditions of manufacture or flight.

9.2 **Delivery**

9.2.1 The Buyer shall, *****, sign the Certificate of Acceptance, pay the Balance of the Final Price and send its representatives to the Delivery Location to take Delivery of, and collect, the Aircraft.

9.2.2 The Seller shall deliver and transfer title to the Aircraft free and clear of all encumbrances to the Buyer provided that the Balance of the Final Price has been paid by the Buyer and that the Certificate of Acceptance has been signed and delivered to the Seller. The Seller shall provide the Buyer with a bill of sale in the form of Exhibit C (the “**Bill of Sale**”) and/or such other documentation confirming transfer of title and receipt of the Final Price as may reasonably be requested by the Buyer. Title to, property in and risk of loss of or damage to the Aircraft shall be transferred to the Buyer on Delivery.

9.2.3 Should the Buyer fail, within the period specified in Clause 9.2.1, to:

- (i) deliver the signed Certificate of Acceptance to the Seller; or

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(ii) pay the Balance of the Final Price for the Aircraft to the Seller and take Delivery of the Aircraft, then the Buyer shall be deemed to have rejected delivery of the Aircraft without warrant when duly tendered to it hereunder. Without prejudice to Clause 5.7 and the Seller's other rights under this Agreement or at law:

- (a) the Seller shall retain title to the Aircraft; and
- (b) the Buyer shall bear all risk of loss of or damage to the Aircraft and shall indemnify and hold the Seller harmless against any and all costs (including but not limited to any parking, storage, and insurance costs) and consequences resulting from such failure, it being understood that the Seller shall be under no duty towards the Buyer to store, park, insure, or otherwise protect the Aircraft.

9.2.4 Should the Buyer fail to collect the Aircraft as mentioned in Clause 9.2.1 above and without prejudice to the Seller's other rights under this Agreement or at law, the provisions of Clause 9.2.3(b) shall apply.

9.3 **Fly Away**

The Buyer and the Seller shall co-operate to obtain any licenses, which may be required by the Aviation Authority of the Delivery Location for the purpose of exporting the Aircraft. All expenses of, or connected with, flying the Aircraft from the Delivery Location after Delivery shall be borne by the Buyer. The Buyer shall make direct arrangements with the supplying companies for the fuel and oil required for all post-Delivery flights.

10. **EXCUSABLE DELAY**

10.1 The Buyer acknowledges that the Aircraft are to be manufactured by Seller in performance of this Agreement and that the Scheduled Delivery Months are based on the assumption that there shall be no delay due to causes beyond the control of the Seller. Accordingly, Seller shall not be responsible for any delay in the Delivery of the Aircraft or delay or interruption in the performance of the other obligations of the Seller hereunder due to causes beyond its control, and not occasioned by its fault or negligence including (but without limitation) *****.

- 10.2 If an Excusable Delay occurs:
- 10.2.1 the Seller shall notify the Buyer of such Excusable Delay as soon as practicable after becoming aware of the same;
 - 10.2.2 the Seller shall not be responsible for any damages arising from or in connection with such Excusable Delay suffered or incurred by the Buyer;
 - 10.2.3 the Seller shall not be deemed to be in default in the performance of its obligations hereunder as a result of such Excusable Delay; and
 - 10.2.4 the Seller shall as soon as practicable after the removal of the cause of the delay resume performance of its obligations under this Agreement and in particular shall notify to the Buyer the revised Scheduled Delivery Month.

10.3 **Termination on Excusable Delay**

- 10.3.1 If the Delivery of any Aircraft is delayed as a result of an Excusable Delay for a period of more than ***** after the last day of the Scheduled Delivery Month then either party may terminate this Agreement with respect to the Aircraft so affected by giving written notice to the other party ***** after the ***** provided that the Buyer shall not be entitled to terminate this Agreement pursuant to this Clause if the Excusable Delay results from a cause within its control.
- 10.3.2 If the Seller concludes that the Delivery of any Aircraft shall be delayed for more than ***** after the last day of the Scheduled Delivery Month due to an Excusable Delay and as a result thereof reschedules Delivery of such Aircraft to a date or month reflecting such delay then the Seller shall promptly notify the Buyer in writing to this effect and shall include in such notification the new Scheduled Delivery Month. Either party may thereupon terminate this Agreement with respect to such Aircraft by giving written notice to the other party_***** after receipt by the Buyer of the notice of anticipated delay.

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10.3.3 If this Agreement has not been terminated with respect to the delayed Aircraft during the ***** referred to in either Clause 10.3.1 or 10.3.2 above, then the Seller shall be entitled to reschedule Delivery and the new Scheduled Delivery Month shall be notified to the Buyer and shall be binding on the parties.

10.4 **Total Loss, Destruction or Damage**

If prior to Delivery, any Aircraft is lost, destroyed or in the reasonable opinion of the Seller is damaged beyond repair (“Total Loss”), the Seller shall notify the Buyer to this effect within ***** of such occurrence. The Seller shall include in said notification (or as soon after the issue of the notice as such information becomes available to the Seller) the earliest date consistent with the Seller’s other commitments and production capabilities that an aircraft to replace the Aircraft may be delivered to the Buyer and the Scheduled Delivery Month shall be extended as specified in the Seller’s notice to accommodate the delivery of the replacement aircraft; provided, however, that in the event the specified extension of the Scheduled Delivery Month to a month is exceeding ***** after the last day of the original Scheduled Delivery Month then this Agreement shall terminate with respect to said Aircraft unless:

10.4.1 If prior to Delivery, any Aircraft is lost, destroyed or in the reasonable opinion of the Seller is damaged beyond repair (“Total Loss”), the Seller shall notify the Buyer to this effect within ***** of such occurrence. The Seller shall include in said notification (or as soon after the issue of the notice as such information becomes available to the Seller) the earliest date consistent with the Seller’s other commitments and production capabilities that an aircraft to replace the Aircraft may be delivered to the Buyer and the Scheduled Delivery Month shall be extended as specified in the Seller’s notice to accommodate the delivery of the replacement aircraft; provided, however, that in the event the specified extension of the Scheduled Delivery Month to a month is exceeding ***** after the last day of the original Scheduled Delivery Month then this Agreement shall terminate with respect to said Aircraft unless

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10.4.2 the parties execute an amendment to this Agreement recording the variation in the Scheduled Delivery Month, provided, however, that nothing herein shall require the Seller to manufacture and deliver a replacement aircraft if such manufacture would require the reactivation of its production line for the model or series of aircraft which includes the Aircraft purchased hereunder.

10.5 Termination Rights Exclusive

In the event that this Agreement shall be terminated as provided for under the terms of Clauses 10.3 or 10.4, such termination shall discharge all obligations and liabilities of the parties hereunder with respect to such affected Aircraft and undelivered material, services, data or other items applicable thereto and to be furnished hereunder and neither party shall have any claim against the other for any loss resulting from such non-delivery. The Seller shall in no circumstances have any liability whatsoever for Excusable Delay other than as set forth in this Clause 10.

11. NON-EXCUSABLE DELAY

11.1 *****

11.2 Re-negotiation

If, as a result of Non-Excusable Delay, Delivery does not occur in the period falling ***** after the Delivery Period, the Buyer shall have the right exercisable by written notice to the Seller given not less than ***** to require from the Seller a re-negotiation of the Scheduled Delivery Month for the affected Aircraft. Unless otherwise agreed between the Seller and the Buyer during such renegotiation, the said re-negotiation shall not prejudice the Buyer's right to receive liquidated damages in accordance with Clause 11.1 during the period of Non-Excusable Delay.

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11.3 **Termination**

If, as a result of Non-Excusable Delay, Delivery does not occur in the period falling ***** and the parties have not renegotiated the Scheduled Delivery Month pursuant to Clause 11.2, either party shall have the right exercisable by written notice to the other party, given not less than ***** to terminate this Agreement in respect of the affected Aircraft and *****

11.4 **Limitation of Damages**

The Buyer and the Seller agree that payment by the Seller of the amounts due pursuant to Clause 11.1 shall be considered to be a liquidated damages provision and has been calculated to compensate the Buyer for its entire damages for all losses of any kind due to Non-Excusable Delay. The Seller shall not in any circumstances have any liability whatsoever for Non-Excusable Delay other than as set forth in this Clause 11.

12. **WARRANTIES AND SERVICE LIFE POLICY**

This Clause covers the terms and conditions of the warranty and service life policy.

12.1 **Standard Warranty**

12.1.1 Nature of Warranty

For the purpose of this Agreement the term “**Warranted Part**” shall mean any Seller proprietary component, equipment, accessory or part, which is installed on an Aircraft at Delivery thereof and which:

- (i) is manufactured to the detailed design of the Seller or a subcontractor of the Seller; and

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(ii) bears a part number of the Seller at the time of such Delivery.

Subject to the conditions and limitations as hereinafter provided for and except as provided for in Clause 12.1.2, the Seller warrants to the Buyer that each Aircraft and each Warranted Part shall at Delivery to the Buyer be free from defects:

- (a) in material;
- (b) in workmanship, including without limitation processes of manufacture;
- (c) in design (including without limitation the selection of materials) having regard to the state of the art at the date of such design; and
- (d) arising from failure to conform to the Specification, except to those portions of the Specification relating to performance or where it is expressly stated that they are estimates, approximations or design aims.

12.1.2 Exclusions

The warranties set forth in Clause 12.1.1 shall not apply to Buyer Furnished Equipment, nor to the Propulsion Systems, nor to any component, equipment, accessory or part installed on the Aircraft at Delivery that is not a Warranted Part except that:

- (i) any defect in the Seller's workmanship in respect of the installation of such items in the Aircraft, including any failure by the Seller to conform to the installation instructions of the manufacturers of such items, that invalidates any applicable warranty from such manufacturers, shall constitute a defect in workmanship for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1(b); and
- (ii) any defect inherent in the Seller's design of the installation, in consideration of the state of the art at the date of such design, which impairs the use of such items, shall constitute a defect in design for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1(c).

12.1.3 Warranty Period

The warranties set forth in Clauses 12.1.1 and 12.1.2 shall be limited to those defects that become apparent within ***** (the “Warranty Period”).

12.1.4 Buyer’s Remedy and Seller’s Obligation

- (i) The Buyer’s remedy and the Seller’s obligation and liability under Clauses 12.1.1 and 12.1.2 are limited to, at the Seller’s expense and option, the repair, replacement or correction of any Warranted Part which is defective (or to the supply of modification kits rectifying the defect), together with a credit to the Buyer’s account with the Seller of an amount equal to the mutually agreed direct labor costs expended in performing the removal and the reinstallation thereof on the Aircraft at the labor rate defined in Clause 12.1.8(v). The Seller may alternatively furnish to the Buyer’s account with the Seller a credit equal to the price at which the Buyer is entitled to purchase a replacement for the defective Warranted Part.
- (ii) in the event of a defect covered by Clauses 12.1.1(c), 12.1.1(d) and 12.1.2(ii) becoming apparent within the Warranty Period, the Seller shall also, if so requested by the Buyer in writing, correct such defect in any Aircraft which has not yet been delivered to the Buyer, provided, however,
- (iii) that the Seller shall not be responsible, nor deemed to be in default on account of any delay in Delivery of any Aircraft or otherwise in respect of the performance of this Agreement, due to the Seller’s undertaking to make such correction and provided further
- (iv) *****.

12.1.5 Cost of inspection

In addition to the remedies set forth in Clauses 12.1.4(i) and 12.1.4(ii), the Seller shall reimburse the direct labor costs incurred by the Buyer in performing inspections of the Aircraft to determine whether or not a defect exists in any Warranted Part within the Warranty Period subject to the following conditions:

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- (i) such inspections are recommended by a Seller Service Bulletin to be performed within the Warranty Period;
- (ii) *****
- (iii) the labor rate for the reimbursement shall be the labor rate defined in Clause 12.1.8(v); and
- (iv) *****.

12.1.6 Warranty Claim Requirements

The Buyer's remedy and the Seller's obligation and liability under this Clause 12.1, with respect to any warranty claim submitted by the Buyer (each a "**Warranty Claim**") are subject to the following conditions:

- (i) the defect having become apparent within the Warranty Period;
- (ii) the Buyer having filed a warranty claim within *****;
- (iii) *****
- (iv) the Seller having received a Warranty Claim complying with the provisions of Clause 12.1.8 below.

12.1.7 Warranty Administration

The warranties set forth in Clause 12.1 shall be administered as hereinafter provided for.

(i) Claim Determination

Determination as to whether any claimed defect in any Warranted Part is a valid Warranty Claim shall be made by the Seller and shall be based upon the claim details, reports from the Seller's Representatives, historical data logs, inspections, tests, findings during repair, defect analysis and other relevant documents.

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- (ii) Transportation Costs
The cost of transporting a Warranted Part claimed to be defective to the facilities designated by the Seller and for the return therefrom of a repaired or replaced Warranted Part shall be *****.
- (iii) Return of an Aircraft
If the Buyer and the Seller mutually agree, prior to such return, that it is necessary to return an Aircraft to the Seller for consideration of a Warranty Claim, the Seller ***** The Buyer shall make its reasonable efforts to minimize the duration of the corresponding flights.
- (iv) On Aircraft Work by the Seller
If the Seller determines that a defect subject to this Clause 12.1 justifies the dispatch by the Seller of a working team to repair or correct such defect through the embodiment of one or several Seller's Service Bulletins at the Buyer's facilities, or if the Seller accepts the return of an Aircraft to perform or have performed such repair or correction, then the *****. The condition which has to be fulfilled for on-Aircraft work by the Seller is that, in the opinion of the Seller, the work necessitates the technical expertise of the Seller as manufacturer of the Aircraft. If said condition is fulfilled and if the Seller is requested to perform the work, the Seller and the Buyer shall agree on a schedule and place for the work to be performed.
- (v) Warranty Claim Substantiation
Each Warranty Claim filed by the Buyer under this Clause 12.1 shall contain at least the following data;
 - (a) description of defect and action taken, if any,
 - (b) date of incident and/or removal date,

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- (c) description of Warranted Part claimed to be defective,
- (d) part number,
- (e) serial number (if applicable),
- (f) position on Aircraft,
- (g) total flying hours or calendar time, as applicable, at the date of defect appearance,
- (h) time since last shop visit at the date of defect appearance,
- (i) Manufacturer Serial Number of the Aircraft and/or its registration,
- (j) Aircraft total flying hours and/or number of landings at the date of defect appearance,
- (k) Warranty Claim number,
- (l) date of Warranty Claim,
- (m) Delivery Date of Aircraft or Warranted Part to the Buyer,

Warranty Claims are to be addressed as follows:

AIRBUS S.A.S.

CUSTOMER SERVICES DIRECTORATE

WARRANTY ADMINISTRATION

Rond Point Maurice Bellonte

B.P. 33

F 31707 BLAGNAC CEDEX

FRANCE

(vi) Replacements

Title to and risk of loss of any Aircraft, component, accessory, equipment or part returned by the Buyer to the Seller shall at all times remain with the Buyer, except that:

- (a) risk of loss (limited to cost of replacement and excluding in particular loss of use) shall be with the Seller for as long as such Aircraft, component, accessory, equipment or part shall be under the care, custody and control of the Seller and;
- (b) title to and risk of loss of a returned component, accessory, equipment or part shall pass to the Seller upon shipment by the Seller to the Buyer of any item furnished by the Seller to the Buyer as a replacement therefor.

Upon the Seller's shipment to the Buyer of any replacement component, accessory, equipment or part provided by the Seller pursuant to this Clause 12.1, title to and risk of loss of such replacement component, accessory, equipment or part shall pass to the Buyer.

(vii) Rejection

The Seller shall provide reasonable written substantiation in case of rejection of a Warranty Claim. In such event the Buyer shall refund to the Seller reasonable inspection and test charges incurred in connection therewith.

(viii) Inspection

The Seller shall have the right to inspect the affected Aircraft, documents and other records relating thereto in the event of any Warranty Claim under this Clause 12.1.

12.1.8 Inhouse Warranty

(i) Seller's Authorisation

The Seller hereby authorizes the Buyer to repair Warranted Parts (the “**Inhouse Warranty**”) subject to the terms of this Clause 12.1.8.

(ii) Conditions for Seller’s Authorisation

The Buyer shall be entitled to repair such Warranted Parts:

- (a) provided the Buyer notifies the Seller’s representative of its intention to perform Inhouse Warranty repairs before any such repairs are started where the estimated cost of such repair is in excess of *****. The Buyers notification shall include sufficient detail regarding the defect, estimated labor hours and material to allow the Seller to ascertain the reasonableness of the estimate. The Seller agrees to use all reasonable efforts to ensure a prompt response and shall not unreasonably withhold authorisation;
- (b) provided adequate facilities and qualified personnel are available to the Buyer;
- (c) provided repairs are performed in accordance with the Seller’s Technical Data or written instructions; and
- (d) only to the extent specified by the Seller, or, in the absence of such specification, to the extent reasonably necessary to correct the defect, in accordance with the standards set forth in Clause 12.1.11.

(iii) Seller’s Rights

The Seller shall have the right to require the return of any Warranted Part, or any part removed therefrom, which is claimed to be defective if, in the judgment of the Seller, the nature of the claimed defect requires technical investigation. Such return shall be subject to the provisions of Clause 12.1.7(ii). Furthermore, the Seller shall have the right to have a Seller representative present during the disassembly, inspection and testing of any Warranted Part claimed to be defective, subject to such presence being practical and not unduly delaying the repair.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(iv) Inhouse Warranty Claim Substantiation

Claims for Inhouse Warranty credit shall be filed within the time period set forth in Clause 12.1.6(ii) and shall contain the same information as that required for Warranty Claims under Clause 12.1.7(v) and in addition shall include:

- (a) a report of technical findings with respect to the defect;
- (b) for parts required to remedy the defect:
 - part numbers,
 - serial numbers (if applicable),
 - parts description,
 - quantity of parts,
 - unit price of parts,
 - related Seller's or third party's invoices (if applicable),
 - total price of parts,
- (c) detailed number of labor hours;
- (d) Inhouse Warranty Labor Rate; and
- (e) Total claim value.

(v) *****

The Buyer's sole remedy and the Seller's sole obligation and liability with respect to Inhouse Warranty Claims shall be ***** , determined as set forth below:

- (a) *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(b) ***** The Inhouse Warranty Labor Rate shall be *****. For the purposes of this Clause 12.1.8(v) only,

*****.

(c) *****

(vi) Limitation

The Buyer shall in no event be credited for repair costs (including labor and material) for any Warranted Part in excess of ***** of the Seller's current catalogue price for a replacement of such defective Warranted Part.

(vii) Scrapped Material

The Buyer shall retain any defective Warranted Part beyond economic repair and any defective part removed from a Warranted Part during repair for a period of either ***** after the date of completion of the repair or ***** after submission of a claim for Inhouse Warranty credit relating thereto, whichever is longer. Such parts shall be returned to the Seller within ***** of receipt of the Seller's request to that effect. Notwithstanding the foregoing, the Buyer may scrap any such defective parts, which are beyond economic repair and not required for technical evaluation locally, with the agreement of the Seller representative(s). Scrapped Warranted Parts shall be evidenced by a record of scrapped material certified by an authorized representative of the Buyer and shall be kept in the Buyer's file for a least the duration of the applicable Warranty Period.

12.1.9 Standard Warranty in case of Pooling or Leasing Arrangements

Without prejudice to Clause 17.1, the warranties provided for in this Clause 12.1 for any Warranted Part shall accrue to the benefit of any airline in revenue service, other than the Buyer, if the Warranted Part enters into the possession of any such airline as a result of a pooling or leasing agreement between such airline and the Buyer, in accordance with the terms and subject to the limitations and exclusions of the foregoing warranties and to the extent permitted by any applicable law or regulations.

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12.1.10 Warranty for Corrected, Replaced or Repaired Warranted Parts

Whenever any Warranted Part, which contains a defect for which the Seller is liable under Clause 12.1, has been corrected, replaced or repaired pursuant to the terms of this Clause 12.1, the period of the Seller's warranty with respect to such corrected, repaired or replacement Warranted Part, whichever the case may be, *****. If a defect is attributable to a defective repair or replacement by the Buyer, a Warranty Claim with respect to such defect shall be rejected, notwithstanding any subsequent correction or repair, and shall immediately terminate the remaining warranties under this Clause 12.1 in respect of the affected Warranted Part.

12.1.11 Accepted Industry Standard Practices Normal Wear and Tear

The Buyer's rights under this Clause 12.1 are subject to the Aircraft and each component, equipment, accessory and part thereof being maintained, overhauled, repaired and operated in accordance with accepted industry standard practices, all Technical Data and any other instructions issued by the Seller, the Suppliers and the Propulsion Systems Manufacturer and all applicable rules, regulations and directives of the relevant Aviation Authorities. The Seller's liability under this Clause 12.1 shall not extend to normal wear and tear nor to:

- (i) any Aircraft or component, equipment, accessory or part thereof, which has been repaired, altered or modified after Delivery, except by the Seller or in a manner approved by the Seller;
- (ii) any Aircraft or component, equipment, accessory or part thereof, which has been operated in a damaged state; and
- (iii) any component, equipment, accessory and part from which the trademark, name, part or serial number or other identification marks have been removed.

12.1.12 Limitation of liability

THE SELLER SHALL NOT BE LIABLE FOR, AND THE BUYER SHALL INDEMNIFY THE SELLER AGAINST, ANY CLAIMS FROM ANY THIRD PARTIES FOR LOSSES DUE TO ANY DEFECT OR NON-CONFORMITY OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH ANY REPAIR

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OF ANY WARRANTED PART UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12.1 OR ANY OTHER ACTIONS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12, WHETHER SUCH CLAIM IS ASSERTED IN CONTRACT OR IN TORT, OR IS PREMISED ON ALLEGED, ACTUAL, IMPUTED, ORDINARY OR INTENTIONAL ACTS OR OMISSIONS OF THE BUYER.

12.2 **Seller Service Life Policy**

12.2.1 In addition to the warranties set forth in Clause 12.1, the Seller further agrees that should a Failure occur in any Item (as these terms are defined herebelow) that has not suffered from an extrinsic force, then, subject to the general conditions and limitations set forth in Clause 12.2.4, the provisions of this Clause 12.2 shall apply. For the purposes of this Clause 12.2:

- (i) **“Item”** means any item listed in the Seller’s then current standard service life policy; and
- (ii) **“Failure”** means a breakage or defect that can reasonably be expected to occur on a fleetwide basis and which materially impairs the utility of the Item.

12.2.2 **Periods and Seller’s Undertakings**

The Seller agrees that if a Failure occurs in an Item before the Aircraft in which such Item was originally installed has completed thirty six thousand (36,000) flying hours or twelve thousand (12,000) flight cycles or within twelve (12) years after the Delivery of said Aircraft, whichever shall first occur, the Seller shall, at its discretion and as promptly as practicable and with the Seller’s financial participation as hereinafter provided, either:

- (i) design and furnish to the Buyer a correction for such Item with a Failure and provide any parts required for such correction (including Seller designed standard parts but excluding industry standard parts), or
- (ii) replace such Item.

12.2.3 **Seller’s Participation in the Costs**

12.2.4

Subject to the general conditions and limitations set forth in Clause 12.2.4, any part or Item that the Seller is required to furnish to the Buyer under this Service Life Policy in connection with the correction or replacement of an Item shall be furnished to the Buyer ***** therefore, ***** determined in accordance with the following formula:

(i) *****

(ii) *****

(iii) *****

12.2.5

General Conditions and Limitations

- (i) The undertakings set forth in this Clause 12.2 shall be valid after the period of the Seller's warranty applicable to an Item under Clause 12.1.
- (ii) The Buyer's remedies and the Seller's obligations and liabilities under this Service Life Policy are subject to the prior compliance by the Buyer with the following conditions:
 - (a) the Buyer shall maintain log books and other historical records with respect to each Item, adequate to enable the Seller to determine whether the alleged Failure is covered by this Service Life Policy and, if so, to define the portion of the costs to be borne by the Seller in accordance with Clause 12.2.3;
 - (b) the Buyer shall keep the Seller informed of any significant incidents relating to an Aircraft, howsoever occurring or recorded;
 - (c) the Buyer shall comply with the conditions of Clause 12.1.11;

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (d) the Buyer shall implement specific structural inspection programs for monitoring purposes as may be established from time to time by the Seller. Such programs shall be as compatible as possible with the Buyer's operational requirements and shall be carried out at the Buyer's expense. Reports relating thereto shall be regularly furnished to the Seller; and
 - (e) the Buyer shall report any breakage or defect in a Item in writing to the Seller within ***** after such breakage or defect becomes apparent, whether or not said breakage or defect can reasonably be expected to occur in any other aircraft, and the Buyer shall have provided to the Seller sufficient detail on the breakage or defect to enable the Seller to determine whether said breakage or defect is subject to this Service Life Policy.
- (iii) Except as otherwise provided for in this Clause 12.2, any claim under this Service Life Policy shall be administered as provided for in, and shall be subject to the terms and conditions of, Clause 12.1.7.
- (iv) In the event of the Seller having issued a modification applicable to an Aircraft, the purpose of which is to avoid a Failure, the Seller may elect to supply the necessary modification kit *****. If such a kit is so offered to the Buyer, then, to the extent of such Failure and any Failures that could ensue therefrom, the validity of the Seller's commitment under this Clause 12.2 shall be subject to the Buyer incorporating such modification in the relevant Aircraft, as promulgated by the Seller and in accordance with the Seller's instructions, within a reasonable time.
- (v) This Service Life Policy is neither a warranty, performance guarantee, nor an agreement to modify any Aircraft or Airframe components to conform to new developments occurring in the state of airframe design and manufacturing art. The Seller's obligation hereunder is to furnish only those corrections to the Items or provide replacements therefor as provided for in this Clause 12.2. The Buyer's sole remedy and relief for the non-performance of any obligation or liability of the Seller arising under or by

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

virtue of this Service Life Policy shall be *****, limited to the amount the Buyer reasonably expends in procuring a correction or replacement for any Item that is the subject of a Failure covered by this Service Life Policy and to which such non-performance is related. The Buyer hereby waives, releases and renounces all claims to any further damages, direct, incidental or consequential, including loss of profits and all other rights, claims and remedies, arising under or by virtue of this Service Life Policy.

12.3 **Supplier Warranties and Service Life Policies**

Prior to/at Delivery of the first Aircraft, the Seller shall provide the Buyer with the warranties and, where applicable, service life policies that the Seller has obtained for Supplier Parts pursuant to the supplier product support agreements to be entered into between the Buyer and the Seller prior to Delivery.

12.3.1 Definitions

“Supplier” means any supplier of Supplier Parts.

“Supplier Part” means any component, equipment, accessory or part installed in an Aircraft at the time of Delivery thereof and for which there exists a Supplier Product Support Agreement. For the sake of clarity, Propulsion Systems and Buyer Furnished Equipment and other equipment selected by the Buyer to be supplied by suppliers with whom the Seller has no existing enforceable warranty agreements are not Supplier Parts.

“Supplier Product Support Agreements” means agreements between the Seller and Suppliers to be negotiated in good faith between the Buyer and the Seller containing enforceable and transferable warranties and, in the case of landing gear suppliers, service life policies for selected structural landing gear elements.

12.3.2 Supplier’s Default

- (i) In the event of any Supplier, under any standard warranty obtained by the Seller pursuant to Clause 12.3.1, ***** the Buyer submitting in reasonable time to the Seller reasonable proof that such default has occurred, then Clause 12.1 shall apply to the extent the same would have been applicable had such Supplier Part been a Warranted Part, except that the Supplier’s warranty period as indicated in the Supplier Product Support Agreement shall apply.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (ii) In the event of any Supplier, under any Supplier Service Life Policy obtained by the Seller pursuant to Clause 12.3.1, ***** and the Buyer submitting in reasonable time to the Seller reasonable proof that such default has occurred, then Clause 12.2 shall apply to the extent the same would have been applicable had such Supplier Item been listed in Exhibit F, Seller Service Life Policy, except that the Supplier's Service Life Policy period as indicated in the Supplier Product Support Agreement shall apply.
- (iii) At the Seller's request, the Buyer shall assign to the Seller, and the Seller shall be subrogated to, all of the Buyer's rights against the relevant Supplier with respect to and arising by reason of such default and shall provide reasonable assistance to enable the Seller to enforce the rights so assigned.

12.4 **Interface Commitment**

12.4.1 Interface Problem

If the Buyer experiences any technical problem in the operation of an Aircraft or its systems due to a malfunction, the cause of which, after due and reasonable investigation, is not readily identifiable by the Buyer but which the Buyer reasonably believes to be attributable to the design characteristics of one or more components of the Aircraft (the "**Interface Problem**"), the Seller shall, if so requested by the Buyer, and without additional charge to the Buyer except for transportation of the Seller's personnel to the Buyer's facilities, promptly conduct or have conducted an investigation and analysis of such problem to determine, if possible, the cause or causes of the problem and to recommend such corrective action as may be feasible. The Buyer shall furnish to the Seller all data and information in the Buyer's possession relevant to the Interface Problem and shall cooperate with the Seller in the conduct of the Seller's investigations and such tests as may be required. At the conclusion of such investigation, the Seller shall promptly advise the Buyer in writing of the Seller's opinion as to the cause or causes of the Interface Problem and the Seller's recommendations as to corrective action.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

12.4.2 Seller's Responsibility

if the Seller determines that the Interface Problem is primarily attributable to the design of a Warranted Part, the Seller shall, if so requested by the Buyer and pursuant to the terms and conditions of Clause 12.1, correct the design of such Warranted Part to the extent of the Seller's obligation as defined in Clause 12.1.

12.4.3 Supplier's Responsibility

If the Seller determines that the interface Problem is primarily attributable to the design of any Supplier Part, the Seller shall, if so requested by the Buyer, reasonably assist the Buyer in processing any warranty claim the Buyer may have against the Supplier.

12.4.4 Joint Responsibility

If the Seller determines that the Interface Problem is attributable partially to the design of a Warranted Part and partially to the design of any Supplier Part, the Seller shall, if so requested by the Buyer, seek a solution to the Interface Problem through cooperative efforts of the Seller and any Supplier involved. The Seller shall promptly advise the Buyer of such corrective action as may be proposed by the Seller and any such Supplier. Such proposal shall be consistent with any then existing obligations of the Seller hereunder and of any such Supplier towards the Buyer. Such corrective action, when accepted by the Buyer, shall constitute full satisfaction of any claim the Buyer may have against either the Seller or any such Supplier with respect to such interface Problem.

12.4.5 General

- (i) All requests under this Clause 12.4 shall be directed to both the Seller and the Supplier.
- (ii) Except as specifically set forth in this Clause 12.4, this Clause shall not be deemed to impose on the Seller any obligations not expressly set forth elsewhere in this Clause 12.
- (iii) All reports, recommendations, data and other documents furnished by the Seller to the Buyer pursuant to this Clause 12.4 shall be deemed to be delivered under this Agreement and shall be subject to the terms, covenants and conditions set forth in this Clause 12.

THE WARRANTIES, OBLIGATIONS AND REMEDIES OF THE SELLER (AS DEFINED BELOW FOR THE PURPOSES OF THIS CLAUSE) AND REMEDIES OF THE BUYER SET FORTH IN THIS CLAUSE 12 ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER AND RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, EXPRESS OR IMPLIED, ARISING BY LAW, CONTRACT OR OTHERWISE, WITH RESPECT TO ANY NON CONFORMITY OR DEFECT OF ANY KIND, IN ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA OR SERVICES DELIVERED UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO:

- A. ANY WARRANTY AGAINST HIDDEN DEFECTS;
- B. ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS;
- C. ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OR TRADE;
- D. ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY, WHETHER IN CONTRACT OR IN TORT, WHETHER OR NOT ARISING FROM THE SELLER'S NEGLIGENCE, ACTUAL OR IMPUTED; AND
- E. ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY FOR LOSS OF OR DAMAGE TO ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA, OR SERVICES DELIVERED UNDER THIS AGREEMENT, FOR LOSS OF USE, REVENUE OR PROFIT, OR FOR ANY OTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES,

PROVIDED THAT IN THE EVENT THAT ANY OF THE AFORESAID PROVISIONS SHOULD FOR ANY REASON BE HELD UNLAWFUL OR OTHERWISE INEFFECTIVE THE REMAINDER OF THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT. FOR THE PURPOSES OF THIS CLAUSE 12.5, THE "SELLER" SHALL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS AND SUBCONTRACTORS, ITS AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

12.6 **Duplicate Remedies**

The Seller shall not be obliged to provide any remedy that duplicates any other remedy available to the Buyer in respect of the same defect under Clauses 12.1 and 12.2 as such Clauses may be amended, complemented or supplemented by other contractual agreements or by other Clauses of this Agreement.

12.7 **Negotiated Agreement**

The Buyer specifically recognizes that:

12.7.1 the Specification has been agreed upon after careful consideration by the Buyer using its judgment as a professional operator of aircraft used in public transportation and as such is a professional within the same industry as the Seller;

12.7.2 this Agreement, and in particular this Clause 12, has been the subject of discussion and negotiation and is fully understood by the Buyer; and

12.7.3 the price of the Aircraft and the other mutual agreements of the Buyer set forth in this Agreement were arrived at in consideration of, inter alia, the provisions of this Clause 12, specifically including the waiver, release and renunciation by the Buyer set forth in Clause 12.5.

12.8 **Disclosure to Third Party Entity**

In the event of the Buyer intending to designate a third party entity (a “**Third Party Entity**”) to administrate this Clause 12, the Buyer shall notify the Seller of such intention prior to any disclosure of this Clause to the selected Third Party Entity and shall cause such Third Party Entity to enter into a confidentiality agreement and or any other relevant documentation with the Seller solely for the purpose of administrating this Clause 12.

12.9 **Transferability**

Without prejudice to Clause 17.1, the Buyer’s rights under this Clause 12 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller’s prior written consent, which shall not be unreasonably withheld. Any transfer in violation of this Clause 12.9 shall, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 12 and any and all other warranties that might arise under or be implied in law.

13. PATENT AND COPYRIGHT INDEMNITY

13.1 Indemnity

13.1.1 Subject to the provisions of Clause 13.2.3, the Seller shall indemnify the Buyer from and against any damages, costs or expenses including legal costs (excluding damages, costs, expenses, loss of profits and other liabilities in respect of or resulting from loss of use of the Aircraft) resulting from any infringement or claim of infringement by the Airframe (or any part or software installed therein at Delivery) of:

- (i) any British, French, German, Spanish or U.S. patent; and
- (ii) any patent issued under the laws of any other country in which the Buyer may lawfully operate the Aircraft, provided that:
 - (a) from the time of design of such Airframe, accessory, equipment or part and until infringement claims are resolved, such country and the flag country of the Aircraft are each a party to the Chicago Convention on International Civil Aviation of December 7, 1944, and are each fully entitled to all benefits of Article 27 thereof; or, in the alternative;
 - (b) from such time of design and until infringement claims are resolved, such country and the flag country of the Aircraft are each a party to the International Convention for the Protection of Industrial Property of March 20, 1883 (the "Paris Convention"); and
- (iii) in respect of computer software installed on the Aircraft, any copyright, provided that the Seller's obligation to indemnify shall be limited to infringements in countries which, at the time of infringement, are members of The Berne Union and recognise computer software as a "work" under the Berne Convention.

13.1.2 Clause 13.1.1 shall not apply to:

- (i) Buyer Furnished Equipment or Propulsion Systems; or
- (ii) parts not supplied pursuant to a Supplier Product Support Agreement; or
- (iii) software not created by the Seller.

13.1.3 In the event that the Buyer is prevented from using the Aircraft (whether by a valid judgement of a court of competent jurisdiction or by a settlement arrived at between claimant, Seller and Buyer), the Seller shall at its expense either:

- (i) procure for the Buyer the right to use the same free of charge to the Buyer; or
- (ii) replace the infringing part of the Aircraft as soon as possible with a non-infringing substitute complying in all other respects with the requirements of this Agreement.

13.2 **Administration of Patent and Copyright Indemnity Claims**

13.2.1 If the Buyer receives a written claim or a suit is threatened or commenced against the Buyer for infringement of a patent or copyright referred to in Clause 13.1, the Buyer shall:

- (i) forthwith notify the Seller giving particulars thereof;
- (ii) furnish to the Seller all data, papers and records within the Buyer's control or possession relating to such patent or claim;
- (iii) refrain from admitting any liability or making any payment or assuming any expenses, damages, costs or royalties or otherwise acting in a manner prejudicial to the defense or denial of such suit or claim provided always that nothing in this sub-clause (iii) shall prevent the Buyer from paying such sums as may be required in order to obtain the release of the Aircraft, provided such payment is accompanied by a denial of liability and is made without prejudice;
- (iv) fully co-operate with, and render all such assistance to, the Seller as may be pertinent to the defense or denial of the suit or claim; and
- (v) act in such a way as to mitigate damages and/or to reduce the amount of royalties which may be payable as well as to minimise costs and expenses.

13.2.2 The Seller shall be entitled either in its own name or on behalf of the Buyer to conduct negotiations with the party or parties alleging infringement and may assume and conduct the defense or settlement of any suit or claim in the manner which, in the Seller's opinion, it deems proper.

- 13.2.3 The Seller's liability hereunder shall be conditional upon the strict and timely compliance by the Buyer with the terms of this Clause and is in lieu of any other liability to the Buyer express or implied which the Seller might incur at law as a result of any infringement or claim of infringement of any patent or copyright.

14. BUYER FURNISHED EQUIPMENT

14.1 Administration

- 14.1.1 Without additional charge, the Seller shall provide for the installation of those items of equipment which are identified in the Specification as being furnished by the Buyer ("**Buyer Furnished Equipment**" or "**BFE**"), provided that they are referred to in the Airbus BFE Product Catalogue valid at the time the BFE is selected.
- 14.1.2 The Seller shall advise the Buyer of the dates by which, in the planned release of engineering for the Aircraft, the Seller requires a written detailed engineering definition (the "**BFE Engineering Definition**") including the description of the dimensions and weight of BFE, the information related to its certification and information necessary for the installation and operation thereof. The Buyer shall furnish such detailed description and information by the dates so specified. Such information, dimensions and weights shall not thereafter be revised unless authorised by a Specification Change Notice.
- 14.1.3 The Seller shall also furnish in due time to the Buyer a schedule of dates and indication of shipping addresses for delivery of BFE and, where requested by the Seller, additional spare BFE to permit installation in the Aircraft and delivery of the Aircraft in accordance with the delivery schedule. The Buyer shall provide or cause to be provided such equipment by such dates in a serviceable condition, in order to allow performance of any assembly, test, or acceptance process in accordance with the industrial schedule.
- 14.1.4 The Buyer shall also provide, when requested by the Seller, at AIRBUS OPERATIONS S.A.S. works in TOULOUSE (FRANCE) and/or at AIRBUS OPERATIONS GMBH, Division Hamburger Flugzeugbau, works in HAMBURG (FEDERAL REPUBLIC OF GERMANY) adequate field service including support from BFE suppliers to act in a technical advisory capacity to the Seller in the installation, calibration and possible repair of any BFE.

14.1.5 The Seller shall be entitled to refuse any item of BFE which it considers incompatible with the Specification, the above mentioned engineering definition or the certification requirements.

14.1.6 The BFE shall be imported into FRANCE or into the FEDERAL REPUBLIC OF GERMANY by the Buyer under a suspensive customs system ("*Régime de l'entrepôt industriel pour fabrication coordonnée*", or "*Zollverschluss*") without application of any French or German tax or customs duty, and shall be Delivered Duty Unpaid (DDU) according to the Incoterms definition.

Shipping Addresses:

AIRBUS OPERATIONS S.A.S.
Route de Bayonne
31300 TOULOUSE FRANCE

or

AIRBUS OPERATIONS GMBH
Division Hamburger Flugzeugbau
Kreetslag 10
21129 HAMBURG
FEDERAL REPUBLIC OF GERMANY

as specified by the Seller.

14.2 **Aviation Authorities' Requirements**

The Buyer is responsible for, at its expense, and warrants that BFE shall: (i) be manufactured by a qualified supplier; (ii) meet the requirements of the Specification; (iii) comply with the BFE Engineering Definition; (iv) comply with applicable requirements incorporated by reference to the Type Certificate and listed in the Type Certificate Data Sheet; (v) be approved by the Aviation Authorities delivering the Export Certificate of Airworthiness and by the Buyers Aviation Authority for installation and use on the Aircraft at the time of Delivery of such Aircraft; and (vi) not be subject to any legal obligation or other encumbrance that may prevent, hinder or delay the installation of the BFE in the Aircraft and/or Delivery of the Aircraft.

14.3 **Buyer's Obligation and Seller's Remedies**

14.3.1 Any delay or failure in complying with the foregoing warranty or in providing the descriptive information or service representatives mentioned in Clause 14.1 or in furnishing the BFE in serviceable condition at the requested delivery date or in obtaining any required approval for such equipment under the above mentioned Aviation Authorities regulations may delay the performance of any act to be performed by the Seller, and cause the Final Price of the Aircraft to be adjusted in accordance with the updated delivery schedule and to include in particular the amount of the Seller's additional costs, attributable to such delay or failure such as storage, taxes, insurance and costs of out-of sequence installation.

14.3.2 Further, in any such event, the Seller may:

- (i) select, purchase and install an equipment similar to the involved one, in which event the Final Price of the affected Aircraft shall also be increased by the purchase price of such equipment plus reasonable costs and expenses incurred by the Seller for handling charges, transportation, insurance, packaging and if so required and not already provided for in the price of the Aircraft for adjustment and calibration; or
- (ii) if the BFE shall be so delayed by more than *****, or unapproved within ***** of the dates specified in Clause 14.1.2, deliver the Aircraft without the installation of such BFE, notwithstanding the applicable terms of Clause 7 insofar as it may otherwise have applied, and the Seller shall thereupon be relieved of all obligations to install such equipment. The Buyer may also elect to have the Aircraft so delivered.

14.4 **Title and Risk of Loss**

Title to and risk of loss of any BFE shall at all times remain with the Buyer except that risk of loss (limited to cost of replacement of said BFE and excluding in particular loss of use) shall be with the Seller for as long as such BFE shall be under the care, custody and control of the Seller.

14.5 **Disposition of BFE Following Termination**

14.5.1 *****.

****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 14.5.2 The Buyer shall cooperate with the Seller in facilitating the sale of BFE pursuant to Clause 14.5.1 and shall be responsible for all costs incurred by the Seller in removing and facilitating the sale of such BFE. The Buyer shall reimburse the Seller for all such costs within ***** of receiving documentation of such costs from the Seller.
- 14.5.3 The Seller shall notify the Buyer as to those items of BFE not sold by the Seller pursuant to paragraph 14.5.1 above and, at the Seller's request, the Buyer shall undertake to remove such items from the Seller's facility within ***** of the date of such notice. The Buyer shall have no claim against the Seller for damage, loss or destruction of any item of BFE removed from the Aircraft and not removed from Sellers facility within such period.
- 14.5.4 The Buyer shall have no claim against the Seller for damage to or destruction of any item of BFE damaged or destroyed in the process of being removed from the Aircraft, provided that the Seller shall use reasonable care in such removal.
- 14.5.5 The Buyer shall grant title (or, as the case may be, procure that title is granted to) the Seller to any BFE items that cannot be removed from the Aircraft without causing damage to the Aircraft or rendering any system in the Aircraft unusable.

15. INDEMNIFICATION

- 15.1 The Seller shall, except in case of gross negligence or wilful misconduct of the Buyer, its directors, officers, agents or employees, be solely liable for and shall indemnify and hold harmless the Buyer, its Affiliates and each of their respective directors, officers, agents, employees and insurers from and against all liabilities, claims, damages, costs and expenses (including legal expenses and attorney fees) in respect of:
 - 15.1.1 loss of, or damage to, the Seller's property;
 - 15.1.2 injury to, or death of, the directors, officers, agents or employees of the Seller;
 - 15.1.3 any damage caused by the Seller to third parties arising out of, or in any way connected with, any ground check, check or controls connected with the Technical Acceptance Process; and
 - 15.1.4 any damage caused by the Buyer and/or the Seller to third parties arising out of, or in any way connected with, technical acceptance flights under Clause 8 of this Agreement.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

15.2 The Buyer shall, except in case of gross negligence or wilful misconduct of the Seller, its directors, officers, agents or employees, be solely liable for and shall indemnify and hold harmless the Seller, its Affiliates and each of their respective directors, officers, agents, employees, sub-contractors and insurers from and against all liabilities, claims, damages, costs and expenses (including legal expenses and attorney fees) in respect of:

15.2.1 loss of, or damage to, the Buyer's property;

15.2.2 injury to, or death of, the directors, officers, agents or employees of the Buyer; and

15.2.3 any damage caused by the Buyer to third parties arising out of, or in any way connected with the Technical Acceptance Process.

16. REMEDIES

16.1 Insolvency

In the event that either the Seller or the Buyer:

16.1 makes a general assignment for the benefit of creditors or becomes insolvent;

16.2 files a voluntary petition in bankruptcy;

16.3 petitions for or acquiesces in the appointment of any receiver, trustee or similar officer to liquidate or conserve its business or any substantial part of its assets;

16.4 commences under the laws of any competent jurisdiction any proceeding involving its insolvency, bankruptcy, readjustment of debt, liquidation or any other similar proceeding for the relief of financially distressed debtors;

16.5 becomes the object of any proceeding or action of the type described in (c) or (d) above and such proceeding or action remains undismissed or unstayed for a period of at least *****; or

16.6 is divested of a substantial part of its assets for a period of at least *****, then the other party may, to the full extent permitted by law, by written notice, terminate all or part of its obligations under this Agreement.

16.2 *****

If for any Aircraft the Buyer fails to *****.

16.3 *****

If the Buyer fails to *****.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

16.4 **Default under Other Agreements**

If Buyer *****.

16.5 **Change of Control**

If after the date of this Agreement the ultimate beneficial ownership of a majority of the shares in the Buyer or in the ultimate control of the Buyer occurs without the prior approval of the Seller, the Seller may, by written notice, terminate all or part of its obligations under this Agreement with respect to undelivered Aircraft.

16.6 **General**

16.6.1 To the fullest extent permitted by law, ***** upon receipt by the relevant party of the notice sent by the other party without it being necessary for either party to take any further action or to seek any consent from the other party or any court having jurisdiction.

16.6.2 The right for either party ***** shall be without prejudice to any other rights and remedies available to such party to enforce its rights under this Agreement before any court having jurisdiction pursuant to any failure by the other party to perform its obligations under this Agreement.

16.6.3 If the party taking the initiative of ***** , the notice sent to the other party shall *****.

16.6.4 In the event ***** , without prejudice to any other rights and remedies available under this Agreement or by law, *****.

17. **ASSIGNMENTS AND TRANSFERS**

17.1 **Assignments by Buyer**

Except as hereinafter provided, the Buyer may not sell, assign, novate or transfer its rights and obligations under this Agreement to any person without the prior written consent of the Seller.

17.1.1 Assignments for Predelivery Financing

The Buyer shall be entitled to assign its rights under this Agreement at any time in order to provide security for the financing of any Predelivery Payments subject to such assignment being in form and substance acceptable to the Seller.

17.1.2 Assignments for Delivery Financing

The Buyer shall be entitled to assign its rights under this Agreement at any time in connection with the financing of its obligation to pay the Final Price subject to such assignment being in form and substance acceptable to the Seller.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

17.2 **Assignments by Seller**

The Seller may at any time sell, assign, novate or transfer its rights and obligations under this Agreement to any person, provided such sale, assignment or transfer be notified to Buyer and shall not have a material adverse effect on any of Buyer's rights and obligations under this Agreement.

17.3 **Transfer of Rights and Obligations upon Restructuring**

In the event that the Seller is subject to a corporate restructuring having as its object the transfer of, or succession by operation of law in, all or a substantial part of its assets and liabilities, rights and obligations, including those existing under this Agreement, to a person (the "**Successor**") under the control of the ultimate controlling shareholders of the Seller at the time of that restructuring, for the purpose of the Successor carrying on the business carried on by the Seller at the time of the restructuring, such restructuring shall be completed without consent of the Buyer following notification by the Seller to the Buyer in writing. The Buyer recognises that succession of the Successor to the Agreement by operation of law, which is valid under the law pursuant to which that succession occurs, shall be binding upon the Buyer.

18. MISCELLANEOUS PROVISIONS

18.1 **Data Retrieval**

On the Seller's reasonable request, the Buyer shall provide the Seller with all the necessary data, as customarily compiled by the Buyer and pertaining to the operation of the Aircraft, to assist the Seller in making an efficient and coordinated survey of all reliability, maintenance, operational and cost data with a view to monitoring the efficient and cost effective operations of the Airbus fleet worldwide.

18.2 **Notices**

All notices and requests required or authorized hereunder shall be given in writing either by personal delivery to an authorized representative of the party to whom the same is given or by registered mail (return receipt requested), express mail (tracking receipt requested) or by facsimile, to be confirmed by subsequent registered mail, and the date upon which any such notice or request is so personally delivered or if such notice or request is given by registered mail, the date upon which it is received by the addressee or, if given by facsimile, the date upon which it is sent with a correct confirmation printout, provided that if such date of receipt is not a Business Day notice shall be deemed to have been received on the first following Business Day, shall be deemed to be the effective date of such notice or request.

Seller's address for notices is:

AIRBUS S.A.S.

Attn. To V. P. Contracts
1, rond-point Maurice Bellonte
31707 BLAGNAC CEDEX
FRANCE

Buyer's address for notices is:

[]

Attn: []

[]

Attention: []

Fax: []

or such other address or such other person as the party receiving the notice or request may reasonably designate from time to time.

18.3

Waiver

The failure of either party to enforce at any time any of the provisions of this Agreement, or to exercise any right herein provided, or to require at any time performance by the other party of any of the provisions hereof, shall in no way be construed to be a present or future waiver of such provisions nor in any way to affect the validity of this Agreement or any part thereof or the right of the other party thereafter to enforce each and every such provision. The express waiver (whether made one (1) or several times) by either party of any provision, condition or requirement of this Agreement shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

18.4 Law and Jurisdiction

18.4.1 This Agreement shall be governed by and construed in accordance with the laws of England.

18.4.2 Any dispute arising out of or in connection with this Agreement shall be within the exclusive jurisdiction of the Courts of England.

18.4.3 The parties do not intend that any term of this Agreement shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement.

18.5 International Supply Contract

The Buyer and the Seller recognise that this Agreement is an international supply contract which has been the subject of discussion and negotiation, that all its terms and conditions are fully understood by the parties, and that the Specification and price of the Aircraft and the other mutual agreements of the parties set forth herein were arrived at in consideration of, inter alia, all the provisions hereof specifically including all waivers, releases and renunciations by the Buyer set out herein. The Buyer and the Seller hereby also agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this transaction.

18.6 Severability

In the event that any provision of this Agreement should for any reason be held ineffective, the remainder of this Agreement shall remain in full force and effect. To the extent permitted by applicable law, each party hereto hereby waives any provision of law, which renders any provision of this Agreement prohibited or unenforceable in any respect.

18.7 Alterations to Contract

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any previous understandings, commitments or representations whatsoever oral or written in respect thereto. This Agreement shall not be varied except by an instrument in writing of date even herewith or subsequent hereto executed by both parties or by their duly authorised representatives.

18.8 **Language**

All correspondence, documents and any other written matters in connection with this Agreement shall be in English.

18.9 **Counterparts**

This Agreement has been executed in two (2) original copies. Notwithstanding the above, this Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same Agreement.

18.10 **Inconsistencies**

In the event of any inconsistency between the terms of this Agreement and the terms contained in either (i) the Specification, or (ii) any other Exhibit, in each such case the terms of this Agreement shall prevail over the terms of the Specification or any other Exhibit. For the purpose of this Clause 18.10, the term Agreement shall not include the Specification or any other Exhibit hereto.

18.11 **Confidentiality**

This Agreement including any Exhibits, other documents or data exchanged between the Buyer and the Seller for the fulfilment of their respective obligations under the Agreement shall be treated by both parties as confidential and shall not be released in whole or in part to any third party except:

- (a) as may be required by law;
- (b) to professional advisors for the purpose of implementation of this Agreement and the transactions contemplated herein;
- (c) *****
- (d) *****

Both the Buyer and the Seller agree:

- (i) not to make any press release concerning the whole or any part of the contents and/or subject matter hereof or of any future addendum hereto without the prior written consent of the other party hereto;

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (ii) that any and all terms and conditions of the transaction contemplated in this Agreement are strictly personal and exclusive to the Buyer, including in particular, but not limited to, the Aircraft pricing (the “**Personal Information**”). The Buyer therefore agrees to enter into consultations with the Seller reasonably in advance of any required disclosure of Personal Information to financial institutions, including operating lessors, investment banks and their agents or other relevant institutions for aircraft sale and leaseback or any other Aircraft or Predelivery Payment financing purposes (the “**Receiving Party**”).

Without prejudice to the foregoing, any disclosure of Personal Information to a Receiving Party shall be subject to written agreement between the Buyer and the Seller, including in particular, but not limited to:

- (a) the contact details of the Receiving Party;
- (b) the extent of the Personal Information subject to disclosure; and
- (c) the Aircraft pricing to be provided to the Receiving Party.

Furthermore, the Buyer shall use its best efforts to limit the disclosure of the contents of this Agreement to the extent legally permissible in any filing required to be made by the Buyer with any governmental or regulatory agency. The Buyer agrees that prior to any such disclosure or filing, the Seller and the Buyer shall jointly review and agree on the terms and conditions of the document to be filed or disclosed. The provisions of this Clause 18.11 shall survive any termination of this Agreement for a period of *****.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

IN WITNESS WHEREOF this Agreement was entered into the day and year first above written.

For and on behalf of

[]

Name: _____

Title: _____

For and on behalf of

AIRBUS S.A.S.

Name: _____

Title: _____

EXHIBIT A

Part 1

AIRFRAME PRICE REVISION FORMULA

1. **BASE PRICE**

The Airframe Base Price quoted in Clause 3.1 of the Agreement is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics, and in accordance with the provisions hereof.

2. **BASE PERIOD**

The Airframe Base Price has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in ***** as defined by “ECIb” and “ICb” index values indicated hereafter.

3. **INDEXES**

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS”, and found in Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group”, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100).

The quarterly value released for a certain month (March, June, September and December) shall be the one deemed to apply for the two preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU20232110000001.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI Detailed Report” (found in Table 6. “Producer price indexes and percent changes for commodity and service groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

4. REVISION FORMULA

5. GENERAL PROVISIONS

5.1 Roundings

The Labor Index average and the Material Index average shall be computed to the first decimal. If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

Each quotient (*****) and (*****) shall be rounded to the nearest ten-thousandth (4 decimals). If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

The final factor shall be rounded to the nearest ten-thousandth (4 decimals).

The final price shall be rounded to the nearest whole number (0.5 or more rounded to 1).

5.2 Substitution of Indexes for Airframe Price Revision Formula

If:

- (a) the United States Department of Labor substantially revises the methodology of calculation of the Labor Index or the Material Index as used in the Airframe Price Revision Formula, or
- (b) the United States Department of Labor discontinues, either temporarily or permanently, such Labor Index or such Material Index, or
- (c) the data samples used to calculate such Labor Index or such Material Index are substantially changed;

the Seller shall select a substitute index for inclusion in the Airframe Price Revision Formula (the "Substitute Index").

The Substitute Index shall reflect as closely as possible the actual variance of the Labor Costs or of the material costs used in the calculation of the original Labor Index or Material Index as the case may be.

As a result of the selection of the Substitute Index, the Seller shall make an appropriate adjustment to the Airframe Price Revision Formula to combine the successive utilization of the original Labor Index or Material Index (as the case may be) and of the Substitute Index.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5.3 Final Index Values

The Index values as defined in Clause 4 above shall be considered final and no further adjustment to the base prices as revised at Delivery of the Aircraft shall be made after Aircraft Delivery for any subsequent changes in the published Index values.

5.4 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT A

Part 2

PROPULSION SYSTEMS PRICE REVISION FORMULA

CFM INTERNATIONAL

1. REFERENCE PRICE OF THE PROPULSION SYSTEM

The “**Propulsion Systems Reference Price**” (as such term is used in this Exhibit C Part 2) of a set of two (2) CFM International LEAP-1A26 Engines is *****.

The Propulsion Systems Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics and in accordance with the provisions of this Exhibit C Part 2.

2. REFERENCE PERIOD

The Propulsion Systems Reference Price has been established in accordance with the economic conditions prevailing for a ***** as defined by CFM International by the Reference Composite Price Index (CPI) 186.92.

3. INDEXES

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECB36411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS”, and found in: Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational groups, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100, *****).

The quarterly value released for a certain month (March, June, September and December) will be the one deemed to apply for the two (2) preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU20232110000001.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI detailed report” (found in Table 6. “Producer price indexes and percent changes for commodity groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

4. REVISION FORMULA

5. GENERAL PROVISIONS

5.1 Roundings

- (i) The Material Index average (*****) will be rounded to the nearest second decimal place and the Labor Index average (*****) will be rounded to the nearest first decimal place.
- (ii) ***** will be rounded to the nearest second decimal place.
- (iii) The final factor ***** will be rounded to the nearest fourth decimal place.

If the next succeeding place is five (5) or more, the preceding decimal place will be raised to the next higher figure. After final computation, ***** will be rounded to the nearest whole number (0.5 rounds to 1),

5.2 Final Index Values

The revised Propulsion Systems Reference Price at the date of Aircraft delivery will not be subject to any further adjustment in the indexes.

5.3 Interruption of Index Publication

If the US Department of Labor substantially revises the methodology of calculation or discontinues any of the indexes referred to hereabove, the Seller will reflect the substitute for the revised or discontinued index selected by CFM International, such substitute index to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original index as it may have fluctuated had it not been revised or discontinued.

Appropriate revision of the formula will be made to accomplish this result.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5.4 Annulment of the Formula

Should the above ***** provisions become null and void by action of the US Government, the Propulsion Systems Reference Price will be adjusted due to increases in the costs of labor and material which have occurred from the period represented by the applicable Reference ***** to the ***** prior to the scheduled month of Aircraft delivery.

5.5 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT B

CERTIFICATE OF ACCEPTANCE

In accordance with the terms of [clause []]] of the purchase agreement dated [day] [month] [year] and made between W(the “**Customer**”) and Airbus S.A.S. as amended and supplemented from time to time (the “**Purchase Agreement**”), the technical acceptance tests relating to one Airbus A320 aircraft, bearing manufacturer’s serial number [], and registration mark [] (the “**Aircraft**”) have taken place in *****.

In view of said tests having been carried out with satisfactory results, the Customer, [as agent of [insert the name of the lessor/SPC] (the “**Owner**”) pursuant to the [purchase agreement assignment] dated [day] [month] [year], between the Customer and the Owner] hereby approves the Aircraft as being in conformity with the provisions of the Purchase Agreement and accepts the Aircraft for delivery in accordance with the provisions of the Purchase Agreement.

Such acceptance shall not impair the rights that may be derived from the warranties relating to the Aircraft set forth in the Purchase Agreement.

Any right at law or otherwise to revoke this acceptance of the Aircraft is hereby irrevocably waived.

IN WITNESS WHEREOF, the Customer, [as agent of the Owner] has caused this instrument to be executed by its duly authorised representative this _____ day [month], [year] in *****.s

CUSTOMER [as agent of **OWNER**]

Name:

Title:

Signature:

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT C

BILL OF SALE

Know all men by these presents that Airbus S.A.S., a *Société par Actions Simplifiée* existing under French law and having its principal office at 1 rond-point Maurice Bellonte, 31707 Blagnac Cedex, FRANCE (the “**Seller**”), was this [day] [month] [year] the owner of the title to the following airframe (the “**Airframe**”), the propulsion systems as specified (the “**Propulsion Systems**”) and [all appliances, components, parts, instruments, accessories, furnishings, modules and other equipment of any nature], excluding buyer furnished equipment (“**BFE**”), incorporated therein, installed thereon or attached thereto on the date hereof (the “**Parts**”):

AIRFRAME

AIRBUS Model A320-200

MANUFACTURER’S

SERIAL NUMBER: []

REGISTRATION MARK: []

PROPULSION SYSTEMS

CFM International LEAP-1A26

ENGINE SERIAL NUMBERS:

LH: []

RH: []

The Airframe, Propulsion Systems and Parts are hereafter together referred to as the “**Aircraft**”.

The Seller did this ____ day of [month] [year], sell, transfer and deliver all of its above described rights, title and interest in and to the Aircraft to the following entity and to its successors and assigns forever, said Aircraft to be the property thereof:

[Insert Name/Address of Buyer]
(the “**Buyer**”)

The Seller hereby warrants to the Buyer, its successors and assigns that it had good and lawful right to sell, deliver and transfer title to the Aircraft to the Buyer and that there was conveyed to the Buyer good, legal and valid title to the Aircraft, free and clear of all liens, claims, charges, encumbrances and rights of others and that the Seller will warrant and defend such title forever against all claims and demands whatsoever.

This Bill of Sale shall be governed by and construed in accordance with the laws of England.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized representative this ____ day of [month], [year] in *****.

AIRBUS S.A.S.

Name:

Title:

Signature:

****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT D

PRE-DELIVERY PAYMENTS, SCHEDULED DELIVERY MONTHS

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

1

1 Number of Aircraft to be included in this Exhibit D to be updated prior to signature.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

A321 Purchase Agreement

BETWEEN

AIRBUS S.A.S.

as Seller

AND

[]

as Buyer

CONTENTS

| CLAUSES | TITLES | |
|---------|------------------------------------|----|
| 0 | DEFINITIONS AND INTERPRETATION | 5 |
| 1 | SALE AND PURCHASE | 8 |
| 2 | SPECIFICATION | 8 |
| 3 | PRICES | 10 |
| 4 | PRICE REVISION | 11 |
| 5 | PAYMENTS | 11 |
| 6 | MANUFACTURE PROCEDURE – INSPECTION | 13 |
| 7 | CERTIFICATION | 15 |
| 8 | TECHNICAL ACCEPTANCE | 16 |
| 9 | DELIVERY | 18 |
| 10 | EXCUSABLE DELAY | 20 |
| 11 | NON-EXCUSABLE DELAY | 22 |
| 12 | WARRANTIES AND SERVICE LIFE POLICY | 23 |
| 13 | PATENT AND COPYRIGHT INDEMNITY | 41 |
| 14 | BUYER FURNISHED EQUIPMENT | 43 |
| 15 | INDEMNIFICATION AND INSURANCE | 47 |
| 16 | REMEDIES | 48 |
| 17 | ASSIGNMENTS AND TRANSFERS | 49 |
| 18 | MISCELLANEOUS PROVISIONS | 50 |

CONTENTS

| EXHIBITS | TITLES | |
|-----------|---|----|
| Exhibit A | Part 1 -AIRFRAME PRICE REVISION FORMULA | 56 |
| | Parts 2- PROPULSION SYSTEM PRICE REVISION FORMULA | 58 |
| Exhibit B | FORM OF CERTIFICATE OF ACCEPTANCE | 60 |
| Exhibit C | FORM OF BILL OF SALE | 61 |
| Exhibit D | PRE-DELIVERY PAYMENTS, SCHEDULED DELIVERY MONTHS | 63 |

A321 FAMILY PURCHASE AGREEMENT

This A321 Purchase Agreement is made on ____ 2014 (the “**Agreement**”).

BETWEEN:

AIRBUS S.A.S., a *société par actions simplifiée*, created and existing under French law having its registered office at 1, rond-point Maurice Bellonte, 31700 Blagnac, France and registered with the Toulouse *Registre du Commerce* under number RCS Toulouse 383 474 814 (the “**Seller**”);

and

[], a [] company incorporated and existing under the laws of New York and having its registered office at [] (the “**Buyer**”).

WHEREAS subject to the terms and conditions of this Agreement, the Seller desires to sell the Aircraft to the Buyer and the Buyer desires to purchase the Aircraft from the Seller.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

0. DEFINITIONS AND INTERPRETATION

0.1 In addition to words and terms elsewhere defined in this Agreement, the initially capitalized words and terms used in this Agreement shall have the meaning set out below.

Affiliate means with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person.

Aircraft means an Airbus A321 aircraft delivered under this Agreement, including the Airframe, the Propulsion Systems, and any part, component, furnishing or equipment installed on the Aircraft on Delivery.

Airframe means the Aircraft excluding the Propulsion Systems.

Airframe Base Price has the meaning set out in Clause 3.1 which includes the SCN Budget.

Airframe Price Revision Formula is set out in Part 1 of Exhibit A.

Aviation Authority means when used in respect of any jurisdiction the government entity, which under the laws of such jurisdiction has control over civil aviation or the registration, airworthiness or operation of aircraft in such jurisdiction.

Business Day means a day, other than a Saturday or Sunday, on which business of the kind contemplated by this Agreement is carried on in France, in Germany and in the Buyer's country or, where used in relation to a payment, which is a day on which banks are open for business in France, in Germany, in the Buyer's country and in New York, as appropriate.

Declaration of Design and Performance or **DDP** means the documentation provided by an equipment manufacturer guaranteeing that the corresponding equipment meets the requirements of the Specification, the interface documentation as well as all the relevant certification requirements.

Delivery means the transfer of title to the Aircraft from the Seller to the Buyer in accordance with Clause 9.

Delivery Date means the date on which Delivery occurs.

Delivery Location means the facilities of the Seller at the location of final assembly of the Aircraft.

Export Airworthiness Certificate means an export certificate of airworthiness issued by the Aviation Authority of the Delivery Location.

Facility Agent means Citibank N.A. as facility agent for and on behalf of the Lenders under the PDP Loan Agreement.

Final Price has the meaning set out in Clause 3.2.

Frontier means Frontier Airlines, Inc. a company incorporated and existing under the laws of Colorado.

Frontier A321 PA means the aircraft purchase agreement dated 31 October 2014 as amended and supplemented from time to time, made between Frontier and the Seller.

Lenders has the meaning ascribed to such term in the Step-In Agreement.

Manufacture Facilities means the various manufacture facilities of the Seller, its Affiliates or any sub-contractor, where the Airframe or its parts are manufactured or assembled.

Other Agreement means any Other PDP Agreement but only if the Buyer has exercised its entitlement to purchase or otherwise acquire title to an aircraft under such **Other PDP Agreement** and has become obliged to Airbus or its Affiliates to purchase such aircraft.

Other PDP Agreement means any other pre-delivery payment financing arrangement, other than that which is connected with this Agreement, entered into from time to time between the Seller (or any of its Affiliates) and the Buyer (or any of its Affiliates) in connection with a financing of aircraft for Frontier pursuant to which the Buyer (or any of its Affiliates) has a conditional right to purchase or otherwise acquire title to an aircraft from Airbus (or any of its Affiliates).

PDP Loan Agreement has the meaning ascribed to such term in the Step-in Agreement.

Predelivery Payment means the payment(s) determined in accordance with Clause 5.2.

Propulsion Systems has the meaning given to it in Clause 2.3.

Propulsion Systems Manufacturer means the manufacturer of the Propulsion System as set out in Clause 2.3.

Propulsion System Price Revision Formula is set out in Part 2 of Exhibit A.

Propulsion Systems Reference Price means the Propulsion Systems Manufacturer reference price as set out in Exhibit A Part 2.

Ready for Delivery means the time when the Technical Acceptance Process has been completed in accordance with Clause 8 and all technical conditions required for the issuance of the Export Airworthiness Certificate have been satisfied.

SCN Budget means: the amount of *****, being the cost in delivery condition ***** Dollars of the SCNs which the Buyer and the Seller have assumed to be applicable to each Airframe as delivered hereunder and which cost is included in the relevant Airframe Base Price set out in Clause 3.1.

Security Trustee means the Bank of Utah, not in its individual capacity but solely as security trustee for and on behalf of the Facility Agent and the Lenders.

Seller Furnished Equipment or **SFE** corresponds to items of equipment that are identified in the Specification as being furnished by the Seller.

Sharklets means a new large wingtip device designed to enhance the eco-efficiency and payload range performance of the A320 family aircraft and which are part of the SCN Budget.

Specification Change Notice or **SCN** means an agreement in writing between the parties to amend the Specification pursuant to Clause 2.

Specification means either: (a) the Standard Specification if no SCNs are applicable; or (b) if SCNs are applicable, the Standard Specification as amended by all applicable SCNs.

Standard Specification means the A321 standard specification document number *****.

Step-In Agreement means the step-in agreement dated [] 2014 made between the Buyer, the Security Trustee and the Seller in respect of the Aircraft.

0.2 Clause headings and the Index are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement.

0.3 In this Agreement unless the context otherwise requires:

- (a) references to Clauses, Appendices and Exhibits are to be construed as references to the Clauses of, and Appendices, and Exhibits to this Agreement and references to this Agreement include its Schedules, Exhibits and Appendices;
- (b) words importing the plural shall include the singular and vice versa; and
- (c) references to a person shall be construed as including, without limitation, references to an individual, firm, company, corporation, unincorporated body of persons and any state or agency of a state.

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1. SALE AND PURCHASE

The Seller shall sell and deliver and the Buyer shall buy and take delivery of nine (9) A321 Aircraft on the Delivery Date at the Delivery Location upon the terms and conditions contained in this Agreement.

2. SPECIFICATION

2.1 Aircraft Specification

The Aircraft shall be manufactured in accordance with the Standard Specification, as may already have been modified or varied prior to the date of this Agreement by the Specification Change Notices listed in Appendix 1.

2.2 Specification Amendment

The Specification may be further amended following signature of this Agreement in accordance with the terms of this Clause 2.

2.2.1 Specification Change Notices

The Specification may be amended by written agreement between the Buyer and the Seller in a Specification Change Notice. Each SCN shall be in the Seller's standard form and shall set out the particular change to be made to the Specification and the effect, if any, of such change on the Aircraft affected thereby and on the text of the Specification. An SCN may result in an adjustment of the Final Price, which adjustment, if any, shall be specified in the SCN.

2.2.2 Development Changes

The Specification may also be amended to incorporate changes deemed necessary by the Seller to improve the Aircraft, prevent delay or ensure compliance with this Agreement ("**Development Changes**"), as set forth in this Clause 2.

(i) Manufacturer Specification Changes Notices

(a) The Specification may be amended by the Seller through a Manufacturer Specification Change Notice ("**MSCN**"), which shall be substantially in the Seller's standard form and shall set out the change to be made to the Specification and the effect, if any, of such change on the Aircraft affected thereby and the Specification.

- (b) If a MSCN is necessitated by an Aviation Authority directive or by equipment obsolescence (a “Mandatory MSCN”), any such Mandatory MSCN shall be accomplished without requiring the Buyer’s consent. If the MSCN is not a Mandatory MSCN (a “Non-Mandatory MSCN”) and adversely affects the performance, weight, Base Price, Delivery Date of the Aircraft affected thereby or the interchangeability or replaceability requirements under the Specification, the Seller shall notify the Buyer of a reasonable period of time during which the Buyer must accept or reject such Non-Mandatory MSCN. If the Buyer does not notify the Seller of the rejection of the Non-Mandatory MSCN within such period, the Non-Mandatory MSCN shall be deemed accepted by the Buyer and the corresponding modification shall be accomplished.
- (ii) In the event of the Seller revising the Specification to incorporate Development Changes which have no adverse effect on any of the elements as set forth in 2.2.2(i)(a) above, such revision shall be performed by the Seller without the Buyer’s consent.
- (iii) The Seller is considering turning certain items, which are currently BFE in the Specification, into SFE and the parties agree that such BFE items shall be excluded from the provisions of Clauses 2.2.2(i) and 2.2.2(ii) above and, should they become SFE, shall furthermore be chargeable to the Buyer.

2.3 **Propulsion System**

Each Airframe shall be equipped with a set of two (2) CFM International CFM56B3/3 engines propulsion systems (the “**Propulsion Systems**”).

2.4 **Milestones**

2.4.1 **Customization Milestones Chart**

Within a reasonable period following signature of the Agreement, the Seller shall provide the Buyer with a customisation milestones chart (the “**Customisation Milestone Chart**”), setting out how far in advance of the Scheduled Delivery Month of the Aircraft an SCN must be executed in order to integrate into the Specification any items requested by the Buyer from the

Seller's catalogues of Specification change options (the "Option Catalogues").

2.4.2 **Contractual Definition Freeze**

The Customisation Milestone Chart shall in particular define the date(s) by which the contractual definition of the Aircraft must be finalized and all SCNs need to have been executed by the Buyer (the "Contractual Definition Freeze" or "CDF") in order to enable their incorporation into the manufacturing of the Aircraft and Delivery of the Aircraft in the Scheduled Delivery Month. Each such date shall be referred to as a "CDF Date".

3. **PRICES**

3.1 **Airframe Base Price**

The Airframe Base Price is *****.

The Airframe Base Price has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in *****.

3.2 **Final Price**

The Final Price of each Aircraft shall be the Airframe Base Price as increased by:

- (i) the price of any unpaid MSCNs and any Specification Change Notices contracted after the date ***** as adjusted to the Delivery Date of such Aircraft in accordance with the Airframe Price Revision Formula;
- (ii) escalation of the Airframe Base Price from a theoretical delivery date of ***** to the Delivery Date of such Aircraft in accordance with the Airframe Price Revision Formula;
- (iii) the Propulsion Systems Reference Price and its corresponding escalation from a theoretical delivery date of ***** for the Propulsion Systems to the actual Delivery Date of such Aircraft in accordance with the Propulsion System Price Revision Formula; and

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(iv) any other amount due from the Buyer to the Seller pursuant to this Agreement and/or any other agreement between the Buyer and the Seller with respect to the Aircraft.

4. INTENTIONALLY LEFT BLANK

5. PAYMENTS

5.1 Seller's Account

The Buyer shall pay the Predelivery Payments, the Balance of Final Price and/or any other amount due by the Buyer to the Seller, to the following account:

Beneficiary Name: *****

account identification: *****

with:

SWIFT: *****

ABA: *****

or to such other account as may be designated by the Seller.

5.2 Predelivery Payments

5.2.1 The Buyer shall pay Predelivery Payments to the Seller in accordance with the schedule set out in Exhibit D.

5.2.2 Any Predelivery Payment received by the Seller shall constitute an instalment in respect of the Final Price of the Aircraft. The Seller shall be entitled to hold and use any Predelivery Payment as absolute owner thereof, subject only to: (i) the obligation to deduct any such Predelivery Payment from the Final Price when calculating the Balance of Final Price; or (ii) the obligation to pay to the Buyer an amount equal to the Predelivery Payments pursuant to any other provision of this Agreement.

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5.2.3 If any Predelivery Payment is not received ***** then, in addition to any other rights and remedies available to Seller, the Seller shall have no obligation to deliver any or all of the Aircraft remaining to be delivered under the Agreement within their respective Scheduled Delivery Month(s). Upon receipt of the full amount of all delayed Predelivery Payments, together with any amount due pursuant to Clause 5.6, the Seller shall inform the Buyer of new Scheduled Delivery Month(s) consistent with the Seller's other commitments and production capabilities.

5.2.4 *****

5.3 **Balance of Final Price**

5.3.1 The "**Balance of Final Price**" payable by the Buyer to the Seller on the Delivery Date shall be the Final Price less the amount of Predelivery Payments received by the Seller on or before the Delivery Date.

5.3.2 Upon receipt of the Seller's invoice, and immediately prior to Delivery, the Buyer shall pay to the Seller the Balance of Final Price.

5.4 **Other Charges**

Unless expressly stipulated otherwise, any other charges due under this Agreement other than those set out in Clauses 5.2 and 5.3 shall be paid by the Buyer at the same time as payment of the Balance of Final Price or, if invoiced after the Delivery Date, ***** the invoice date.

5.5 **Method of Payment**

5.5.1 All payments provided for in this Agreement shall be made in US Dollars (US\$) in immediately available funds.

5.5.2 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5.6 **Overdue Payments**

5.7 **Taxes**

5.7.1 *****

5.7.2 *****

5.7.3 *****

5.8 **Proprietary Interest**

The Buyer shall not, by virtue of anything contained in this Agreement (including, without limitation, any Predelivery Payments hereunder, or any designation or identification by the Seller of a particular aircraft as an Aircraft to which any of the provisions of this Agreement refers) acquire any proprietary, insurable or other interest whatsoever in any Aircraft before Delivery of and payment for such Aircraft, as provided in this Agreement.

5.9 **Set-Off**

5.10 *****

5.10.1 *****

5.10.2 *****

(i) *****

(ii) *****

6. **MANUFACTURE PROCEDURE – INSPECTION**

6.1 **Manufacture Procedure**

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The Airframe shall be manufactured in accordance with the relevant requirements of the laws of the jurisdiction of incorporation of the Seller or of its relevant Affiliate as enforced by the Aviation Authority of such jurisdiction.

6.2 **Inspection**

6.2.1 Subject to providing the Seller with insurance certificates satisfactory to the Seller, the Buyer or its duly authorised representatives (the “**Buyer’s inspector(s)**”) shall be entitled to inspect the manufacture of the Airframe and all materials and parts obtained by the Seller for the manufacture of the Airframe on the following terms and conditions:

- (i) any inspection shall be made according to a procedure to be agreed upon with the Buyer but shall be conducted pursuant to the Seller’s own system of inspection as developed under the supervision of the relevant Aviation Authority;
- (ii) the Buyer’s Inspector(s) shall have access to such relevant technical data as is reasonably necessary for the purpose of the inspection;
- (iii) any inspection and any related discussions with the Seller and other relevant personnel by the Buyer’s Inspector(s) shall be at reasonable times during business hours and shall take place in the presence of relevant inspection department personnel of the Seller; and
- (iv) the inspections shall be performed in a manner not to unduly delay or hinder the manufacture or assembly of the Aircraft or the performance of this Agreement by the Seller or any other work in progress at the Manufacture Facilities.

6.2.2 **Location of Inspections**

The Buyer’s Inspector(s) shall be entitled to conduct any such inspection at the relevant Manufacture Facility of the Seller or the Affiliates and where possible at the Manufacture Facilities of the sub-contractors provided that if access to any part of the Manufacture Facilities where the Airframe manufacture is in progress or materials or parts are stored are restricted for security or confidentiality reasons, the Seller shall be allowed reasonable time to make the relevant items available elsewhere.

6.3 **Seller's Service for Buyer's Inspector(s)**

For the purpose of the inspections, and commencing with the date hereof until the Delivery Date, the Seller shall furnish without additional charge suitable space and office equipment in or conveniently located with respect to the Delivery Location for the use of a reasonable number of Buyer's Inspector(s).

7. **CERTIFICATION**

7.1 **Type Certification**

The Aircraft has been type certificated under European Aviation Safety Agency (EASA) procedures for certification in the transport category. The Seller has obtained the relevant type certificate (the "**Type Certificate**") to allow the issuance of the Export Airworthiness Certificate.

7.2 **Export Airworthiness Certificate**

7.2.1 The Aircraft shall be delivered to the Buyer with an Export Airworthiness Certificate.

7.2.2 If, any time before the date on which the Aircraft is Ready for Delivery, any law or regulation is enacted, promulgated, becomes effective and/or an interpretation of any law or regulation is issued which requires any change to the Specification for the purposes of obtaining the Export Airworthiness Certificate (a "**Change in Law**"), the Seller shall make the required variation or modification and the parties hereto shall sign a Specification Change Notice which specifies the effects, if any, upon the guaranteed performances, weights, interchangeability, time of Delivery, price of the Aircraft and text of the Specification.

7.2.3 The Seller shall as far as practicable (but at its sole discretion and without prejudice to Clause 7.3.1(ii)) take into account the information available to it concerning any proposed law, regulation or interpretation which could become a Change in Law in order to minimise the costs of changes to the Specification as a result of such proposed law, regulation or interpretation becoming effective prior to the Aircraft being Ready for Delivery.

7.3 **Costs of SCNs for Certification**

7.3.1 The costs of implementing the variation or modification referred to in Clause 7.2.2 above shall be:

(i) *****

(ii) *****

7.3.2 Notwithstanding the provisions of sub-Clauses 7,3.1 (i) and (ii), if the Change in Law relates to the Propulsion Systems, the costs shall be borne in accordance with such arrangements as may be made separately between the Buyer and the Propulsion System Manufacturer, *****.

7.4 **Validation of Export Airworthiness Certificate**

7.4.1 The Seller shall endeavour to obtain the validation of the Export Airworthiness Certificate by the Buyer's Aviation Authority.

7.4.2 Where the Buyer's Aviation Authority requires a modification to comply with additional import aviation requirements and/or supply of additional data prior to the issuance of the Export Airworthiness Certificate the Seller shall incorporate such modification and/or provide such data at costs to be borne by the Buyer. The parties shall sign a Specification Change Notice which specifies the effects, if any, upon the guaranteed performances, weights, interchangeability, time of Delivery and price of the Aircraft.

8. TECHNICAL ACCEPTANCE

8.1 **Technical Acceptance Process**

8.1.1 Prior to Delivery the Aircraft shall undergo a technical acceptance process, proposed by the Seller (the "**Technical Acceptance Process**"). Completion of the Technical Acceptance Process shall demonstrate the satisfactory functioning of the Aircraft and shall be deemed to demonstrate compliance with the Specification. Should it be established that the Aircraft does not comply with the Technical Acceptance Process requirements, the Seller shall without hindrance from the Buyer be entitled to carry out any necessary changes and, as soon as practicable thereafter, resubmit the Aircraft to such further Technical Acceptance Process as is necessary to demonstrate the elimination of the non-compliance.

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- 8.1.2 The Technical Acceptance Process shall:
- (i) commence on a date notified by the Seller to the Buyer by no less than ***** notice;
 - (ii) take place at the Delivery Location;
 - (iii) be carried out by the personnel of the Seller; and
 - (iv) include a technical acceptance flight which shall *****.

8.2 **Buyer's Attendance**

8.2.1 The Buyer shall be entitled to attend the Technical Acceptance Process and notification of the start of such Technical Acceptance Process shall be done in accordance with Clause 9.1.2.

8.2.2 If the Buyer elects to attend the Technical Acceptance Process, the Buyer:

- (i) shall co-operate in complying with the reasonable requirements of the Seller with the intention of completing the Technical Acceptance Process within ***** after its commencement;
- (ii) may have a maximum of ***** of the Buyer's representatives (with no more than ***** such representatives having access to the cockpit at any one time) accompany the Seller's representatives on a technical acceptance flight and during such flight the Buyer's representatives shall comply with the instructions of the Seller's representatives.

8.2.3 If the Buyer does not attend or fails to co-operate in the Technical Acceptance Process, the Seller shall be entitled to complete the Technical Acceptance Process and the Buyer shall be deemed to have accepted the Technical Acceptance Process as satisfactory in all respects.

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8.3 **Certificate of Acceptance**

Following completion of the Technical Acceptance Process, the Buyer shall sign and deliver to the Seller, in accordance with Clause 9.2.1, a certificate of acceptance in respect of the Aircraft in the form of Exhibit B (the “Certificate of Acceptance”).

8.4 **Aircraft Utilisation**

The Seller shall, without payment or other liability, be entitled to use the Aircraft prior to Delivery as may be necessary to obtain the certificates required under Clause 7, and such use shall not prejudice the Buyer’s obligation to accept Delivery of the Aircraft hereunder. However the Seller shall not be authorised to use the Aircraft during more than ***** for any other purpose without the specific agreement of the Buyer.

9. **DELIVERY**

9.1 **Delivery Schedule**

9.1.1 Subject to the terms and conditions set out in this Agreement, the Seller shall have the Aircraft Ready for Delivery at the Delivery Location within the following months (each a “Scheduled Delivery Month”) or quarters (each a “Scheduled Delivery Quarter”):

| Aircraft Rank | CAC ID Reference | | Scheduled Delivery | Year |
|---------------|------------------|---------------|--------------------|-------|
| | | | Month/Quarter | |
| 1 | ***** | A321 Aircraft | ***** | ***** |
| 2 | ***** | A321 Aircraft | ***** | ***** |
| 3 | ***** | A321 Aircraft | ***** | ***** |
| 4 | ***** | A321 Aircraft | ***** | ***** |
| 5 | ***** | A321 Aircraft | ***** | ***** |
| 6 | ***** | A321 Aircraft | ***** | ***** |
| 7 | ***** | A321 Aircraft | ***** | ***** |
| 8 | ***** | A321 Aircraft | ***** | ***** |
| 9 | ***** | A321 Aircraft | ***** | ***** |

9.1.2 The Seller will give the Buyer written notice of the Scheduled Delivery Month of each Aircraft not already identified above at least ***** before the first day of the Scheduled Delivery Quarter of the respective Aircraft or upon execution of this Agreement for Aircraft to be delivered earlier than ***** before the first day of the Scheduled Delivery Quarter. The Seller shall give the Buyer at least ***** prior written notice of the anticipated date *****. Thereafter the Seller shall notify the Buyer of any change in such date necessitated by the conditions of manufacture or flight.

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9.2 **Delivery**

- 9.2.1 The Buyer shall, *****, sign the Certificate of Acceptance, pay the Balance of the Final Price and send its representatives to the Delivery Location to take Delivery of, and collect, the Aircraft.
- 9.2.2 The Seller shall deliver and transfer title to the Aircraft free and clear of all encumbrances to the Buyer provided that the Balance of the Final Price has been paid by the Buyer and that the Certificate of Acceptance has been signed and delivered to the Seller. The Seller shall provide the Buyer with a bill of sale in the form of Exhibit C (the “**Bill of Sale**”) and/or such other documentation confirming transfer of title and receipt of the Final Price as may reasonably be requested by the Buyer. Title to, property in and risk of loss of or damage to the Aircraft shall be transferred to the Buyer on Delivery.
- 9.2.3 Should the Buyer fail, within the period specified in Clause 9.2.1, to:
- (i) deliver the signed Certificate of Acceptance to the Seller; or
 - (ii) pay the Balance of the Final Price for the Aircraft to the Seller and take Delivery of the Aircraft,
- then the Buyer shall be deemed to have rejected delivery of the Aircraft without warrant when duly tendered to it hereunder. Without prejudice to Clause 5.7 and the Seller’s other rights under this Agreement or at law:
- (a) the Seller shall retain title to the Aircraft; and
 - (b) the Buyer shall bear all risk of loss of or damage to the Aircraft and shall indemnify and hold the Seller harmless against any and all costs (including but not limited to any parking, storage, and insurance costs) and consequences resulting from such failure, it being understood that the Seller shall be under no duty towards the Buyer to store, park, insure, or otherwise protect the Aircraft.

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9.2.4 Should the Buyer fail to collect the Aircraft as mentioned in Clause 9.2.1 above and without prejudice to the Seller's other rights under this Agreement or at law, the provisions of Clause 9.2.3(b) shall apply.

9.3 **Fly Away**

The Buyer and the Seller shall co-operate to obtain any licenses, which may be required by the Aviation Authority of the Delivery Location for the purpose of exporting the Aircraft. All expenses of, or connected with, flying the Aircraft from the Delivery Location after Delivery shall be borne by the Buyer. The Buyer shall make direct arrangements with the supplying companies for the fuel and oil required for all post-Delivery flights.

10. EXCUSABLE DELAY

10.1 The Buyer acknowledges that the Aircraft are to be manufactured by Seller in performance of this Agreement and that the Scheduled Delivery Months are based on the assumption that there shall be no delay due to causes beyond the control of the Seller. Accordingly, Seller shall not be responsible for any delay in the Delivery of the Aircraft or delay or interruption in the performance of the other obligations of the Seller hereunder due to causes beyond its control, and not occasioned by its fault or negligence including (but without limitation) *****.

10.2 If an Excusable Delay occurs:

10.2.1 the Seller shall notify the Buyer of such Excusable Delay as soon as practicable after becoming aware of the same;

10.2.2 the Seller shall not be responsible for any damages arising from or in connection with such Excusable Delay suffered or incurred by the Buyer;

10.2.3 the Seller shall not be deemed to be in default in the performance of its obligations hereunder as a result of such Excusable Delay; and

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10.2.4 the Seller shall as soon as practicable after the removal of the cause of the delay resume performance of its obligations under this Agreement and in particular shall notify to the Buyer the revised Scheduled Delivery Month.

10.3 Termination on Excusable Delay

10.3.1 If the Delivery of any Aircraft is delayed as a result of an Excusable Delay for a period of more than ***** after the last day of the Scheduled Delivery Month then either party may terminate this Agreement with respect to the Aircraft so affected by giving written notice to the other party ***** after the ***** provided that the Buyer shall not be entitled to terminate this Agreement pursuant to this Clause if the Excusable Delay results from a cause within its control.

10.3.2 If the Seller concludes that the Delivery of any Aircraft shall be delayed for more than ***** after the last day of the Scheduled Delivery Month due to an Excusable Delay and as a result thereof reschedules Delivery of such Aircraft to a date or month reflecting such delay then the Seller shall promptly notify the Buyer in writing to this effect and shall include in such notification the new Scheduled Delivery Month. Either party may thereupon terminate this Agreement with respect to such Aircraft by giving written notice to the other party ***** after receipt by the Buyer of the notice of anticipated delay.

10.3.3 If this Agreement has not been terminated with respect to the delayed Aircraft during the ***** referred to in either Clause 10.3.1 or 10.3.2 above, then the Seller shall be entitled to reschedule Delivery and the new Scheduled Delivery Month shall be notified to the Buyer and shall be binding on the parties.

10.4 Total Loss, Destruction or Damage

If prior to Delivery, any Aircraft is lost, destroyed or in the reasonable opinion of the Seller is damaged beyond repair (“Total Loss”), the Seller shall notify the Buyer to this effect within ***** of such occurrence. The Seller shall include in said notification (or as soon after the issue of the notice as such information becomes available to the Seller) the earliest date consistent with the Seller’s other commitments and production capabilities that an aircraft to replace the Aircraft may be delivered to

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the Buyer and the Scheduled Delivery Month shall be extended as specified in the Seller's notice to accommodate the delivery of the replacement aircraft; provided, however, that in the event the specified extension of the Scheduled Delivery Month to a month is exceeding ***** after the last day of the original Scheduled Delivery Month then this Agreement shall terminate with respect to said Aircraft unless:

10.4.1 the Buyer notifies the Seller within ***** of the date of receipt of the Seller's notice that it desires the Seller to provide a replacement aircraft during the month quoted in the Seller's notice; and

10.4.2 the parties execute an amendment to this Agreement recording the variation in the Scheduled Delivery Month, provided, however, that nothing herein shall require the Seller to manufacture and deliver a replacement aircraft if such manufacture would require the reactivation of its production line for the model or series of aircraft which includes the Aircraft purchased hereunder.

10.5 Termination Rights Exclusive

In the event that this Agreement shall be terminated as provided for under the terms of Clauses 10.3 or 10.4, such termination shall discharge all obligations and liabilities of the parties hereunder with respect to such affected Aircraft and undelivered material, services, data or other items applicable thereto and to be furnished hereunder and neither party shall have any claim against the other for any loss resulting from such non-delivery. The Seller shall in no circumstances have any liability whatsoever for Excusable Delay other than as set forth in this Clause 10.

11. NON-EXCUSABLE DELAY

11.1 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

11.2 Re-negotiation

If, as a result of Non-Excusable Delay, Delivery does not occur in the period falling ***** after the Delivery Period, the Buyer shall have the right exercisable by written notice to the Seller given not less than ***** to require from the Seller a re-negotiation of the Scheduled Delivery Month for the affected Aircraft. Unless otherwise agreed between the Seller and the Buyer during such renegotiation, the said re-negotiation shall not prejudice the Buyer's right to receive liquidated damages in accordance with Clause 11.1 during the period of Non-Excusable Delay.

11.3 Termination

If, as a result of Non-Excusable Delay, Delivery does not occur in the period falling ***** and the parties have not renegotiated the Scheduled Delivery Month pursuant to Clause 11.2, either party shall have the right exercisable by written notice to the other party, given not less than ***** to terminate this Agreement in respect of the affected Aircraft and *****

11.4 Limitation of Damages

The Buyer and the Seller agree that payment by the Seller of the amounts due pursuant to Clause 11.1 shall be considered to be a liquidated damages provision and has been calculated to compensate the Buyer for its entire damages for all losses of any kind due to Non-Excusable Delay. The Seller shall not in any circumstances have any liability whatsoever for Non-Excusable Delay other than as set forth in this Clause 11.

12. WARRANTIES AND SERVICE LIFE POLICY

This Clause covers the terms and conditions of the warranty and service life policy.

12.1 Standard Warranty

12.1.1 Nature of Warranty

For the purpose of this Agreement the term "**Warranted Part**" shall mean any Seller proprietary component, equipment, accessory or part, which is installed on an Aircraft at Delivery thereof and which;

- (i) is manufactured to the detailed design of the Seller or a subcontractor of the Seller; and
- (ii) bears a part number of the Seller at the time of such Delivery.

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Subject to the conditions and limitations as hereinafter provided for and except as provided for in Clause 12.1.2, the Seller warrants to the Buyer that each Aircraft and each Warranted Part shall at Delivery to the Buyer be free from defects:

- (a) in material;
- (b) in workmanship, including without limitation processes of manufacture;
- (c) in design (including without limitation the selection of materials) having regard to the state of the art at the date of such design; and
- (d) arising from failure to conform to the Specification, except to those portions of the Specification relating to performance or where it is expressly stated that they are estimates, approximations or design aims.

12.1.2 Exclusions

The warranties set forth in Clause 12.1.1 shall not apply to Buyer Furnished Equipment, nor to the Propulsion Systems, nor to any component, equipment, accessory or part installed on the Aircraft at Delivery that is not a Warranted Part except that:

- (i) any defect in the Seller's workmanship in respect of the installation of such items in the Aircraft, including any failure by the Seller to conform to the installation instructions of the manufacturers of such items, that invalidates any applicable warranty from such manufacturers, shall constitute a defect in workmanship for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1(b); and
- (ii) any defect inherent in the Seller's design of the installation, in consideration of the state of the art at the date of such design, which impairs the use of such items, shall constitute a defect in design for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1 (c).

12.1.3 Warranty Period

The warranties set forth in Clauses 12.1.1 and 12.1.2 shall be limited to those defects that become apparent within ***** after Delivery of the affected Aircraft (the “**Warranty Period**”).

12.1.4 Buyer’s Remedy and Seller’s Obligation

- (i) The Buyer’s remedy and the Seller’s obligation and liability under Clauses 12.1.1 and 12.1.2 are limited to, at the Seller’s expense and option, the repair, replacement or correction of any Warranted Part which is defective (or to the supply of modification kits rectifying the defect), together with a credit to the Buyer’s account with the Seller of an amount equal to the mutually agreed direct labor costs expended in performing the removal and the reinstallation thereof on the Aircraft at the labor rate defined in Clause 12.1.8(v). The Seller may alternatively furnish to the Buyer’s account with the Seller a credit equal to the price at which the Buyer is entitled to purchase a replacement for the defective Warranted Part.
- (ii) In the event of a defect covered by Clauses 12.1.1(c), 12.1.1(d) and 12.1.2(ii) becoming apparent within the Warranty Period, the Seller shall also, if so requested by the Buyer in writing, correct such defect in any Aircraft which has not yet been delivered to the Buyer, provided, however,
- (iii) *****
- (iv) *****

12.1.5 Cost of inspection

In addition to the remedies set forth in Clauses 12.1.4(i) and 12.1.4(ii), the Seller shall reimburse the direct labor costs incurred by the Buyer in performing inspections of the Aircraft to determine whether or not a defect exists in any Warranted Part within the Warranty Period subject to the following conditions:

- (i) such inspections are recommended by a Seller Service Bulletin to be performed within the Warranty Period;

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- (ii) the reimbursement shall not apply for any inspections performed as an alternative to accomplishing corrective action as recommended by the Seller when such corrective action has been made available to the Buyer and such corrective action could have reasonably been accomplished by the Buyer at the time such inspections are performed or earlier,
- (iii) the labor rate for the reimbursement shall be the labor rate defined in Clause 12.1.8(v); and
- (iv) the manhours used to determine such reimbursement shall not exceed the Seller's estimate of the manhours required for such inspections.

12.1.6 Warranty Claim Requirements

The Buyer's remedy and the Seller's obligation and liability under this Clause 12.1, with respect to any warranty claim submitted by the Buyer (each a "**Warranty Claim**") are subject to the following conditions:

- (i) the defect having become apparent within the Warranty Period;
- (ii) the Buyer having filed a warranty claim within ***** of discovering the defect;
- (iii) the Buyer having submitted to the Seller evidence reasonably satisfactory to the Seller that the claimed defect is due to a matter embraced within this Clause 12.1 and that such defect has not resulted from any act or omission of the Buyer, including but not limited to, any failure to operate and maintain the affected Aircraft or part thereof in accordance with the standards set forth in Clause 12.1.12 or from any act or omission of any third party;
- (iv) the Seller having received a Warranty Claim complying with the provisions of Clause 12.1.8 below.

12.1.7 Warranty Administration

The warranties set forth in Clause 12.1 shall be administered as hereinafter provided for:

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (i) Claim Determination
Determination as to whether any claimed defect in any Warranted Part is a valid Warranty Claim shall be made by the Seller and shall be based upon the claim details, reports from the Seller's Representatives, historical data logs, inspections, tests, findings during repair, defect analysis and other relevant documents.
- (ii) Transportation Costs
The cost of transporting a Warranted Part claimed to be defective to the facilities designated by the Seller and for the return therefrom of a repaired or replaced Warranted Part shall be *****.
- (iii) Return of an Aircraft
If the Buyer and the Seller mutually agree, prior to such return, that it is necessary to return an Aircraft to the Seller for consideration of a Warranty Claim, the Seller ***** The Buyer shall make its reasonable efforts to minimize the duration of the corresponding flights.
- (iv) On Aircraft Work by the Seller
If the Seller determines that a defect subject to this Clause 12.1 justifies the dispatch by the Seller of a working team to repair or correct such defect through the embodiment of one or several Seller's Service Bulletins at the Buyer's facilities, or if the Seller accepts the return of an Aircraft to perform or have performed such repair or correction, then the *****. The condition which has to be fulfilled for on-Aircraft work by the Seller is that, in the opinion of the Seller, the work necessitates the technical expertise of the Seller as manufacturer of the Aircraft. If said condition is fulfilled and if the Seller is requested to perform the work, the Seller and the Buyer shall agree on a schedule and place for the work to be performed.
- (v) Warranty Claim Substantiation

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Each Warranty Claim filed by the Buyer under this Clause 12.1 shall contain at least the following data:

- (a) description of defect and action taken, if any,
- (b) date of incident and/or removal date,
- (c) description of Warranted Part claimed to be defective,
- (d) part number,
- (e) serial number (if applicable),
- (f) position on Aircraft,
- (g) total flying hours or calendar time, as applicable, at the date of defect appearance,
- (h) time since last shop visit at the date of defect appearance,
- (i) Manufacturer Serial Number of the Aircraft and/or its registration,
- (j) Aircraft total flying hours and/or number of landings at the date of defect appearance,
- (k) Warranty Claim number,
- (l) date of Warranty Claim,
- (m) Delivery Date of Aircraft or Warranted Part to the Buyer,

Warranty Claims are to be addressed as follows:

AIRBUS S.A.S.

CUSTOMER SERVICES DIRECTORATE

WARRANTY ADMINISTRATION

Rond Point Maurice Bellonte

B.P. 33

F 31707 BLAGNAC CEDEX

FRANCE

(vi) Replacements

Title to and risk of loss of any Aircraft, component, accessory, equipment or part returned by the Buyer to the Seller shall at all times remain with the Buyer, except that:

- (a) risk of loss (limited to cost of replacement and excluding in particular loss of use) shall be with the Seller for as long as such Aircraft, component, accessory, equipment or part shall be under the care, custody and control of the Seller and;
- (b) title to and risk of loss of a returned component, accessory, equipment or part shall pass to the Seller upon shipment by the Seller to the Buyer of any item furnished by the Seller to the Buyer as a replacement therefor.

Upon the Seller's shipment to the Buyer of any replacement component, accessory, equipment or part provided by the Seller pursuant to this Clause 12.1, title to and risk of loss of such replacement component, accessory, equipment or part shall pass to the Buyer.

(vii) Rejection

The Seller shall provide reasonable written substantiation in case of rejection of a Warranty Claim. In such event the Buyer shall refund to the Seller reasonable inspection and test charges incurred in connection therewith.

(viii) Inspection

The Seller shall have the right to inspect the affected Aircraft, documents and other records relating thereto in the event of any Warranty Claim under this Clause 12.1.

12.1.8 Inhouse Warranty

(i) Seller's Authorisation

The Seller hereby authorizes the Buyer to repair Warranted Parts (the "**Inhouse Warranty**") subject to the terms of this Clause 12.1.8.

(ii) Conditions for Seller's Authorisation

The Buyer shall be entitled to repair such Warranted Parts:

- (a) provided the Buyer notifies the Seller's representative of its intention to perform Inhouse Warranty repairs before any such repairs are started where the estimated cost of such repair is in excess of *****. The Buyer's notification shall include sufficient detail regarding the defect, estimated labor hours and material to allow the Seller to ascertain the reasonableness of the estimate. The Seller agrees to use all reasonable efforts to ensure a prompt response and shall not unreasonably withhold authorisation;
- (b) provided adequate facilities and qualified personnel are available to the Buyer;
- (c) provided repairs are performed in accordance with the Seller's Technical Data or written instructions; and
- (d) only to the extent specified by the Seller, or, in the absence of such specification, to the extent reasonably necessary to correct the defect, in accordance with the standards set forth in Clause 12.1.11.

****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(iii) Seller's Rights

The Seller shall have the right to require the return of any Warranted Part, or any part removed therefrom, which is claimed to be defective if, in the judgment of the Seller, the nature of the claimed defect requires technical investigation. Such return shall be subject to the provisions of Clause 12.1.7(ii). Furthermore, the Seller shall have the right to have a Seller representative present during the disassembly, inspection and testing of any Warranted Part claimed to be defective, subject to such presence being practical and not unduly delaying the repair.

(iv) Inhouse Warranty Claim Substantiation

Claims for Inhouse Warranty credit shall be filed within the time period set forth in Clause 12.1.6(ii) and shall contain the same information as that required for Warranty Claims under Clause 12.1.7(v) and in addition shall include:

- (a) a report of technical findings with respect to the defect;
- (b) for parts required to remedy the defect:
 - part numbers,
 - serial numbers (if applicable),
 - parts description,
 - quantity of parts,
 - unit price of parts,
 - related Seller's or third party's invoices (if applicable), -total price of parts,
- (c) detailed number of labor hours;
- (d) Inhouse Warranty Labor Rate; and
- (e) total claim value.

(v) *****

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The Buyer's sole remedy and the Seller's sole obligation and liability with respect to Inhouse Warranty Claims shall be ***** determined as set forth below:

- (a) *****
- (b) ***** The Inhouse Warranty Labor Rate shall be *****. For the purposes of this Clause 12.1.8(v) only, ***** , defined in the Airframe Price Revision Formula.
- (c) Direct material costs are determined by the prices at which the Buyer acquired such material, excluding any parts and materials used for overhaul and as may be furnished by the Seller *****.

(vi) Limitation

The Buyer shall in no event be credited for repair costs (including labor and material) for any Warranted Part in excess of ***** of the Seller's current catalogue price for a replacement of such defective Warranted Part.

(vii) Scrapped Material

The Buyer shall retain any defective Warranted Part beyond economic repair and any defective part removed from a Warranted Part during repair for a period of either ***** after the date of completion of the repair or ***** after submission of a claim for Inhouse Warranty credit relating thereto, whichever is longer. Such parts shall be returned to the Seller within ***** of receipt of the Seller's request to that effect. Notwithstanding the foregoing, the Buyer may scrap any such defective parts, which are beyond economic repair and not required for technical evaluation locally, with the agreement of the Seller representative(s). Scrapped Warranted Parts shall be evidenced by a record of scrapped material certified by an authorized representative of the Buyer and shall be kept in the Buyers file for a least the duration of the applicable Warranty Period.

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12.1.9 Standard Warranty in case of Pooling or Leasing Arrangements

Without prejudice to Clause 17.1, the warranties provided for in this Clause 12.1 for any Warranted Part shall accrue to the benefit of any airline in revenue service, other than the Buyer, if the Warranted Part enters into the possession of any such airline as a result of a pooling or leasing agreement between such airline and the Buyer, in accordance with the terms and subject to the limitations and exclusions of the foregoing warranties and to the extent permitted by any applicable law or regulations.

12.1.10 Warranty for Corrected, Replaced or Repaired Warranted Parts

Whenever any Warranted Part, which contains a defect for which the Seller is liable under Clause 12.1, has been corrected, replaced or repaired pursuant to the terms of this Clause 12.1, the period of the Seller's warranty with respect to such corrected, repaired or replacement Warranted Part, whichever the case may be, *****. If a defect is attributable to a defective repair or replacement by the Buyer, a Warranty Claim with respect to such defect shall be rejected, notwithstanding any subsequent correction or repair, and shall immediately terminate the remaining warranties under this Clause 12.1 in respect of the affected Warranted Part.

12.1.11 Accepted Industry Standard Practices Normal Wear and Tear

The Buyer's rights under this Clause 12.1 are subject to the Aircraft and each component, equipment, accessory and part thereof being maintained, overhauled, repaired and operated in accordance with accepted industry standard practices, all Technical Data and any other instructions issued by the Seller, the Suppliers and the Propulsion Systems Manufacturer and all applicable rules, regulations and directives of the relevant Aviation Authorities. The Seller's liability under this Clause 12.1 shall not extend to normal wear and tear nor to:

- (i) any Aircraft or component, equipment, accessory or part thereof, which has been repaired, altered or modified after Delivery, except by the Seller or in a manner approved by the Seller;
- (ii) any Aircraft or component, equipment, accessory or part thereof, which has been operated in a damaged state; and

****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (iii) any component, equipment, accessory and part from which the trademark, name, part or serial number or other identification marks have been removed.

12.1.12 Limitation of liability

THE SELLER SHALL NOT BE LIABLE FOR, AND THE BUYER SHALL INDEMNIFY THE SELLER AGAINST, ANY CLAIMS FROM ANY THIRD PARTIES FOR LOSSES DUE TO ANY DEFECT OR NON-CONFORMITY OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH ANY REPAIR OF ANY WARRANTED PART UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12.1 OR ANY OTHER ACTIONS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12, WHETHER SUCH CLAIM IS ASSERTED IN CONTRACT OR IN TORT, OR IS PREMISED ON ALLEGED, ACTUAL, IMPUTED, ORDINARY OR INTENTIONAL ACTS OR OMISSIONS OF THE BUYER.

12.2 Seller Service Life Policy

In addition to the warranties set forth in Clause 12.1, the Seller further agrees that should a Failure occur in any Item (as these terms are defined herebelow) that has not suffered from an extrinsic force, then, subject to the general conditions and limitations set forth in Clause 12.2.4, the provisions of this Clause 12.2 shall apply. For the purposes of this Clause 12.2:

- (i) “**Item**” means any item listed in the Seller’s then current standard service life policy; and
- (ii) “**Failure**” means a breakage or defect that can reasonably be expected to occur on a fleetwide basis and which materially impairs the utility of the Item.

12.2.2 Periods and Seller’s Undertakings

The Seller agrees that if a Failure occurs in an Item ***** after the Delivery of said Aircraft, whichever shall first occur, the Seller shall, at its discretion and as promptly as practicable and with the Seller’s financial participation as hereinafter provided, either:

- (i) design and furnish to the Buyer a correction for such item with a Failure and provide any parts required for such correction (including Seller designed standard parts but excluding industry standard parts),
- or

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(ii) replace such Item.

12.2.3 Seller's Participation in the Costs

Subject to the general conditions and limitations set forth in Clause 12.2.4, any part or Item that the Seller is required to furnish to the Buyer under this Service Life Policy in connection with the correction or replacement of an Item shall be furnished to the Buyer ***** therefore, ***** determined in accordance with the following formula:

(i) *****

(ii) *****

(iii) *****

12.2.4 General Conditions and Limitations

(i) The undertakings set forth in this Clause 12.2 shall be valid after the period of the Seller's warranty applicable to an Item under Clause 12.1.

(ii) The Buyer's remedies and the Seller's obligations and liabilities under this Service Life Policy are subject to the prior compliance by the Buyer with the following conditions:

(a) the Buyer shall maintain log books and other historical records with respect to each Item, adequate to enable the Seller to determine whether the alleged Failure is covered by this Service Life Policy and, if so, to define the portion of the costs to be borne by the Seller in accordance with Clause 12.2.3;

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- (b) the Buyer shall keep the Seller informed of any significant incidents relating to an Aircraft, howsoever occurring or recorded;
 - (c) the Buyer shall comply with the conditions of Clause 12.1.11;
 - (d) the Buyer shall implement specific structural inspection programs for monitoring purposes as may be established from time to time by the Seller. Such programs shall be as compatible as possible with the Buyer's operational requirements and shall be carried out at the Buyer's expense. Reports relating thereto shall be regularly furnished to the Seller; and
 - (e) the Buyer shall report any breakage or defect in a Item in writing to the Seller within ***** after such breakage or defect becomes apparent, whether or not said breakage or defect can reasonably be expected to occur in any other aircraft, and the Buyer shall have provided to the Seller sufficient detail on the breakage or defect to enable the Seller to determine whether said breakage or defect is subject to this Service Life Policy.
- (iii) Except as otherwise provided for in this Clause 12.2, any claim under this Service Life Policy shall be administered as provided for in, and shall be subject to the terms and conditions of, Clause 12.1.7.
 - (iv) In the event of the Seller having issued a modification applicable to an Aircraft, the purpose of which is to avoid a Failure, the Seller may elect to supply the necessary modification kit *****. If such a kit is so offered to the Buyer, then, to the extent of such Failure and any Failures that could ensue therefrom, the validity of the Seller's commitment under this Clause 12.2 shall be subject to the Buyer incorporating such modification in the relevant Aircraft, as promulgated by the Seller and in accordance with the Seller's instructions, within a reasonable time.

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- (v) This Service Life Policy is neither a warranty, performance guarantee, nor an agreement to modify any Aircraft or Airframe components to conform to new developments occurring in the state of airframe design and manufacturing art. The Seller's obligation hereunder is to furnish only those corrections to the Items or provide replacements therefor as provided for in this Clause 12.2. The Buyer's sole remedy and relief for the non-performance of any obligation or liability of the Seller arising under or by virtue of this Service Life Policy shall be ***** limited to the amount the Buyer reasonably expends in procuring a correction or replacement for any Item that is the subject of a Failure covered by this Service Life Policy and to which such non-performance is related. The Buyer hereby waives, releases and renounces all claims to any further damages, direct, incidental or consequential, including loss of profits and all other rights, claims and remedies, arising under or by virtue of this Service Life Policy.

12.3 Supplier Warranties and Service Life Policies

Prior to/at Delivery of the first Aircraft, the Seller shall provide the Buyer with the warranties and, where applicable, service life policies that the Seller has obtained for Supplier Parts pursuant to the supplier product support agreements to be entered into between the Buyer and the Seller prior to Delivery.

12.3.1 Definitions

"Supplier" means any supplier of Supplier Parts.

"Supplier Part" means any component, equipment, accessory or part installed in an Aircraft at the time of Delivery thereof and for which there exists a Supplier Product Support Agreement. For the sake of clarity, Propulsion Systems and Buyer Furnished Equipment and other equipment selected by the Buyer to be supplied by suppliers with whom the Seller has no existing enforceable warranty agreements are not Supplier Parts.

"Supplier Product Support Agreements" means agreements between the Seller and Suppliers to be negotiated in good faith between the Buyer and the Seller containing enforceable and transferable warranties and, in the case of landing gear suppliers, service life policies for selected structural landing gear elements.

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12.3.2 Supplier's Default

(i) *****

(ii) *****

(iii) *****

12.4 Interface Commitment

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

12.4.1 Interface Problem

If the Buyer experiences any technical problem in the operation of an Aircraft or its systems due to a malfunction, the cause of which, after due and reasonable investigation, is not readily identifiable by the Buyer but which the Buyer reasonably believes to be attributable to the design characteristics of one or more components of the Aircraft (the "Interface Problem"), the Seller shall, if so requested by the Buyer, and without additional charge to the Buyer except for transportation of the Seller's personnel to the Buyer's facilities, promptly conduct or have conducted an investigation and analysis of such problem to determine, if possible, the cause or causes of the problem and to recommend such corrective action as may be feasible. The Buyer shall furnish to the Seller all data and information in the Buyer's possession relevant to the interface Problem and shall cooperate with the Seller in the conduct of the Seller's investigations and such tests as may be required. At the conclusion of such investigation, the Seller shall promptly advise the Buyer in writing of the Seller's opinion as to the cause or causes of the Interface Problem and the Seller's recommendations as to corrective action.

12.4.2 Seller's Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of a Warranted Part, the Seller shall, if so requested by the Buyer and pursuant to the terms and conditions of Clause 12.1, correct the design of such Warranted Part to the extent of the Seller's obligation as defined in Clause 12.1.

12.4.3 Supplier's Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of any Supplier Part, the Seller shall, if so requested by the Buyer, reasonably assist the Buyer in processing any warranty claim the Buyer may have against the Supplier.

12.4.4 Joint Responsibility

If the Seller determines that the Interface Problem is attributable partially to the design of a Warranted Part and partially to the design of any Supplier Part, the Seller shall, if so requested by the Buyer, seek a solution to the Interface Problem through cooperative efforts of the Seller and any Supplier involved. The Seller shall promptly advise the Buyer of such corrective action as may be proposed by the Seller and any such Supplier. Such proposal shall be consistent with any then existing obligations of the Seller hereunder and of any such Supplier towards the Buyer. Such corrective action, when accepted by the Buyer, shall constitute full satisfaction of any claim the Buyer may have against either the Seller or any such Supplier with respect to such Interface Problem.

- 12.4.5 **General**
- (i) All requests under this Clause 12.4 shall be directed to both the Seller and the Supplier.
 - (ii) Except as specifically set forth in this Clause 12.4, this Clause shall not be deemed to impose on the Seller any obligations not expressly set forth elsewhere in this Clause 12.
 - (iii) All reports, recommendations, data and other documents furnished by the Seller to the Buyer pursuant to this Clause 12.4 shall be deemed to be delivered under this Agreement and shall be subject to the terms, covenants and conditions set forth in this Clause 12.

- 12.5 *********
- A. *******
 - B. *******
 - C. *******
 - D. *******
 - E. *******

12.6 **Duplicate Remedies**

The Seller shall not be obliged to provide any remedy that duplicates any other remedy available to the Buyer in respect of the same defect under Clauses 12.1 and 12.2 as such Clauses may be amended, complemented or supplemented by other contractual agreements or by other Clauses of this Agreement.

12.7 **Negotiated Agreement**

The Buyer specifically recognizes that:

12.7.1 the Specification has been agreed upon after careful consideration by the Buyer using its judgment as a professional operator of aircraft used in public transportation and as such is a professional within the same industry as the Seller;

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- 12.7.2 this Agreement, and in particular this Clause 12, has been the subject of discussion and negotiation and is fully understood by the Buyer; and
- 12.7.3 the price of the Aircraft and the other mutual agreements of the Buyer set forth in this Agreement were arrived at in consideration of, inter alia, the provisions of this Clause 12, specifically including the waiver, release and renunciation by the Buyer set forth in Clause 12.5.

12.8 Disclosure to Third Party Entity

In the event of the Buyer intending to designate a third party entity (a "Third Party Entity") to administrate this Clause 12, the Buyer shall notify the Seller of such intention prior to any disclosure of this Clause to the selected Third Party Entity and shall cause such Third Party Entity to enter into a confidentiality agreement and or any other relevant documentation with the Seller solely for the purpose of administrating this Clause 12.

12.9 Transferability

Without prejudice to Clause 17.1, the Buyer's rights under this Clause 12 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent, which shall not be unreasonably withheld. Any transfer in violation of this Clause 12.9 shall, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 12 and any and all other warranties that might arise under or be implied in law.

13. PATENT AND COPYRIGHT INDEMNITY

13.1 Indemnity

- 13.1.1 *****
 - (i) *****
 - (ii) *****
 - (a) *****

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(b) *****

(iii) *****

13.1.2 *****

(i) *****

(ii) *****

(iii) *****

13.1.3 *****

(i) *****

(ii) *****

13.2 Administration of Patent and Copyright Indemnity Claims

13.2.1 If the Buyer receives a written claim or a suit is threatened or commenced against the Buyer for infringement of a patent or copyright referred to in Clause 13.1, the Buyer shall:

- (i) forthwith notify the Seller giving particulars thereof;
- (ii) furnish to the Seller all data, papers and records within the Buyer's control or possession relating to such patent or claim;
- (iii) refrain from admitting any liability or making any payment or assuming any expenses, damages, costs or royalties or otherwise acting in a manner prejudicial to the defense or denial of such suit or claim provided always that nothing in this sub-clause (iii) shall prevent the Buyer from paying such sums as may be required in order to obtain the release of the Aircraft, provided such payment is accompanied by a denial of liability and is made without prejudice;
- (iv) fully co-operate with, and render all such assistance to, the Seller as may be pertinent to the defense or denial of the suit or claim; and

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(v) act in such a way as to mitigate damages and / or to reduce the amount of royalties which may be payable as well as to minimise costs and expenses.

- 13.2.2 The Seller shall be entitled either in its own name or on behalf of the Buyer to conduct negotiations with the party or parties alleging infringement and may assume and conduct the defense or settlement of any suit or claim in the manner which, in the Seller's opinion, it deems proper.
- 13.2.3 The Seller's liability hereunder shall be conditional upon the strict and timely compliance by the Buyer with the terms of this Clause and is in lieu of any other liability to the Buyer express or implied which the Seller might incur at law as a result of any infringement or claim of infringement of any patent or copyright.

14. BUYER FURNISHED EQUIPMENT

14.1 Administration

- 14.1.1 Without additional charge, the Seller shall provide for the installation of those items of equipment which are identified in the Specification as being furnished by the Buyer ("**Buyer Furnished Equipment**" or "**BFE**"), provided that they are referred to in the Airbus BFE Product Catalogue valid at the time the BFE is selected.
- 14.1.2 The Seller shall advise the Buyer of the dates by which, in the planned release of engineering for the Aircraft, the Seller requires a written detailed engineering definition (the "**BFE Engineering Definition**") including the description of the dimensions and weight of BFE, the information related to its certification and information necessary for the installation and operation thereof. The Buyer shall furnish such detailed description and information by the dates so specified. Such information, dimensions and weights shall not thereafter be revised unless authorised by a Specification Change Notice.

- 14.1.3 The Seller shall also furnish in due time to the Buyer a schedule of dates and indication of shipping addresses for delivery of BFE and, where requested by the Seller, additional spare BFE to permit installation in the Aircraft and delivery of the Aircraft in accordance with the delivery schedule. The Buyer shall provide or cause to be provided such equipment by such dates in a serviceable condition, in order to allow performance of any assembly, test, or acceptance process in accordance with the industrial schedule.
- 14.1.4 The Buyer shall also provide, when requested by the Seller, at AIRBUS OPERATIONS S.A.S. works in TOULOUSE (FRANCE) and/or at AIRBUS OPERATIONS GMBH, Division Hamburger Flugzeugbau, works in HAMBURG (FEDERAL REPUBLIC OF GERMANY) adequate field service including support from BFE suppliers to act in a technical advisory capacity to the Seller in the installation, calibration and possible repair of any BFE.
- 14.1.5 The Seller shall be entitled to refuse any item of BFE which it considers incompatible with the Specification, the above mentioned engineering definition or the certification requirements.
- 14.1.6 The BFE shall be imported into FRANCE or into the FEDERAL REPUBLIC OF GERMANY by the Buyer under a suspensive customs system {^Regime de rentrepot industriel pour fabrication coordonnee3' or uZollverschlussn) without application of any French or German tax or customs duty, and shall be Delivered Duty Unpaid (DDU) according to the Incoterms definition.

Shipping Addresses:

AIRBUS OPERATIONS S.A.S.
316 Route de Bayonne
31300 TOULOUSE
FRANCE

or

AIRBUS OPERATIONS GMBH
Division Hamburger Flugzeugbau
Kreetslag 10
21129 HAMBURG
FEDERAL REPUBLIC OF GERMANY

as specified by the Seller.

14.2 Aviation Authorities' Requirements

The Buyer is responsible for, at its expense, and warrants that BFE shall: (i) be manufactured by a qualified supplier; (ii) meet the requirements of the Specification; (iii) comply with the BFE Engineering Definition; (iv) comply with applicable requirements incorporated by reference to the Type Certificate and listed in the Type Certificate Data Sheet; (v) be approved by the Aviation Authorities delivering the Export Certificate of Airworthiness and by the Buyer's Aviation Authority for installation and use on the Aircraft at the time of Delivery of such Aircraft; and (vi) not be subject to any legal obligation or other encumbrance that may prevent, hinder or delay the installation of the BFE in the Aircraft and/or Delivery of the Aircraft.

14.3 Buyer's Obligation and Seller's Remedies

14.3.1 Any delay or failure in complying with the foregoing warranty or in providing the descriptive information or service representatives mentioned in Clause 14.1 or in furnishing the BFE in serviceable condition at the requested delivery date or in obtaining any required approval for such equipment under the above mentioned Aviation Authorities regulations may delay the performance of any act to be performed by the Seller, and cause the Final Price of the Aircraft to be adjusted in accordance with the updated delivery schedule and to include in particular the amount of the Seller's additional costs, attributable to such delay or failure such as storage taxes, insurance and costs of out-of sequence installation.

14.3.2 Further, in any such event, the Seller may:

- (i) select, purchase and install an equipment similar to the involved one, in which event the Final Price of the affected Aircraft shall also be increased by the purchase price of such equipment plus reasonable costs and expenses incurred by the Seller for handling charges, transportation, insurance, packaging and if so required and not already provided for in the price of the Aircraft for adjustment and calibration; or

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (ii) if the BFE shall be so delayed by more than *****, or unapproved within ***** of the dates specified in Clause 14.1.2, deliver the Aircraft without the installation of such BFE, notwithstanding the applicable terms of Clause 7 insofar as it may otherwise have applied, and the Seller shall thereupon be relieved of all obligations to install such equipment. The Buyer may also elect to have the Aircraft so delivered.

14.4 Title and Risk of Loss

Title to and risk of loss of any BFE shall at all times remain with the Buyer except that risk of loss (limited to cost of replacement of said BFE and excluding in particular loss of use) shall be with the Seller for as long as such BFE shall be under the care, custody and control of the Seller.

14.5 Disposition of BFE Following Termination

14.5.1 *****

14.5.2 The Buyer shall cooperate with the Seller in facilitating the sale of BFE pursuant to Clause

14.5.3 and shall be responsible for all costs incurred by the Seller in removing and facilitating the sale of such BFE. *****.

14.5.4 The Seller shall notify the Buyer as to those items of BFE not sold by the Seller pursuant to paragraph 14.5.1 above and, at the Seller's request, the Buyer shall undertake to remove such items from the Seller's facility within ***** of the date of such notice. The Buyer shall have no claim against the Seller for damage, loss or destruction of any item of BFE removed from the Aircraft and not removed from Seller's facility within such period.

14.5.5 The Buyer shall have no claim against the Seller for damage to or destruction of any item of BFE damaged or destroyed in the process of being removed from the Aircraft, provided that the Seller shall use reasonable care in such removal.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

14.5.6 The Buyer shall grant title (or, as the case may be, procure that title is granted to) the Seller to any BFE items that cannot be removed from the Aircraft without causing damage to the Aircraft or rendering any system in the Aircraft unusable.

15. INDEMNIFICATION

15.1 The Seller shall, except in case of gross negligence or wilful misconduct of the Buyer, its directors, officers, agents or employees, be solely liable for and shall indemnify and hold harmless the Buyer, its Affiliates and each of their respective directors, officers, agents, employees and insurers from and against all liabilities, claims, damages, costs and expenses (including legal expenses and attorney fees) in respect of:

15.1.1 loss of, or damage to, the Seller's property;

15.1.2 injury to, or death of, the directors, officers, agents or employees of the Seller;

15.1.3 any damage caused by the Seller to third parties arising out of, or in any way connected with, any ground check, check or controls connected with the Technical Acceptance Process; and

15.1.4 any damage caused by the Buyer and/or the Seller to third parties arising out of, or in any way connected with, technical acceptance flights under Clause 8 of this Agreement.

15.2 The Buyer shall, except in case of gross negligence or wilful misconduct of the Seller, its directors, officers, agents or employees, be solely liable for and shall indemnify and hold harmless the Seller, its Affiliates and each of their respective directors, officers, agents, employees, sub-contractors and insurers from and against all liabilities, claims, damages, costs and expenses (including legal expenses and attorney fees) in respect of:

15.2.1 loss of, or damage to, the Buyer's property;

15.2.2 injury to, or death of, the directors, officers, agents or employees of the Buyer; and

15.2.3 any damage caused by the Buyer to third parties arising out of, or in any way connected with the Technical Acceptance Process.

16. REMEDIES

16.1 Insolvency

In the event that either the Seller or the Buyer:

- 16.1.1 makes a general assignment for the benefit of creditors or becomes insolvent;
 - 16.1.2 files a voluntary petition in bankruptcy;
 - 16.1.3 petitions for or acquiesces in the appointment of any receiver, trustee or similar officer to liquidate or conserve its business or any substantial part of its assets;
 - 16.1.4 commences under the laws of any competent jurisdiction any proceeding involving its insolvency, bankruptcy, readjustment of debt, liquidation or any other similar proceeding for the relief of financially distressed debtors;
 - 16.1.5 becomes the object of any proceeding or action of the type described in (c) or (d) above and such proceeding or action remains undismissed or unstayed for a period of at least *****; or
 - 16.1.6 is divested of a substantial part of its assets for a period of at least *****,
- then the other party may, to the full extent permitted by law, by written notice, terminate all or part of its obligations under this Agreement.

16.2 *****

If for any Aircraft the Buyer fails to *****

16.3 *****

If the Buyer fails to *****.

16.4 Default under Other Agreements

If Buyer *****.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

16.5 Change of Control

If after the date of this Agreement the ultimate beneficial ownership of a majority of the shares in the Buyer or in the ultimate control of the Buyer occurs without the prior approval of the Seller, the Seller may, by written notice, terminate all or part of its obligations under this Agreement with respect to undelivered Aircraft.

16.6 General

16.6.1 To the fullest extent permitted by law, ***** upon receipt by the relevant party of the notice sent by the other party without it being necessary for either party to take any further action or to seek any consent from the other party or any court having jurisdiction.

16.6.2 The right for either party ***** shall be without prejudice to any other rights and remedies available to such party to enforce its rights under this Agreement before any court having jurisdiction pursuant to any failure by the other party to perform its obligations under this Agreement.

16.6.3 If the party taking the initiative of ***** , the notice sent to the other party shall *****.

16.6.4 In the event of ***** , without prejudice to any other rights and remedies available under this Agreement or by law, *****.

17. ASSIGNMENTS AND TRANSFERS

17.1 Assignments by Buyer

Except as hereinafter provided, the Buyer may not sell, assign, novate or transfer its rights and obligations under this Agreement to any person without the prior written consent of the Seller.

17.1.1 Assignments for Predelivery Financing

The Buyer shall be entitled to assign its rights under this Agreement at any time in order to provide security for the financing of any Predelivery Payments subject to such assignment being in form and substance acceptable to the Seller.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

17.1.2 Assignments for Delivery Financing

The Buyer shall be entitled to assign its rights under this Agreement at any time in connection with the financing of its obligation to pay the Final Price subject to such assignment being in form and substance acceptable to the Seller.

17.2 Assignments by Seller

The Seller may at any time sell, assign, novate or transfer its rights and obligations under this Agreement to any person, provided such sale, assignment or transfer be notified to Buyer and shall not have a material adverse effect on any of Buyer's rights and obligations under this Agreement.

17.3 Transfer of Rights and Obligations upon Restructuring

In the event that the Seller is subject to a corporate restructuring having as its object the transfer of, or succession by operation of law in, all or a substantial part of its assets and liabilities, rights and obligations, including those existing under this Agreement, to a person (the "**Successor**") under the control of the ultimate controlling shareholders of the Seller at the time of that restructuring, for the purpose of the Successor carrying on the business carried on by the Seller at the time of the restructuring, such restructuring shall be completed without consent of the Buyer following notification by the Seller to the Buyer in writing. The Buyer recognises that succession of the Successor to the Agreement by operation of law, which is valid under the law pursuant to which that succession occurs, shall be binding upon the Buyer.

18. MISCELLANEOUS PROVISIONS

18.1 Data Retrieval

On the Seller's reasonable request, the Buyer shall provide the Seller with all the necessary data, as customarily compiled by the Buyer and pertaining to the operation of the Aircraft, to assist the Seller in making an efficient and coordinated survey of all reliability, maintenance, operational and cost data with a view to monitoring the efficient and cost effective operations of the Airbus fleet worldwide.

18.2 Notices

All notices and requests required or authorized hereunder shall be given in writing either by personal delivery to an authorized representative of the party to whom the same is given or by registered mail (return receipt requested), express mail (tracking receipt requested) or by facsimile, to be confirmed by subsequent registered mail, and the date upon which any such notice or request is so personally delivered or if such notice or request is given by registered mail, the date upon which it is received by the addressee or, if given by facsimile, the date upon which it is sent with a correct confirmation printout, provided that if such date of receipt is not a Business Day notice shall be deemed to have been received on the first following Business Day, shall be deemed to be the effective date of such notice or request.

Seller's address for notices is:

AIRBUS S.A.S.

Attn. To V. P. Contracts

1, rond-point Maurice Bellonte

31707 BLAGNAC CEDEX

FRANCE

Buyer's address for notices is:

[]

Attn: []

[]

Attention: []

Fax: []

or such other address or such other person as the party receiving the notice or request may reasonably designate from time to time.

18.3 Waiver

The failure of either party to enforce at any time any of the provisions of this Agreement, or to exercise any right herein provided, or to require at any time performance by the other party of any of the provisions hereof, shall in no way be construed to be a present or future waiver of such provisions nor in any way to affect

the validity of this Agreement or any part thereof or the right of the other party thereafter to enforce each and every such provision. The express waiver (whether made one (1) or several times) by either party of any provision, condition or requirement of this Agreement shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

18.4 Law and Jurisdiction

18.4.1 This Agreement shall be governed by and construed in accordance with the laws of England.

18.4.2 Any dispute arising out of or in connection with this Agreement shall be within the exclusive jurisdiction of the Courts of England.

18.4.3 The parties do not intend that any term of this Agreement shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement.

18.5 International Supply Contract

The Buyer and the Seller recognise that this Agreement is an international supply contract which has been the subject of discussion and negotiation, that all its terms and conditions are fully understood by the parties, and that the Specification and price of the Aircraft and the other mutual agreements of the parties set forth herein were arrived at in consideration of, inter alia, all the provisions hereof specifically including all waivers, releases and renunciations by the Buyer set out herein. The Buyer and the Seller hereby also agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this transaction.

18.6 Severability

In the event that any provision of this Agreement should for any reason be held ineffective, the remainder of this Agreement shall remain in full force and effect. To the extent permitted by applicable law, each party hereto hereby waives any provision of law, which renders any provision of this Agreement prohibited or unenforceable in any respect.

18.7 Alterations to Contract

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any previous understandings, commitments or representations whatsoever oral or written in respect thereto. This Agreement shall not be varied except by an instrument in writing of date even herewith or subsequent hereto executed by both parties or by their duly authorised representatives.

18.8 Language

All correspondence, documents and any other written matters in connection with this Agreement shall be in English.

18.9 Counterparts

This Agreement has been executed in two (2) original copies. Notwithstanding the above, this Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same Agreement.

18.10 Inconsistencies

In the event of any inconsistency between the terms of this Agreement and the terms contained in either (i) the Specification, or (ii) any other Exhibit, in each such case the terms of this Agreement shall prevail over the terms of the Specification or any other Exhibit. For the purpose of this Clause 18.10, the term Agreement shall not include the Specification or any other Exhibit hereto.

18.11 Confidentiality

This Agreement including any Exhibits, other documents or data exchanged between the Buyer and the Seller for the fulfilment of their respective obligations under the Agreement shall be treated by both parties as confidential and shall not be released in whole or in part to any third party except:

- (a) as may be required by law;
- (b) to professional advisors for the purpose of implementation of this Agreement and the transactions contemplated herein;

(c) *****

(d) *****

Both the Buyer and the Seller agree:

- (i) not to make any press release concerning the whole or any part of the contents and/or subject matter hereof or of any future addendum hereto without the prior written consent of the other party hereto;
- (ii) that any and all terms and conditions of the transaction contemplated in this Agreement are strictly personal and exclusive to the Buyer, including in particular, but not limited to, the Aircraft pricing (the “**Personal Information**”). The Buyer therefore agrees to enter into consultations with the Seller reasonably in advance of any required disclosure of Personal Information to financial institutions, including operating lessors, investment banks and their agents or other relevant institutions for aircraft sale and leaseback or any other Aircraft or Predelivery Payment financing purposes (the “**Receiving Party**”).

Without prejudice to the foregoing, any disclosure of Personal information to a Receiving Party shall be subject to written agreement between the Buyer and the Seller, including in particular, but not limited to:

- (a) the contact details of the Receiving Party;
- (b) the extent of the Personal Information subject to disclosure; and
- (c) the Aircraft pricing to be provided to the Receiving Party.

Furthermore, the Buyer shall use its best efforts to limit the disclosure of the contents of this Agreement to the extent legally permissible in any filing required to be made by the Buyer with any governmental or regulatory agency. The Buyer agrees that prior to any such disclosure or filing, the Seller and the Buyer shall jointly review and agree on the terms and conditions of the document to be filed or disclosed. The provisions of this Clause 18.11 shall survive any termination of this Agreement for a period of *****.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

IN WITNESS WHEREOF this Agreement was entered into the day and year first above written.

For and on behalf of

[]

Name:
Title:

For and on behalf of

AIRBUS S.A.S.

Name:
Title:

EXHIBIT A

Part 1

AIRFRAME PRICE REVISION FORMULA

1. BASE PRICE

The Airframe Base Price quoted in Clause 3.1 of the Agreement is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics, and in accordance with the provisions hereof.

2. BASE PERIOD

The Airframe Base Price has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in ***** as defined by “ECIb” and “ICb” index values indicated hereafter.

3. INDEXES

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in MNEWSn, and found in Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group”, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100).

The quarterly value released for a certain month (March, June, September and December) shall be the one deemed to apply for the two preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU20232110000001.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI Detailed Report” (found in Table 6. “Producer price indexes and percent changes for commodity and service groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

4. REVISION FORMULA

5. GENERAL PROVISIONS

5.1 Roundings

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The Labor Index average and the Material Index average shall be computed to the first decimal. If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

Each quotient (*****) and (*****) shall be rounded to the nearest ten-thousandth (4 decimals). If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

The final factor shall be rounded to the nearest ten-thousandth (4 decimals).

The final price shall be rounded to the nearest whole number (0.5 or more rounded to 1).

5.2 Substitution of Indexes for Airframe Price Revision Formula If:

- (a) the United States Department of Labor substantially revises the methodology of calculation of the Labor Index or the Material Index as used in the Airframe Price Revision Formula, or
- (b) the United States Department of Labor discontinues, either temporarily or permanently, such Labor Index or such Material Index, or
- (c) the data samples used to calculate such Labor Index or such Material Index are substantially changed;

the Seller shall select a substitute index for inclusion in the Airframe Price Revision Formula (the "Substitute Index").

The Substitute Index shall reflect as closely as possible the actual variance of the Labor Costs or of the material costs used in the calculation of the original Labor Index or Material Index as the case may be.

As a result of the selection of the Substitute Index, the Seller shall make an appropriate adjustment to the Airframe Price Revision Formula to combine the successive utilization of the original Labor Index or Material Index (as the case may be) and of the Substitute Index.

5.3 Final Index Values

The Index values as defined in Clause 4 above shall be considered final and no further adjustment to the base prices as revised at Delivery of the Aircraft shall be made after Aircraft Delivery for any subsequent changes in the published Index values.

5.4 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT A

Part 2

PROPULSION SYSTEMS PRICE REVISION FORMULA
CFM INTERNATIONAL

1. REFERENCE PRICE OF THE PROPULSION SYSTEM

The "Propulsion Systems Reference Price" (as such term is used in this Exhibit A Part 2) of a set of two (2) CFM International CFM56-5B3/3 Engines is *****

The Propulsion Systems Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics and in accordance with the provisions of this Exhibit C Part 2.

2. REFERENCE PERIOD

The Propulsion Systems Reference Price has been established in accordance with the economic conditions prevailing for a theoretical delivery in ***** as defined by CFM International by the Reference Composite Price Index (CPI) 148.84.

3. INDEXES

Labor Index: "Employment Cost Index for Workers in Aerospace manufacturing" hereinafter referred to as "ECB36411W", quarterly published by the US Department of Labor, Bureau of Labor Statistics, in "NEWS", and found in: Table 9, "WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational groups, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100, *****).

The quarterly value released for a certain month (March, June, September and December) will be the one deemed to apply for the two (2) preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU20232110000001.

Material Index: "Industrial Commodities" (hereinafter referred to as "IC") as published in "PPI detailed report" (found in Table 6. "Producer price indexes and percent changes for commodity groupings and individual items not seasonally adjusted" or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

4. REVISION FORMULA

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5. GENERAL PROVISIONS

5.1 Roundings

- (i) The Material Index average ***** will be rounded to the nearest second decimal place and the Labor Index average ***** will be rounded to the nearest first decimal place.
- (ii) ***** will be rounded to the nearest second decimal place.
- (iii) The final factor ***** will be rounded to the nearest fourth decimal place. If the next succeeding place is five (5) or more, the preceding decimal place will be raised to the next higher figure. After final computation, ***** will be rounded to the nearest whole number (0.5 rounds to 1). 5.2 Final

5.2 Final Index Values

The revised Propulsion Systems Reference Price at the date of Aircraft delivery will not be subject to any further adjustment in the indexes.

5.3 Interruption of Index Publication

If the US Department of Labor substantially revises the methodology of calculation or discontinues any of the indexes referred to hereabove, the Seller will reflect the substitute for the revised or discontinued index selected by CFM International, such substitute index to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original index as it may have fluctuated had it not been revised or discontinued.

Appropriate revision of the formula will be made to accomplish this result.

5.4 Annulment of the Formula

Should the above ***** provisions become null and void by action of the US Government, the Propulsion Systems Reference Price will be adjusted due to increases in the costs of labor and material which have occurred from the period represented by the applicable Reference Composite Price Index to the ***** prior to the scheduled month of Aircraft delivery.

5.5 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT B

CERTIFICATE OF ACCEPTANCE

In accordance with the terms of [clause []]] of the purchase agreement dated [day] [month][year] and made between [](the “**Customer**”) and Airbus S.A.S. as amended and supplemented from time to time (the “**Purchase Agreement**”), the technical acceptance tests relating to one Airbus A321 aircraft, bearing manufacturer’s serial number [], and registration mark [] (the “**Aircraft**”) have taken place in *****.

In view of said tests having been carried out with satisfactory results, the Customer, [as agent of [insert the name of the lessor/SPC] (the “**Owner**”) pursuant to the [purchase agreement assignment] dated [day] [month] [year], between the Customer and the Owner] hereby approves the Aircraft as being in conformity with the provisions of the Purchase Agreement and accepts the Aircraft for delivery in accordance with the provisions of the Purchase Agreement.

Such acceptance shall not impair the rights that may be derived from the warranties relating to the Aircraft set forth in the Purchase Agreement.

Any right at law or otherwise to revoke this acceptance of the Aircraft is hereby irrevocably waived.

IN WITNESS WHEREOF, the Customer, [as agent of the Owner] has caused this instrument to be executed by its duly authorised representative this [day] [month], [year] in *****.

CUSTOMER [as agent of **OWNER**]

Name:

Title:

Signature:

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT C

BILL OF SALE

Know all men by these presents that Airbus S.A.S., a *Société par Actions Simplifiée* existing under French law and having its principal office at 1 rond-point Maurice Bellonte, 31707 Blagnac Cedex, FRANCE (the “**Seller**”), was this [day] [month] [year] the owner of the title to the following airframe (the “**Airframe**”), the propulsion systems as specified (the “**Propulsion Systems**”) and [ail appliances, components, parts, instruments, accessories, furnishings, modules and other equipment of any nature], excluding buyer furnished equipment (“**BFE**”), incorporated therein, installed thereon or attached thereto on the date hereof (the “**Parts**”):

AIRFRAME

AIRBUS Model A321-200

MANUFACTURER’S

SERIAL NUMBER: []

REGISTRATION MARK:

PROPULSION SYSTEMS

CFM International CFM56-5B3/3

ENGINE SERIAL NUMBERS:

LH: []

RH: []

[]

The Airframe, Propulsion Systems and Parts are hereafter together referred to as the “**Aircraft**”.

The Seller did this ____ day of [month] [year], sell, transfer and deliver all of its above described rights, title and interest in and to the Aircraft to the following entity and to its successors and assigns forever, said Aircraft to be the property thereof:

[Insert Name/Address of Buyer]

(the “**Buyer**”)

The Seller hereby warrants to the Buyer, its successors and assigns that it had good and lawful right to sell, deliver and transfer title to the Aircraft to the Buyer and that there was conveyed to the Buyer good, legal and valid title to the Aircraft, free and clear of all liens, claims, charges, encumbrances and rights of others and that the Seller will warrant and defend such title forever against all claims and demands whatsoever.

This Bill of Sale shall be governed by and construed in accordance with the laws of England.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized representative this ____ day of [month], [year] in *****.

AIRBUS S.A.S.

Name:
Title:
Signature:

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT D

PRE-DELIVERY PAYMENTS, SCHEDULED DELIVERY MONTHS

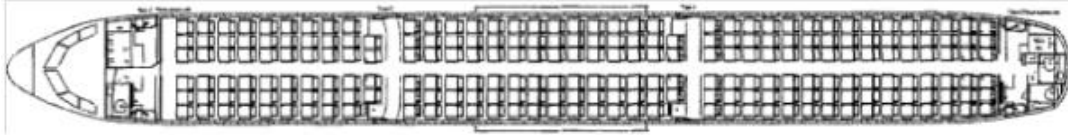
*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

APPENDIX 1

SPECIFICATION CHANGE NOTICE

Based on A321-200 *****



| ATA | Description |
|-------|-------------|
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
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| ***** | ***** |
| ***** | ***** |
| ***** | ***** |

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Clause 4 – Events of Default

4. Events of Default

Each of the following events shall constitute an Event of Default which shall continue so long as, but only as long as, it shall not have been remedied:

- (a) *Non Payment.* The Borrower shall have failed to make a payment of any principal on any Loan Certificate within ***** after the same shall have become due; or the Borrower shall have failed to make a payment of interest on any Loan Certificate within ***** after the same shall have become due;
- (b) *Other Payments.* The Borrower shall have failed to make any payment of any amount owed to any Finance Party under the Operative Documents, including without limitation, any payment owed pursuant to Clause 5.9 of the Credit Agreement, other than as provided under paragraph (a) of this Clause 4 after the same shall have become due and such failure shall continue for five (5) Business Days after the Borrower has received notice that such payment is due;
- (c) *Special Purpose Covenants.* The Borrower shall have failed to perform or observe, or caused to be performed and observed, any covenant or agreement to be performed or observed by it under Clause 10.3 of the Credit Agreement;
- (d) *Other Covenants.* The Borrower or either Guarantor shall have failed to perform or observe, or caused to be performed and observed, in any respect, any other covenant or agreement to be performed or observed by it under any Operative Document, and such failure (if capable of remedy) shall continue unremedied for a period of ***** after Borrower's or either Guarantor's receipt of written notice from the Security Trustee or the Facility Agent; provided however that such grace period shall not apply if such breach gives rise to any reasonable likelihood of the sale, forfeiture or other loss of any of the Collateral or the Aircraft or any interest therein;
- (e) *Representations and Warranties.* Any representation or warranty made by the Borrower or either Guarantor in any Operative Document or any document or certificate furnished by any such Obligor in connection therewith or pursuant thereto shall prove to have been incorrect or misleading at the time made, which, if capable of cure, is not cured within ***** after the Borrower or either Guarantor obtains knowledge thereof and to the extent such incorrect or misleading representation or warranty is materially adverse to the Security Trustee or any Lender;
- (f) *Voluntary Bankruptcy.* The commencement by the Borrower or either Guarantor of a voluntary case or winding up under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal, state or other bankruptcy, insolvency or other similar law in the United States or the Cayman Islands, or the consent by the Borrower or either Guarantor to the appointment of or taking possession by a receiver, liquidator, assignee,

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

trustee, custodian, sequestrator (or other similar official) of the Borrower or either Guarantor or for all or substantially all of its property, or the making by the Borrower or either Guarantor of any assignment for the benefit of creditors of the Borrower or either Guarantor shall take any corporate action to authorize any of the foregoing (including, without limitation, by the passing of a shareholders' resolution for its involuntary winding up) or to authorize a general payment moratorium;

- (g) *Involuntary Bankruptcy.* The commencement of an involuntary case, winding up or other proceeding in respect of the Borrower or either Guarantor under the federal, bankruptcy laws, as now or hereafter constituted, or any other applicable federal state or other bankruptcy, insolvency or other similar law in the United States or the Cayman Islands or seeking the appointment of a liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Borrower or either Guarantor for all or substantially all of its property, or seeking the winding-up or liquidation of its affairs and the continuation of any such case or other proceeding remains undismissed and unstayed for a period of *****, or an order, judgment or decree shall be entered in any proceeding by any court of competent jurisdiction appointing, without the consent of the Borrower or either Guarantor, a receiver, trustee or liquidator of the Borrower or either Guarantor, or for all or substantially all of its property, or sequestering of all or substantially all of the property of either Guarantor or the occurrence of such in respect of any property of the Borrower and any such order, judgment or decree or appointment or sequestration shall be final or shall remain in force undismissed, unstayed or unvacated for a period of *****, after the date of entry thereof;
- (h) *Perfected Security Interest.* The Security Trustee shall cease to hold a valid and perfected security interest in any of the Collateral (except with respect to Permitted Liens);
- (i) *Breach of Assigned Purchase Agreements or Engine Agreement.* The Borrower or either Guarantor breaches or repudiates or evidences an intention to repudiate the terms of either Assigned Purchase Agreement, the Assignment and Assumption Agreement, the servicing agent, either Engine Agreement, or either Airbus Purchase Agreement, as applicable, and such breach is not cured within *****;
- (j) *Cross Defaults.* For any reason, any Financial Indebtedness of either Guarantor (or any Financial Indebtedness which a Guarantor has agreed to guarantee) in an aggregate amount in excess of *****) (or its equivalent in other currencies as determined by the Security Trustee), is not paid when due nor within any originally applicable grace period, and such Financial Indebtedness is declared to be due and payable prior to its specified maturity as a result of an event of default or termination event (howsoever described);
- (k) *Judgements:* any judgement against a Guarantor for an amount equal to or in excess of ***** is not paid by the date required by the court, unless such judgment is appealable and is being contested in good faith and by appropriate proceedings by such Guarantor;

****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (l) *BFE Payments.* The Borrower or any Guarantor shall have failed to make the payment of any amount in respect of BFE for each Aircraft in respect of which a Loan is then outstanding when due as described in to the Credit Agreement;
- (m) *Servicing Agreement.* An event occurs that entitles Frontier Airlines to terminate the Servicing Agreement pursuant to the Servicing Agreement;
- (n) *Step-In Agreement.* The occurrence of an Insolvency Event in respect of the Borrower or either Guarantor or a Step-In Event (as defined in the Step-In Agreement); and
- (o) *Financial Covenants.* Either Guarantor shall have failed to perform, observe or comply with, or caused to be performed, observed and complied with, any covenant or agreement to be performed, observed or complied with by it under the Guarantee in respect of financial covenants.

Selected Definitions

“**Administration Agreement**” means the administration agreement between the Borrower and the Parent dated on or about the date hereof.

“**Advance**” means each Purchase Price installment paid or payable by or on behalf of the Borrower in respect of each Aircraft in accordance with the terms of the Assigned Purchase Agreement which, for each Purchase Price Installment due on or after the Effective Date, is in the amount and payable on the date specified in the Credit Agreement.

“**Airbus**” means Airbus S.A.S., in its capacity as manufacturer of the Aircraft, and its successors and assigns.

“**Aircraft**” means each “Aircraft” identified as such for the purposes of the Credit Agreement.

“**Airbus Purchase Agreement**” means collectively the (i) A321-200 aircraft purchase agreement dated as of [] between Airbus and Frontier Airlines, as amended and supplemented from time to time (but excluding any letter agreements entered into from time to time in relation thereto), to the extent related to such Aircraft and as the same may be further amended and supplemented from time to time and (ii) the A320neo aircraft purchase agreement dated as of September 30, 2011 between Airbus and Frontier Airlines, as amended and supplemented from time to time (but excluding any letter agreements entered into from time to time in relation thereto), to the extent related to such Aircraft and as the same may be further amended and supplemented from time to time.

“**Assigned Purchase Agreement**” means collectively, each Airbus Purchase Agreement as assigned and transferred to the Borrower and amended and restated in the terms set forth in the Assignment and Assumption Agreement.

“**Assignment and Assumption Agreement**” means each Assignment and Assumption Agreement entered into among Frontier Airlines, the Borrower and Airbus in respect of the assignment, in part, of an Airbus Purchase Agreement to the Borrower in respect of the Aircraft.

“**Borrower**” means Vertical Horizons, Inc., a Cayman Islands exempted company, and its successors and permitted assigns.

“**Borrowing Date**” means (a) the Effective Date and (b) each date on which an Advance is payable in respect of an Aircraft under the related Assigned Purchase Agreement.

“**Business Day**” means any day other than a Saturday or Sunday or a day on which commercial banks are required or authorized to close in London England and New York City, provided that, if such day relates to the giving of notices or quotes in connection with LIBOR, Business Day shall mean a day on which commercial banks are required or authorized to stay open in London England only.

“**Buyer Furnished Equipment**” or “**BFE**” means those items of equipment which are identified in the specification of an Aircraft in the related Assigned Purchase Agreement as being furnished by the “Buyer” and are listed in the Credit Agreement.

“**Collateral**” means, collectively, (i) all of the collateral subject to the granting clause in the Mortgage and (ii) the all of the collateral subject to the Share Charge.

“**Cost of Funds**” means (i) for any “stub” Interest Period described in clause (x) of the definition of “LIBOR”, a percentage per annum that equals the cost of funds of each Lender for such Interest Period (as determined by the Facility Agent from cost-of-funds quotations provided by the Lenders, as certificated thereby), and (ii) with respect to any other Interest Period, a rate per annum equal to the Lender’s cost of funds for such Interest Period determined in accordance with the Credit Agreement and calculated on the basis of a year of 360 days and the actual number of days elapsed.

“**Credit Agreement**” means that certain Credit Agreement entered into or to be entered into, as the context may require, between the Borrower, the Lenders, the Facility Agent and the Security Trustee, as amended and supplemented from time to time.

“**Delivery Date**” means, for any Aircraft, the date on which such Aircraft is to be delivered by Airbus and accepted by Borrower or its permitted assignee under the Assigned Purchase Agreement.

“**Effective Date**” means the date of the first drawdown under the Credit Agreement.

“**Engine Agreement**” means each of the Engine Manufacturer consent agreements entered into or to be entered into as the context may require between the Engine Manufacturer, Frontier Airlines and the Security Trustee.

“**Engine Manufacturer**” means CFM International, Inc.

“**Facility Agent**” means Citibank N.A. in its capacity as Facility Agent under the Credit Agreement and any successor thereto in such capacity.

“**Finance Parties**” means together the Lenders, the Facility Agent and the Security Trustee (each a “**Finance Party**”).

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease, lease purchase, installment sale, conditional sale, hire purchase or credit sale or other similar arrangement (whether in respect of aircraft, machinery, equipment, land or otherwise) entered into primarily as a method of raising finance or for financing the acquisition of the relevant asset;
- (e) payments under any lease with a term, including optional extension periods, if any, capable of exceeding two years (whether in respect of aircraft, machinery, equipment, land or otherwise) characterized or interpreted as an operating lease in accordance with the relevant accounting standards but either entered into primarily as a method of financing the acquisition of the asset leased or having a termination sum payable upon any termination of such lease;

- (f) any amount raised by receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis) including any bill discounting, factoring or documentary credit facilities;
- (g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (h) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (i) obligations (whether or not conditional) arising from a commitment to purchase or repurchase shares or securities where such commitment is or was in respect of raising finance;
- (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) through (j) above.

“**Frontier Airlines**” means Frontier Airlines, Inc..

“**Frontier Holdings**” means Frontier Airlines Holdings, Inc..

“**Guarantee**” means each Guarantee entered into concurrently with the execution and delivery of the Credit Agreement by a Guarantor in favor of the Security Trustee on account of the obligations of the Borrower.

“**Guarantor**” means each of Frontier Airlines and Frontier Holdings.

“**Interest Payment Date**” means the date falling ***** after the Effective Date and each such date which falls at ***** intervals thereafter, provided that, if any such date shall not be a Business Day, then the relevant Interest Payment Date shall be the next succeeding Business Day; provided, further, that no Interest Payment Date may extend past the Termination Date and the last Interest Payment Date shall be the Termination Date.

“**Interest Period**” means, in respect of a Loan (a) initially, the period commencing on the Effective Date or on the date that such Loan is made and ending on the first Interest Payment Date occurring thereafter, and (b) thereafter, the period commencing on the last day of the previous Interest Period and ending on the next Interest Payment Date or, if earlier, the first to occur of the Delivery Date of the Aircraft funded by such Loan and the Termination Date.

“**Lender**” means each Lender identified in the Credit Agreement and any assignee or transferee of such Lender.

“**LIBOR**” means, with respect to any Interest Period, a rate per annum equal to (x) for the first (if for a period of less than one month) Interest Period and for any Interest Period under the last two sentences of Clause 5.2(d) of the Credit Agreement, the rate certified by the Lenders as their Cost of Funds for such period and (y) otherwise, (i) the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate Reuters Screen LIBOR 01 Page for a period equal or comparable to such Interest Period as of 11:00 A.M. (London time) on the day two (2) London business days prior to the first day of such Interest Period, or (ii) if the Thomson Reuter's Screen LIBOR 01 Page or LIBOR 02 Page is not available but no Market Disruption Event exists, the arithmetic mean of the offered rates (rounded upwards to the nearest 1/16th of one percent) as supplied to the Facility Agent at its request quoted by the principal London offices of Citibank, N.A., HSBC Bank plc and Barclays Bank pic (or such other banks as may from time to time be agreed by the Borrower and the Facility Agent) for deposits to leading banks in the London Interbank Market as of 11:00 A.M. (London time) on the day two (2) London business days prior to the first day of such Interest Period for a period equal or comparable to such Interest Period, and if, in any case, that rate is less than zero, LIBOR shall be deemed to be zero.

“**Lien**” means any mortgage, pledge, lien, claim, encumbrance, lease, security interest or other lien of any kind on property.

“**Loan**” in respect of any Advance means the borrowing made by the Borrower on the Borrowing Date with respect to such Advance from each Lender.

“**Loan Certificates**” means the loan certificates issued pursuant to the Credit Agreement and any such certificates issued in exchange or replacement thereof pursuant to the Credit Agreement.

“**Market Disruption Event**” means, for each Interest Period:

- (a) the Facility Agent (acting on the advice of the Lenders) determines (which determination shall be binding and conclusive on all parties) that, by reason of circumstances affecting the London interbank market or any other applicable financial market generally, adequate and reasonable means do not exist for ascertaining LIBOR for such Interest Period; or
- (b) one or more Lenders collectively holding at least 50% of the principal amount of the Loans advises the Facility Agent that (by reason of circumstances affecting the London interbank market or any other applicable financial market generally) LIBOR for such Interest Period will not adequately and fairly reflect the cost to such Lender of maintaining or funding its Loan for such Interest Period.

“**Mortgage**” means the Mortgage and Security Agreement A321/A320neo PDP entered into or to be entered into, as the context may require, between the Borrower, the Facility Agent and the Security Trustee.

“**Obligor**” means each of the Borrower, Frontier and Frontier Holdings.

“**Operative Documents**” means the Administration Agreement, the Credit Agreement, the Mortgage, the Loan Certificates, the Share Charge, the Guarantees, the Assigned Purchase Agreements, the Assignment and Assumption Agreement, the Step-In Agreement, the Engine Agreements, the Option Agreement, the Servicing Agreement, the Subordinated Loan Agreement, any fee letter and any amendments or supplements of any of the foregoing.

“Option Agreement” means the Option Agreement, dated as of the Effective Date, between Frontier Airlines and the Borrower.

“Parent” means Intertrust SPV (Cayman) Limited, a Cayman Islands company (as trustee of the Vertical Horizons, Ltd.).

“Permitted Lien” means any Lien permitted under the Credit Agreement.

“Purchase Price Installment” has the meaning given to the term Pre-Delivery Payment Amount in the Assigned Purchase Agreement.

“Security Trustee” means Bank of Utah, not in its individual capacity but solely as Security Trustee on behalf of the Facility Agent and the Lenders under the Credit Agreement, and any successor thereto in such capacity.

“Servicing Agreement” means the Servicing Agreement entered into or to be entered into, as the context may require, between the Borrower and Frontier Airlines.

“Share Charge” means the Share Charge entered into or to be entered into, as the context may require, among the Parent and the Security Trustee.

“Step-In Agreement” means the Step-In Agreement dated as of the Effective Date among the Borrower, as assignor, the Security Trustee, as assignee, and Airbus in the form specified in the Credit Agreement.

“Subordinated Loan Agreement” means the Subordinated Loan Agreement, dated as of the Effective Date, between Frontier Airlines and the Borrower and the subordinated promissory note dated the Effective Date, issued by the Borrower thereunder.

“Termination Date” means *****.

Execution page 1

Step-In Agreement

Airbus A320neo Aircraft / Airbus A321ceo Aircraft

Frontier / Citibank

The Buyer

**Executed as a Deed by
Vertical Horizons, Ltd.**
and signed by

)
)
) /s/ Otelia Scott
) Otelia Scott
) Director
)
)
)

being a person/persons who in
accordance with the laws
of the Cayman Islands is acting
under the authority of the company
in the presence of:

Name: /s/ Shyvon Hydes
Address: Shyvon Hydes
190 Elgin Avenue, George Town
Grand Cayman KY 1-9005
Cayman Islands

The Security Trustee

**Executed as a Deed by
Bank of Utah not in its individual
capacity but solely as Security Trustee**
and signed by:

)
)
)
)
)
) /s/ Michael Hoggan
) Vice President

its
being a person/persons who in
accordance with the laws of the State of
Utah is/are acting under the authority of
the company
in the presence of:

)
)
)
)
)
)
)
)

Name: /s/ Brett R. King
Address: Brett R. King
200 E. South Temple, Suite 210
Salt Lake City, UT 84111

Step-In Agreement

Airbus A320neo Aircraft / Airbus A321ceo Aircraft

Frontier / Citibank

Airbus

Executed as a Deed by Airbus S.A.S.

and signed by

)

)

/s/ Christophe Mourey

Senior Vice President Contracts

)

its

being a person/persons who in

accordance with the laws

of France is/are

acting under the authority of the company

in the presence of:

)

)

)

)

)

Name:

Address:

/s/ [Authorized Signatory]

[Address]

Dated May 18, 2015

**LETTER AGREEMENT TO THE
THE STEP-IN AGREEMENT AND THE ASSIGNED A321 PURCHASE AGREEMENT
BOTH DATED 23 DECEMBER 2014**

BETWEEN

VERTICAL HORIZONS, LIMITED
as Buyer

- and -

FRONTIER AIRLINES, INC.
as Original Buyer

- and -

BANK OF UTAH
as Security Trustee

- and -

AIRBUS S.A.S.
as Airbus

relating to the PDP financing
of nine (9) A321ceo and five (5) Airbus A320neo aircraft

THIS LETTER AGREEMENT TO THE STEP-IN AGREEMENT AND THE ASSIGNED A321 PURCHASE AGREEMENT BOTH DATED 23 DECEMBER 2014 (the "Agreement") is made on May 18, 2015

BETWEEN

- (1) **VERTICAL HORIZONS, LTD.**, a company incorporated pursuant to the laws of the Cayman Islands whose registered address and principal place of business is at the offices of Intertrust SPV (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KYI 9005, Cayman Islands (the "**Buyer**");
 - (2) **FRONTIER AIRLINES, INC.**, a corporation incorporated and existing under the laws of the State of Colorado, the United States of America (the "**Original Buyer**");
 - (3) **BANK OF UTAH**, not in its individual capacity but solely as security trustee for the Facility Agent and the Lenders (the "**Security Trustee**"); and
 - (4) **AIRBUS S.A.S.**, registered in France and having its registered office at 1 rond-point Maurice Bellonte, 31707 Blagnac Cedex, France ("**Airbus**"),
- (each a "**Party**", and together, the "**Parties**").

RECITALS

- (A) The Buyer, Security Trustee and Airbus have on 23 December 2014, in connection with the pre-delivery payment financing of nine (9) A321ceo and five (5) Airbus A320neo aircraft, signed a step-in agreement setting out the terms and conditions upon which Airbus has agreed to grant and the Security Trustee has agreed to assume the Relevant Rights and perform the Relevant Obligations in each case in respect of the Aircraft (the "**Step-In Agreement**").
- (B) The Original Buyer and Airbus have agreed to amend certain terms of the A321 Purchase Agreement, by way of an amendment dated on or about the date hereof.
- (C) The Parties now wish to amend the Step-In Agreement (and the Assigned A321 Purchase Agreement and the Replacement A321 Purchase Agreement) in accordance with the terms and conditions of this Agreement.

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

- 1.1 In this Agreement (including the recitals), unless the context otherwise requires or unless otherwise defined or provided for in this Agreement, capitalised words and expressions shall have the respective meanings ascribed to them in the Step-In Agreement.
- 1.2 The provisions of clause 1.2 of the Step-In Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.
- 1.3 Each Party hereby agrees that each document executed by it and any document appended to any such document is amended in accordance with this Agreement and that all of those documents shall be construed accordingly.

2. CONDITIONS PRECEDENT

2.1 It is a condition to the amendment of the Step-In Agreement, the Assigned A321 Purchase Agreement and the Replacement A321 Purchase Agreement in accordance with the terms and conditions of this Agreement that:

- (a) Airbus shall have received from both Frontier Holdings and Frontier the duly executed Guarantors' confirmation; and
- (b) Airbus shall have received from Frontier the duly executed amendment to A321 Purchase Agreement.

3. AMENDMENTS TO DOCUMENTS

3.1 On and from the date of the satisfaction of the conditions precedent pursuant to clause 2.1 above ("**Effective Date**"), in clause 1 (*Interpretation*) of the Step-In Agreement, the following definitions are amended and restated as follows:

"**Assignment and Assumption Agreement** means the assignment and assumption agreement in respect of the A320 Purchase Agreement (to the extent relating to the A320 Aircraft) and the A321 Purchase Agreement (to the extent relating to the A321 Aircraft) dated on or about the date of this Agreement and entered into between Airbus, Frontier and the Buyer."

"**Engines** means:

- (a) with respect to an A320 Airframe, collectively the set of two (2) CFM International LEAP-X1A26 engines attached to such A320 Airframe on the Delivery Date of such A320 Airframe; and
- (b) with respect to an A321 Airframe, collectively the set of two (2) CFM International CFM56B3/3B1 engines attached to such A321 Airframe on the Delivery Date of such A321 Airframe."

3.2 On and from the Effective Date, clause 2.3 of the Assigned A321 Purchase Agreement and clause 2.3 of the Replacement A321 Purchase Agreement shall be amended, amended and restated as follows:

"Each Airframe shall be equipped with a set of two (2) CFM International CFM56B3/3B1 engine propulsion systems (the "**Propulsion Systems**")."

3.3 On and from the Effective Date, Clause 1 of Part 2 of Exhibit A of the Assigned A321 Purchase Agreement and Clause 1 of Part 2 of Exhibit A of the Replacement A321 Purchase Agreement shall be amended and restated as follows:

“The “**Reference Price**” (as such term is used in this Exhibit A Part 2) of a set of two (2) CFM International CFM56B3/3B1 engines is *****.

The Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics and in accordance with the provisions of this Exhibit A Part 2.”.

3.4 On and from the Effective Date, in clause 1.1 of the Assignment and Assumption Agreement, the following definition is amended and restated as follows:

“**Assigned A321 Purchase Agreement** means the A321 Purchase Agreement (solely to the extent relating to the A321 Aircraft), as assigned and transferred pursuant to this Agreement and as amended and restated pursuant to this Agreement in the form set out in Part B of the Schedule (*Form of Assigned Purchase Agreements*).”.

3.5 The parties to the Assignment and Assumption Agreement agree that any reference in the Assignment and Assumption Agreement to the A321 Purchase Agreement shall be construed as a reference to the A321 Purchase Agreement solely to the extent relating to the A321 Aircraft.

4. MISCELLANEOUS

4.1 Each party repeats its representations and warranties under the Step-In Agreement on the date hereof.

4.2 The provisions of clause 13 (*Notices*) to (and including) clause 21 (*Cape Town Convention*) of the Step-In Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.

4.3 The Step-In Agreement shall be deemed to be supplemented and amended by this Agreement to the extent herein provided with all other provisions thereof remaining unchanged, and as so supplemented and amended shall continue in full force and effect.

4.4 In the event of any inconsistency between the terms and conditions of the Step-In Agreement and the present Agreement, the latter shall prevail to the extent of such inconsistency, whereas the part not concerned by such inconsistency shall remain in full force.

5. GOVERNING LAW AND JURISDICTION

5.1 This Agreement is governed by English law.

5.2 The provisions of clause 22 (*Governing Law and Jurisdiction*) and the provisions of clause 23 (*Service of Process*) of the Step-In Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.

IN WITNESS whereof each of the Parties has executed this Agreement as a deed the day and year first before written.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXECUTION PAGES

The Buyer

Executed as a Deed by Vertical Horizons, Limited
and signed by Otelia Scott

)
) /s/ Otelia Scott

being a person/persons who in accordance with the
laws of the Cayman Islands is/are acting under the
authority of the company

)
)
)
)
)

in the presence of:

) /s/ Owen Dinnall

Name: OWEN DINNALL

Address: 190 Elgin Avenue, George Town
Grand Cayman, KY1-9005
Cayman Islands

Original Buyer

**Signed sealed and delivered as a Deed by Frontier
Airlines, Inc.**

)
) /s/ Howard Diamond

by its attorney under a power of attorney granted by
the company

)
)
)
)

in the presence of:

) /s/ Simon Little

Name: Simon Little

Address: 7001 Tower Road
Denver, CO 80249

EXECUTION PAGES

Security Trustee

Executed as a Deed by)
 Bank of Utah not in its individual capacity but)
 solely as Security Trustee)
 and signed by) /s/ Michael Hoggan _____
) Michael Hoggan
 being a person/persons who in accordance with the laws of the State of Utah) Vice President
 is/are acting under the authority of the company)
)
)
 in the presence of:) /s/ Caise Gardiner _____
)

Name: Caise Gardiner
 Address: 200 E. South Temple, Ste 210
 Salt Lake City, Utah 84111

Airbus

Executed as a Deed by Airbus S.A.S.)
 and signed by)
 its) /s/ Christophe Mourey _____
) Christophe Mourey
 being a person/persons who in accordance with the laws of France is/are acting) Senior Vice President Contracts
 under the authority of the company)
)
)
 in the presence of:)
) /s/ [Authorized Signatory] _____

Name: [Authorized Signatory]
 Address: 1 rond-point Maurice Bellonte
 31707 Blagnac Cedex, France

Dated 11 August 2015

AMENDMENT AGREEMENT TO STEP-IN AGREEMENT AND THE ASSIGNED PURCHASE AGREEMENTS

BETWEEN

VERTICAL HORIZONS, LTD.

as Buyer

–and–

BANK OF UTAH

as Security Trustee

- and -

AIRBUS S.A.S.

as Airbus

relating to the PDP financing
of nineteen (19) A321ceo, two (2) A320ceo and fifteen (15) A320neo aircraft

THIS AMENDMENT AGREEMENT TO STEP-IN AGREEMENT AND THE ASSIGNED PURCHASE AGREEMENTS (the “**Agreement**”) is made on 11 August 2015

BETWEEN

- (1) **VERTICAL HORIZONS, LTD.**, a company incorporated pursuant to the laws of the Cayman Islands whose registered address and principal place of business is at the offices of Intertrust SPV (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1 9005, Cayman Islands (the “**Buyer**”);
 - (2) **BANK OF UTAH**, not in its individual capacity but solely as security trustee for the Facility Agent and the Lenders (the “**Security Trustee**”); and
 - (3) **AIRBUS S.A.S.**, registered in France and having its registered office at 1 rond-point Maurice Bellonte, 31707 Blagnac Cedex, France (“**Airbus**”),
- (each a “**Party**”, and together, the “**Parties**”).

RECITALS

- (A) In connection with the pre-delivery payment financing of nine (9) A321ceo and five (5) Airbus A320neo aircraft the Buyer, the Security Trustee and Airbus entered into that certain step-in agreement dated 23 December 2014, as amended by that certain letter agreement to the step-in agreement and the assigned A321 purchase agreement dated 11 May 2015 (collectively, the “**Step-In Agreement**”).
- (B) The Parties now wish to amend the Step-In Agreement (and the Assigned A321 Purchase Agreement and the Replacement A321 Purchase Agreement) in accordance with the terms and conditions of this Agreement.

IT IS AGREED AS FOLLOWS:

1 INTERPRETATION

- 1.1 In this Agreement (including the recitals), unless the context otherwise requires or unless otherwise defined or provided for in this Agreement, capitalised words and expressions shall have the respective meanings ascribed to them in the Step-In Agreement.
- 1.2 The provisions of clause 1.2 of the Step-In Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.
- 1.3 Each Party hereby agrees that each document executed by it and any document appended to any such document is amended in accordance with this Agreement and that all of those documents shall be construed accordingly.

2 CONDITIONS PRECEDENT

It is a condition to the amendment of the Step-In Agreement in accordance with the terms and conditions of this Agreement that Airbus shall have received from both Frontier Holdings and Frontier the duly executed Guarantors’ confirmation.

3 AMENDMENTS TO DOCUMENTS

- 3.1 On and from the date of the satisfaction of the conditions precedent pursuant to Clause 2 (*Conditions Precedent*) above (“**Effective Date**”), the reference to “Five (5) Airbus A320neo Aircraft and nine (9) Airbus

A321ceo Aircraft” on the cover page of the Step-In Agreement shall be deleted in its entirety and replaced with “Fifteen (15) Airbus A320neo Aircraft, two (2) Airbus A320ceo Aircraft and nineteen (19) Airbus A321ceo Aircraft”.

3.2 On and from the Effective Date, Recitals (A), (B) and (C) of the Step-In Agreement shall be amended and restated as follows:

- “(A) Pursuant to (a) the A320 Purchase Agreement, Airbus has agreed to sell and Frontier has agreed to purchase and take delivery of the A320 Aircraft and (b) the A321 Purchase Agreement, Airbus has agreed to sell and Frontier has agreed to purchase and take delivery of the A320ceo Aircraft and the A321 Aircraft.
- (B) Pursuant to the Assignment and Assumption Agreement, certain rights and obligations of Frontier in respect of the A320 Aircraft, the A320ceo Aircraft and the A321 Aircraft were transferred by Frontier to the Buyer.
- (C) Pursuant to (a) the Assigned A320 Purchase Agreement, Airbus has agreed to sell and the Buyer has agreed to purchase and take delivery of the A320 Aircraft and (b) the Assigned A321 Purchase Agreement, Airbus has agreed to sell and the Buyer has agreed to purchase and take delivery of the A320ceo Aircraft and the A321 Aircraft.”

3.3 On and from the Effective Date, in clause 1 (*Interpretation*) of the Step-In Agreement, the following definitions shall be amended and restated or incorporated into the Step-In Agreement (as the case may be) as follows:

“**A320 Airframes** means, as the context requires, all or any of the fifteen (15) Airbus A320neo aircraft which are the subject of this Agreement and bearing CAC-IDs ***** together with all Parts incorporated in, installed on or attached to such airframes on the respective Delivery Dates of such airframes.

A320ceo Aircraft means, as the context requires, all or any of the A320ceo Airframes, together with the Engines and the Manuals and Technical Records relating respectively thereto.

A320ceo Airframes means, as the context requires, all or any of the two (2) Airbus A320ceo aircraft which are the subject of this Agreement and bearing CAC-IDs ***** together with all Parts incorporated in, installed on or attached to such airframes on the respective Delivery Dates of such airframes.

A321 Airframes means, as the context requires, all or any of the nineteen (19) Airbus A321ceo aircraft which are the subject of this Agreement and bearing CAC-IDs ***** together with all Parts incorporated in, installed on or attached to such airframes on the respective Delivery Dates of such airframes.

A321 Purchase Agreement means the A321ceo aircraft purchase agreement dated 31 October 2014, as amended and supplemented from time to time (but excluding any letter agreements entered into from time to time in relation thereto), between Airbus (as seller) and Frontier (as buyer) with respect to the A320ceo Aircraft and the A321 Aircraft.

Aircraft means, together, the A320 Aircraft, the A320ceo Aircraft and the A321 Aircraft.

Amendment No. 1 means that certain letter agreement to the step-in agreement and the assigned A321 purchase agreement dated 11 May 2015 and entered into between the Buyer, Frontier, Airbus and the Security Trustee.

Amendment No. 2 means that certain amendment agreement to assignment and assumption agreement dated 11 August 2015 and entered into between the Buyer, Airbus and Frontier.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Amendment No. 2 to Step-In Agreement means that certain amendment agreement to step-in agreement and the assigned purchase agreements dated 11 August 2015 and entered into between the Buyer, Airbus and the Security Trustee.

Assignment and Assumption Agreement means the assignment and assumption agreement in respect of the A320 Purchase Agreement (to the extent relating to the A320 Aircraft) and the A321 Purchase Agreement (to the extent relating to the A320ceo Aircraft or the A321 Aircraft) dated on or about 23 December 2014 and entered into between Airbus, Frontier and the Buyer as amended by Amendment No. 1 and as further amended by Amendment No. 2.

Engines means:

- (a) with respect to an A320 Airframe, collectively the set of two (2) CFM International LEAP-X1A26 engines attached to such A320 Airframe on the Delivery Date of such A320 Airframe;
- (b) with respect to an A320ceo Airframe, collectively the set of two (2) CFM International CFM56-5B4/3 engines attached to such A320ceo Airframe on the Delivery Date of such A320ceo Airframe; and
- (c) with respect to an A321 Airframe, collectively the set of two (2) CFM International CFM56-5B3/3B1 engines attached to such A321 Airframe on the Delivery Date of such A321 Airframe.

Financed Pre-Delivery Payments means, in relation to a Pre-Delivery Payment, the amount equal to that Pre-Delivery Payment or that part of that Pre-Delivery Payment which has been financed or refinanced or is to be financed or refinanced by the Lenders pursuant to the PDP Loan Agreement (whether or not initially paid by the Buyer) as set out (i) in the case of the A320ceo Aircraft, in column 3 of Part A of Schedule 1, (ii) in the case of the A320 Aircraft, in column 3 of Part B of Schedule 1 and (iii) in the case of the A321 Aircraft, in column 3 of Part C of Schedule 1 and **Financed Pre-Delivery Payment** means any one (1) such payment.

Non-Financed Pre-Delivery Payments means in relation to a Pre-Delivery Payment, the amount equal to that Pre-Delivery Payment or that part of that Pre-Delivery Payment which has been paid or is to be paid by the Buyer (and which has not been financed or refinanced by the Lenders under the PDP Loan Agreement) as set out (i) in the case of the A320ceo Aircraft, in column 4 of Part A of Schedule 1, (ii) in the case of the A320 Aircraft, in column 4 of Part B of Schedule 1 and (iii) in the case of the A321 Aircraft, in column 4 of Part C of Schedule 1 and **Non-Financed Pre-Delivery Payment** means any one (1) such payment.

PDP Payment Dates means, in respect of each Aircraft, the dates when Pre-Delivery Payments are due as set out (i) in the case of the A320ceo Aircraft, in column 1 of Part A of Schedule 1, (ii) in the case of the A320 Aircraft, in column 1 of Part B of Schedule 1 and (iii) in the case of the A321 Aircraft, in column 1 of Part C of Schedule 1 and **PDP Payment Date** means any one (1) such date.

Pre-Delivery Payments means, in respect of each Aircraft, the amounts paid or payable by the Buyer under the applicable Assigned Purchase Agreement (such payments being the pre-delivery payments paid or payable under the applicable Purchase Agreement, as assigned to the Buyer) on specified dates, each as more particularly set out (i) in the case of the A320ceo Aircraft, in column 2 of Part A of Schedule 1, (ii) in the case of the A320 Aircraft, in column 2 of Part B of Schedule 1 and (iii) in the case of the A321 Aircraft, in column 2 of Part C of Schedule 1 and **Pre-Delivery Payment** means any one (1) such payment.

Re-Assigned Purchase Agreement means:

- (a) in relation to the A320 Aircraft, the Assigned A320 Purchase Agreement, as re-assigned to and assumed by Frontier pursuant to the Re-Assignment and Assumption Agreement; and
- (b) in relation to the A320ceo Aircraft and the A321 Aircraft, the Assigned A321 Purchase Agreement, as re-assigned to and assumed by Frontier pursuant to the Re- Assignment and Assumption Agreement.

Relevant Documents means this Agreement, Amendment No. 1, Amendment No. 2, Amendment No. 2 to Step-In Agreement, the Assignment and Assumption Agreement, each Assigned Purchase Agreement, the Re-Assignment and Assumption Agreement, each Re-Assigned Purchase Agreement, each Guarantee and the Security Assignment (and, individually, each a Relevant Document).

Replacement A321 Purchase Agreement means, following a Step-In, the aircraft purchase agreement relating to each of the Step-In Aircraft that is an A320ceo Aircraft and an A321 Aircraft, in the form set out in Part B of Schedule 4.

Scheduled Delivery Month means, in respect of each Aircraft, the month during which the Delivery Date is, at the date of this Agreement, scheduled to occur, as specified (i) in the case of the A320ceo Aircraft, in column 6 of Part A of Schedule 1, (ii) in the case of the A320 Aircraft, in column 6 of Part B of Schedule 1 and (iii) in the case of the A321 Aircraft, in column 6 of Part C of Schedule 1.

Security Assignment means the amended and restated mortgage and security agreement relating to the Assigned Purchase Agreements dated on or about 11 August 2015 and entered into between the Buyer, the Facility Agent and the Security Trustee.”

3.4 On and from the Effective Date, clause 6.2(b) of the Step-In Agreement shall be amended and restated as follows:

“(b) Airbus has received from the Buyer the amounts specified in column 5 of (in the case of the A320ceo Aircraft) Part A, (in the case of the A320 Aircraft) Part B or (in the case of the A321 Aircraft) Part C of Schedule 1 to this Agreement on account of the Pre-Delivery Payments in respect of the Relevant Aircraft and all of the information contained in Schedule 1 is accurate as at the date hereof.”

3.5 On and from the Effective Date, the first paragraph in clause 7.4 of the Step-In Agreement shall be amended and restated as follows:

“7.4 Within ***** of the date of delivery of a Step-In Notice with respect to any Relevant Aircraft, the Security Trustee shall notify Airbus in writing whether it or a Permitted Transferee is to be party to the applicable Replacement Purchase Agreement(s). Promptly thereafter, Airbus shall prepare and execute and send to the Security Trustee (i) in the case of each Step-In Aircraft that is an A320 Aircraft, the execution version of the Replacement A320 Purchase Agreement in respect of such Step-In Aircraft and (ii) in the case of each Step-In Aircraft that is an A320ceo Aircraft or an A321 Aircraft, the execution version of the Replacement A321 Purchase Agreement in respect of such Step-In Aircraft (as applicable); and provided that any such Replacement Purchase Agreement is substantially in the form set out in the applicable Part of Schedule 4 (*Form of Replacement Purchase Agreement*) the Security Trustee shall (or, if applicable, the Security Trustee shall procure that a Permitted Transferee shall) promptly execute each applicable Replacement Purchase Agreement, and thereafter provided that Airbus has not delivered an Airbus Termination Notice under Clause 10.2 prior to the execution of each applicable Replacement Purchase Agreement, but subject always to Airbus’ rights under Clause 8:”

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 3.6 On and from the Effective Date, clause 10.1(c) of the Step-In Agreement shall be amended and restated as follows:
- “(c) the Security Trustee or a Permitted Transferee (as applicable) does not enter into an A320 Replacement Purchase Agreement with respect to any Step-In Aircraft that are A320 Aircraft or an A321 Replacement Purchase Agreement with respect to any Step-In Aircraft that are A320ceo Aircraft or A321 Aircraft, in each case within ***** of the date of receipt by the Security Trustee from Airbus of the execution version of the applicable Replacement Purchase Agreement pursuant to Clause 7.4.”
- 3.7 On and from the Effective Date, clause 12.2(b) of the Step-In Agreement shall be amended and restated as follows:
- “(b) Airbus and the Permitted Transferee have entered into arrangements satisfactory to Airbus (acting reasonably) pursuant to which, amongst other things, the Permitted Transferee irrevocably commits to: (i) step-in and purchase the Relevant Aircraft in accordance with (A) in the case of each Relevant Aircraft that is an A320 Aircraft, the Replacement A320 Purchase Agreement and (B) in the case of each Relevant Aircraft that is an A320ceo Aircraft or an A321 Aircraft, the Replacement A321 Purchase Agreement (as applicable) and (ii) assume the Relevant Rights and Relevant Obligations with respect to such Relevant Aircraft; and”
- 3.8 On and from the Effective Date, schedule 1 (*Pre-Delivery Payments, Scheduled Delivery Months*) of the Step-In Agreement shall be amended and restated as set forth in Schedule 1 hereto.
- 3.9 On and from the Effective Date, the references to “five (5) Airbus A320neo aircraft and nine (9) Airbus A321ceo aircraft” in schedule 2 (*Form of Letter of Release*) and in schedule 3 (*Form of Step-In Notice*) of the Step-In Agreement shall be deleted in their entirety and replaced with “fifteen (15) Airbus A320neo aircraft, **two (2)** Airbus A320ceo aircraft and nineteen (19) Airbus A321ceo aircraft”.
- 3.10 On and from the Effective Date, in clause 0.1 in part A of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and in clause 0.1 of the Assigned A320 Purchase Agreement, the following definition shall be amended and restated as follows:
- “**Aircraft** means an Airbus A320 aircraft delivered under this Agreement and described in Clause 9.1.1, including the Airframe, the Propulsion Systems, the NEO Option and any part, component, furnishing or equipment installed on the Aircraft on Delivery.
- Step-In Agreement** means the step-in agreement dated 23 December 2014, made between the Buyer, the Security Trustee and the Seller in respect of the Aircraft, as amended by that certain letter agreement to the step-in agreement and the assigned A321 purchase agreement dated 11 May 2015 and as further amended by that certain amendment agreement to step-in agreement and the assigned purchase agreements dated 11 August 2015.”
- 3.11 On and from the Effective Date, clause 1 (*Sale and Purchase*) in part A of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and in clause 1 of the Assigned A320 Purchase Agreement, shall be amended and restated as follows:
- “The Seller shall sell and deliver and the Buyer shall buy and take delivery of fifteen (15) A320 Aircraft on the Delivery Date at the Delivery Location upon the terms and conditions contained in this Agreement.”

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

3.12 On and from the Effective Date, the table in clause 9.1.1 in part A of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and in clause 9.1.1 of the Assigned A320 Purchase Agreement, shall be amended and restated as follows:

| <u>Aircraft Rank</u> | <u>CAC ID Reference</u> | <u>Scheduled Delivery</u> | |
|----------------------|-------------------------|---------------------------|-------------|
| | | <u>Month/Quarter</u> | <u>Year</u> |
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | ***** |
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| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | ***** |

3.13 On and from the Effective Date, the table in exhibit D in part A of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and in Exhibit D of the Assigned A320 Purchase Agreement, shall be amended and restated as per Schedule 2 attached hereto.

3.14 On and from the Effective Date, in clause 0.1 in part B of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and in clause 0.1 of the Assigned A321 Purchase Agreement, the following definitions shall be amended and restated or incorporated into the form of replacement purchase agreement as follows:

“**A320ceo Aircraft** means an Airbus A320ceo aircraft delivered under this Agreement and described in Clause 9.1.1, including the Airframe, the Propulsion Systems, and any part, component, furnishing or equipment installed on the Aircraft on Delivery.

A321 Aircraft means an Airbus A321 aircraft delivered under this Agreement and described in Clause 9.1.1, including the Airframe, the Propulsion Systems, and any part, component, furnishing or equipment installed on the Aircraft on Delivery.

A320ceo Airframe means an A320ceo Aircraft excluding the Propulsion Systems.

A321 Airframe means an A321 Aircraft excluding the Propulsion Systems.

Aircraft means an A320ceo Aircraft or an A321 Aircraft.

SCN Budget means i) in respect of an A320ceo Aircraft, the amount of ***** and ii) in respect of an A321 Aircraft, the amount of ***** , being the cost in delivery conditions ***** Dollars of the SCNs which the Buyer and the Seller have assumed to be applicable to each Airframe as delivered hereunder and which cost is included in the relevant Airframe Base Price set out in Clause 3.1.

Standard Specification means the A321 standard specification document number E.000.02000, Issue 5, dated June 20, 2011 or the A320 standard specification document number ***** , as applicable.

Step-In Agreement means the step-in agreement dated 23 December 2014, made between the Buyer, the Security Trustee and the Seller in respect of the Aircraft, as amended by that certain letter agreement to

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

the step-in agreement and the assigned A321 purchase agreement dated 11 May 2015 and as further amended by that certain amendment agreement to step-in agreement and the assigned purchase agreements dated 11 August 2015.”

3.15 On and from the Effective Date, clause 1 (*Sale and Purchase*) in part B of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and in clause 1 of the Assigned A321 Purchase Agreement, shall be amended and restated as follows:

“The Seller shall sell and deliver and the Buyer shall buy and take delivery of ***** A320ceo Aircraft and ***** A321 Aircraft on the Delivery Date at the Delivery Location upon the terms and conditions contained in this Agreement.”

3.16 On and from the Effective Date, clause 2.3 (*Propulsion System*) in part B of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and in clause 2.3 of the Assigned A321 Purchase Agreement, shall be amended and restated as follows:

“Each A320ceo Airframe shall be equipped with a set of two (2) CFM International ***** propulsion systems and each A321 Airframe shall be equipped with a set of two (2) CFM International ***** propulsion systems.”

3.17 On and from the Effective Date, the first paragraph in clause 3.1 (*Airframe Base Price*) in part B of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and the first paragraph in clause 3.1 of the Assigned A321 Purchase Agreement, shall be amended and restated as follows:

“The Airframe Base Price for an A320ceo Airframe is ***** and the Airframe Base Price for an A321 Airframe is *****, in each case, subject to any agreement between the Buyer and the Seller.”

3.18 On and from the Effective Date, the table in clause 9.1.1 in part B of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and in clause 9.1.1 of the Assigned A321 Purchase Agreement, shall be amended and restated as follows:

| <u>Aircraft Rank</u> | <u>CAC ID Reference</u> | <u>Scheduled Delivery</u> | |
|----------------------|-------------------------|---------------------------|-------------|
| | | <u>Month/Quarter</u> | <u>Year</u> |
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | ***** |
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| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | ***** |
| ***** | ***** | ***** | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

3.19 On and from the Effective Date, clause 1 of part 2 of exhibit A in part B of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and clause 1 of part 2 of exhibit A of the Assigned A321 Purchase Agreement, shall be amended and restated as follows:

“1 REFERENCE PRICE OF THE PROPULSION SYSTEM

The **“Propulsion Systems Reference Price”** (as such term is used in this Exhibit A Part 2) of a set of two (2) CFM International

CFM56-5B4/3 engines is *****

CFM56-5B3/3B1 engines is *****

The Propulsion Systems Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics and in accordance with the provisions of this Exhibit C Part 2.”

3.20 On and from the Effective Date, the reference to “Airbus A321 aircraft” in exhibit B in part B of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and exhibit B of the Assigned A321 Purchase Agreement, shall be deleted in its entirety and replaced with “Airbus [A320][A321]ceo aircraft.”

3.21 On and from the Effective Date, the reference to “A321-200” in exhibit C in part B of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and exhibit C of the Assigned A321 Purchase Agreement, shall be deleted in its entirety and replaced with “[A321][A320]-200” and the reference to “CFM56-5B3/3” shall be deleted in its entirety and replaced with “CFM56-5B3/3B1][CFM56-5B4/3”.

3.22 On and from the Effective Date, the table in exhibit D in part B of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and exhibit D of the Assigned A321 Purchase Agreement, shall be amended and restated as per Schedule 3 attached hereto.

3.23 On and from the Effective Date, appendix I in part B of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and appendix I of the Assigned A321 Purchase Agreement, shall be amended and restated as per Schedule 4 attached hereto.

3.24 On and from the Effective Date, in appendix A (*PDP Loan Agreement Extracts*) of the Step-In Agreement, the following definitions shall be amended and restated or incorporated into the Step-In Agreement (as the case may be) as follows:

“**Administration Agreement**” means the administration agreement between the Borrower and the Agent dated as of December 18, 2014, together with the administrator fee letter dated as of December 18, 2014, to which, *inter alia*, Frontier Airlines is a party.

“**Advance**” means each Purchase Price Installment paid or payable by or on behalf of the Borrower in respect of each Aircraft in accordance with the terms of the Assigned Purchase Agreement which, for each Purchase Price Installment due on or after the Original Signing Date, is in the amount and payable on the date specified in Schedule III to the Credit Agreement.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

“**Amendment No. 1**” means that certain letter agreement to the step-in agreement and the assigned A321 purchase agreement dated May 11, 2015 and entered into between the Borrower, Frontier Airlines, Airbus and the Security Trustee.

“**Amendment No. 2**” means that certain amendment agreement to step-in agreement and the assigned purchase agreements dated August 11, 2015 and entered into between the Borrower, Airbus and the Security Trustee.

“**Credit Agreement**” means that certain Amended and Restated Credit Agreement dated as of August 11, 2015, between the Borrower, the Lenders, the Facility Agent and the Security Trustee, as amended and supplemented from time to time.

“**Guarantee**” means each Amended and Restated Guarantee dated as of the Effective Date and entered into by a Guarantor in favor of the Security Trustee on account of the obligations of the Borrower.

“**Interest Period**” means, in respect of a Loan (a) initially, the period commencing on the Original Signing Date or on the date that such Loan is made and ending on the first Interest Payment Date occurring thereafter, and (b) thereafter, the period commencing on the last day of the previous Interest Period and ending on the next Interest Payment Date or, if earlier, the first to occur of the Delivery Date of the Aircraft funded by such Loan and the Termination Date.

“**Mortgage**” means the Amended and Restated Mortgage and Security Agreement dated as of the Effective Date, between the Borrower, the Facility Agent and the Security Trustee.

“**Original Signing Date**” means December 23, 2014.

“**Servicing Agreement**” means the Amended and Restated Servicing Agreement dated as of the Effective Date, between the Borrower and Frontier Airlines.

“**Share Charge**” means the Share Charge dated the Original Signing Date, among the Parent and the Security Trustee, as confirmed by a deed of confirmation dated August 11, 2015.

“**Step-In Agreement**” means the Step-In Agreement dated 23 December 2014, among the Borrower, as assignor, the Security Trustee, as assignee, and Airbus in the form specified in Exhibit C to the Credit Agreement, as amended by Amendment No. 1 and as further amended by Amendment No. 2.

“**Subordinated Loan Agreement**” means the Subordinated Loan Agreement, dated as of the Original Signing Date, between Frontier Airlines and the Borrower and the Subordinated Promissory Note dated the Effective Date, issued by the Borrower thereunder.

“**Termination Date**” means December 31, 2017.

- 3.25 On and from the Effective Date, in clause 0.1 of the Assigned A320 Purchase Agreement, the following definition shall be amended and restated as follows:

Assignment and Assumption Agreement means the assignment and assumption agreement dated 23 December 2014 made between Frontier, the Buyer and the Seller in relation to the Frontier A320 PA and the Aircraft, as amended by that certain letter agreement to the step-in agreement and the assigned A321 purchase agreement dated 11 May 2015 and as further amended by that certain amendment agreement to assignment and assumption agreement dated 11 August 2015.

- 3.26 On and from the Effective Date, in clause 0.1 of the Assigned A321 Purchase Agreement, the following definition shall be amended and restated as follows:

Assignment and Assumption Agreement means the assignment and assumption agreement dated 23 December 2014 made between Frontier, the Buyer and the Seller in relation to the Frontier A321 PA and the Aircraft, as amended by that certain letter agreement to the step-in agreement and the assigned A321 purchase agreement dated 11 May 2015 and as further amended by that certain amendment agreement to assignment and assumption agreement dated 11 August 2015.

4 MISCELLANEOUS

- 4.1 Each party repeats its representations and warranties under the Step-In Agreement on the date hereof.
- 4.2 The provisions of clause 13 (*Notices*) to (and including) clause 21 (*Cape Town Convention*) of the Step-In Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.
- 4.3 The Step-In Agreement shall be deemed to be supplemented and amended by this Agreement to the extent herein provided with all other provisions thereof remaining unchanged, and as so supplemented and amended shall continue in full force and effect.
- 4.4 In the event of any inconsistency between the terms and conditions of the Step-In Agreement and the present Agreement, the latter shall prevail to the extent of such inconsistency, whereas the part not concerned by such inconsistency shall remain in full force.

5 GOVERNING LAW AND JURISDICTION

- 5.1 This Agreement is governed by English law.
- 5.2 The provisions of clause 22 (*Governing Law and Jurisdiction*) and the provisions of clause 23 (*Service of Process*) of the Step-In Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*

IN WITNESS whereof each of the Parties has executed this Agreement as a deed the day and year first before written.

Security Trustee

Executed as a Deed by)
Bank of Utah not in its individual capacity but)
solely as Security Trustee)

and signed by Michael Hogan) /s/ Michael Hogan
Vice President)
being a person/persons who in accordance with the)
laws of State of Utah is/are acting under the)
authority of the company)

In the presence of: /s/ C. Gardiner _____

Name: Caise Gardiner

Address: 200 E. South Temple, Suite 210
Salt Lake City, UT 84111

Airbus)
)
Executed as a Deed by)
Airbus S.A.S. Christophe Mourey) /s/ Christophe Mourey
Senior Vice President Contracts)
and signed by)
)
)
)

its _____
being a person/persons who in accordance with the laws of
France is/are acting under the authority of the company

in the presence of: /s/ [Authorized Signatory] _____

Name: [Authorized Signatory]
Address: 1 rond-point Maurice Bellonte
31707 Blagnac Cedex
France

Schedule 1 Pre-Delivery Payments, Scheduled Delivery Months

Part A – A320 ceo Aircraft

Part B – A320 neo Aircraft

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT D

A320 AIRCRAFT PREDELIVERY PAYMENTS, SCHEDULED DELIVERY MONTHS

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT D

A321 AIRCRAFT AND A320neo AIRCRAFT PREDELIVERY PAYMENTS, SCHEDULED DELIVERY MONTHS

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Dated 16 December 2016

**AMENDMENT AGREEMENT NO. 3 TO STEP-IN AGREEMENT AND THE ASSIGNED
PURCHASE AGREEMENTS**

BETWEEN

VERTICAL HORIZONS, LTD.
as Buyer

- and -

BANK OF UTAH
as Security Trustee

- and -

AIRBUS S.A.S.
as Airbus

relating to the PDP financing
of nineteen (19) A321ceo, two (2) A320ceo and forty-nine (49) A320neo aircraft

BETWEEN

- (1) **VERTICAL HORIZONS, LTD.**, a company incorporated pursuant to the laws of the Cayman Islands whose registered address and principal place of business is at the offices of Intertrust SPV (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1 9005, Cayman Islands (the “**Buyer**”);
 - (2) **BANK OF UTAH**, not in its individual capacity but solely as security trustee for the Facility Agent and the Lenders (the “**Security Trustee**”); and
 - (3) **AIRBUS S.A.S.**, registered in France and having its registered office at 1 rond-point Maurice Bellonte, 31707 Blagnac Cedex, France (“**Airbus**”),
- (each a “**Party**”, and together, the “**Parties**”).

RECITALS

- (A) In connection with the pre-delivery payment financing of nineteen (19) A321ceo and, two (2) A320ceo and fifteen (15) Airbus A320neo aircraft the Buyer, the Security Trustee and Airbus entered into that certain step-in agreement dated 23 December 2014, as amended by that certain letter agreement to the step-in agreement and the assigned A321 purchase agreement dated 18 May 2015 and as further amended by that certain amendment agreement to the step-in agreement and assigned purchase agreements dated 11 August 2015 (collectively, the “**Step-In Agreement**”).
- (B) The Parties now wish to amend the Step-In Agreement (and the Assigned A321 Purchase Agreement and the Replacement A321 Purchase Agreement) in accordance with the terms and conditions of this Agreement.

IT IS AGREED AS FOLLOWS:

1 INTERPRETATION

- 1.1 In this Agreement (including the recitals), unless the context otherwise requires or unless otherwise defined or provided for in this Agreement, capitalised words and expressions shall have the respective meanings ascribed to them in the Step-In Agreement.
- 1.2 The provisions of clause 1.2 of the Step-In Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.
- 1.3 Each Party hereby agrees that each document executed by it and any document appended to any such document is amended in accordance with this Agreement and that all of those documents shall be construed accordingly.

2 CONDITIONS PRECEDENT

It is a condition to the amendment of the Step-In Agreement in accordance with the terms and conditions of this Agreement that Airbus shall have received from both Frontier Holdings and Frontier the duly executed Guarantors' confirmation.

3 AMENDMENTS TO DOCUMENTS

3.1 On and from the date of the satisfaction of the conditions precedent pursuant to Clause 2 (*Conditions Precedent*) above ("**Effective Date**"), the reference to "fifteen (15) Airbus and replaced with "forty-nine (49) Airbus A320neo Aircraft".

3.2 On and from the Effective Date, in clause 1 (*Interpretation*) of the Step-In Agreement, the following definitions shall be amended and restated or incorporated into the Step-In Agreement (as the case may be) as follows:

"**A320 Airframes**" means, as the context requires, all or any of the forty-nine (49) Airbus A320neo aircraft which are the subject of this Agreement and bearing CAC-IDs *****, together with all Parts incorporated in, installed on or attached to such airframes on the respective Delivery Dates of such airframes.

"**Amendment No. 3**" means that certain amendment agreement to assignment and assumption agreement dated 16 December 2016 and entered into between the Buyer, Airbus and Frontier.

"**Amendment No. 3 to Step-In Agreement**" means that certain amendment agreement to step- in agreement and the assigned purchase agreements dated 16 December 2016 and entered into between the Buyer, Airbus and the Security Trustee.

"**Assignment and Assumption Agreement**" means the assignment and assumption agreement in respect of the A320 Purchase Agreement (to the extent relating to the A320 Aircraft) and the A321 Purchase Agreement (to the extent relating to the A320ceo Aircraft or the A321 Aircraft) dated on or about 23 December 2014 and entered into between Airbus, Frontier and the Buyer as amended by Amendment No. 1 and Amendment No. 2 and as further amended by Amendment No. 3.

"**PDP Loan Margin**" means *****.

"**Relevant Documents**" means this Agreement, the Step-In Agreement, the Assignment and Assumption Agreement, each Assigned Purchase Agreement, the Re-Assignment and Assumption Agreement, each Re-Assigned Purchase Agreement, each Guarantee and the Security Assignment (and, individually, each a Relevant Document).

"**Security Assignment**" means the second amended and restated mortgage and security agreement relating to the Assigned Purchase Agreements dated on or about 16 December 2016 and entered into between the Buyer, the Facility Agent and the Security Trustee."

3.3 On and from the Effective Date, clause 6.2(b) of the Step-In Agreement shall be amended and restated as follows:

"(b) Airbus has received from the Buyer the amounts specified in column 5 of (in the case of the A320ceo Aircraft) Part A, (in the case of the A320 Aircraft) Part B or (in the

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

case of the A321 Aircraft) Part C of Schedule 1 to this Agreement on account of the Pre-Delivery Payments in respect of the Relevant Aircraft and all of the information contained in Schedule 1 is accurate as of 16 December 2016.”

- 3.4 On and from the Effective Date, schedule 1 (*Pre-Delivery Payments, Scheduled Delivery Months*) of the Step-In Agreement shall be amended and restated as set forth in Schedule 1 hereto.
- 3.5 On and from the Effective Date, the references to “fifteen (15) Airbus A320neo aircraft “ in schedule 2 (*Form of Letter of Release*) and in schedule 3 (*Form of Step-In Notice*) of the Step-In Agreement shall be deleted in their entirety and replaced with “forty-nine (49) Airbus A320neo aircraft”.
- 3.6 On and from the Effective Date, in clause 0.1 in part A of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and in clause 0.1 of the Assigned A320 Purchase Agreement, the following definition shall be amended and restated as follows:

“**Step-In Agreement**” means the step-in agreement dated 23 December 2014, made between the Buyer, the Security Trustee and the Seller in respect of the Aircraft, as amended by that certain letter agreement to the step-in agreement and the assigned A321 purchase agreement dated 18 May 2015 and by that certain amendment agreement to step-in agreement and the assigned purchase agreements dated 11 August 2015 as further amended by that certain amendment agreement to step-in agreement and the assigned purchase agreements dated 16 December 2016.”
- 3.7 On and from the Effective Date, clause 1 (*Sale and Purchase*) in part A of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and in clause 1 of the Assigned A320 Purchase Agreement, shall be amended and restated as follows:

“The Seller shall sell and deliver and the Buyer shall buy and take delivery of forty-nine (49) A320 Aircraft on the Delivery Date at the Delivery Location upon the terms and conditions contained in this Agreement.”
- 3.8 On and from the Effective Date, the table in clause 9.1.1 in part A of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and in clause 9.1.1 of the Assigned A320 Purchase Agreement, shall be amended and restated as follows:

| <u>Aircraft Rank</u> | <u>CAC ID Reference</u> | | <u>Scheduled Delivery</u> | |
|----------------------|-------------------------|-------|---------------------------|-------------|
| | | | <u>Month/Quarter</u> | <u>Year</u> |
| 1 | ***** | ***** | ***** | ***** |
| 2 | ***** | ***** | ***** | ***** |
| 3 | ***** | ***** | ***** | ***** |
| 4 | ***** | ***** | ***** | ***** |
| 5 | ***** | ***** | ***** | ***** |
| 6 | ***** | ***** | ***** | ***** |
| 7 | ***** | ***** | ***** | ***** |
| 8 | ***** | ***** | ***** | ***** |
| 9 | ***** | ***** | ***** | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

| <u>Aircraft Rank</u> | <u>CAC ID Reference</u> | | <u>Scheduled Delivery</u> | |
|----------------------|-------------------------|-------|---------------------------|-------------|
| | | | <u>Month/Quarter</u> | <u>Year</u> |
| 10 | ***** | ***** | ***** | ***** |
| 11 | ***** | ***** | ***** | ***** |
| 12 | ***** | ***** | ***** | ***** |
| 13 | ***** | ***** | ***** | ***** |
| 14 | ***** | ***** | ***** | ***** |
| 15 | ***** | ***** | ***** | ***** |
| 16 | ***** | ***** | ***** | ***** |
| 17 | ***** | ***** | ***** | ***** |
| 18 | ***** | ***** | ***** | ***** |
| 19 | ***** | ***** | ***** | ***** |
| 20 | ***** | ***** | ***** | ***** |
| 21 | ***** | ***** | ***** | ***** |
| 22 | ***** | ***** | ***** | ***** |
| 23 | ***** | ***** | ***** | ***** |
| 24 | ***** | ***** | ***** | ***** |
| 25 | ***** | ***** | ***** | ***** |
| 26 | ***** | ***** | ***** | ***** |
| 27 | ***** | ***** | ***** | ***** |
| 28 | ***** | ***** | ***** | ***** |
| 29 | ***** | ***** | ***** | ***** |
| 30 | ***** | ***** | ***** | ***** |
| 31 | ***** | ***** | ***** | ***** |
| 32 | ***** | ***** | ***** | ***** |
| 33 | ***** | ***** | ***** | ***** |
| 34 | ***** | ***** | ***** | ***** |
| 35 | ***** | ***** | ***** | ***** |
| 36 | ***** | ***** | ***** | ***** |
| 37 | ***** | ***** | ***** | ***** |
| 38 | ***** | ***** | ***** | ***** |
| 39 | ***** | ***** | ***** | ***** |
| 40 | ***** | ***** | ***** | ***** |
| 41 | ***** | ***** | ***** | ***** |
| 42 | ***** | ***** | ***** | ***** |
| 43 | ***** | ***** | ***** | ***** |
| 44 | ***** | ***** | ***** | ***** |
| 45 | ***** | ***** | ***** | ***** |
| 46 | ***** | ***** | ***** | ***** |
| 47 | ***** | ***** | ***** | ***** |
| 48 | ***** | ***** | ***** | ***** |
| 49 | ***** | ***** | ***** | ***** |

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- 3.9 On and from the Effective Date, the table in exhibit D in part A of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and in Exhibit D of the Assigned A320 Purchase Agreement, shall be amended and restated as per Schedule 2 attached hereto.
- 3.10 On and from the Effective Date, in clause 0.1 in part B of schedule 4 (*Form of Replacement Purchase Agreement*) of the Step-In Agreement and in clause 0.1 of the Assigned A321 Purchase Agreement, the following definitions shall be amended and restated or incorporated into the form of replacement purchase agreement as follows:
- “**Step-In Agreement**” means the step-in agreement dated 23 December 2014, made between the Buyer, the Security Trustee and the Seller in respect of the Aircraft, as amended by that certain letter agreement to the step-in agreement and the assigned A321 purchase agreement dated 18 May 2015 and by that certain amendment agreement to step-in agreement and the assigned purchase agreements dated 11 August 2015 as further amended by that certain amendment agreement to step-in agreement and the assigned purchase agreements dated 16 December 2016.”
- 3.11 On and from the Effective Date, in appendix A (*PDP Loan Agreement Extracts*) of the Step-In Agreement, the following definitions shall be amended and restated or incorporated into the Step-In Agreement (as the case may be) as follows:
- “**Amendment No. 3**” means that certain amendment agreement to assignment and assumption agreement dated 16 December 2016 and entered into between the Buyer, Airbus and Frontier.
- “**Credit Agreement**” means that certain Second Amended and Restated Credit Agreement dated as of 16 December 2016, between the Borrower, the Lenders, the Facility Agent and the Security Trustee, as amended and supplemented from time to time.
- “**Guarantee**” means each Second Amended and Restated Guarantee dated as of 16 December 2016 and entered into by a Guarantor in favor of the Security Trustee on account of the obligations of the Borrower.
- “**Mortgage**” means the Second Amended and Restated Mortgage and Security Agreement dated as of 16 December 2016, between the Borrower, the Facility Agent and the Security Trustee.
- “**Share Charge**” means the Share Charge dated the Original Signing Date, among the Parent and the Security Trustee, as confirmed by a deed of confirmation dated 16 December 2016.
- “**Step-In Agreement**” means the Step-In Agreement dated 23 December 2014, among the Borrower, as assignor, the Security Trustee, as assignee, and Airbus in the form specified in

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Exhibit C to the Credit Agreement, as amended by Amendment No. 1 and Amendment No. 2 as further amended by Amendment No. 3.

“**Termination Date**” means December 31, 2019, as may be extended from time to time pursuant to, and in accordance with, the Credit Agreement.

- 3.12 On and from the Effective Date, in clause 0.1 of the Assigned A320 Purchase Agreement, the following definition shall be amended and restated as follows:

“**Assignment and Assumption Agreement**” means the assignment and assumption agreement dated 23 December 2014 made between Frontier, the Buyer and the Seller in relation to the Frontier A320 PA and the Aircraft, as amended by that certain letter agreement to the step-in agreement and the assigned A321 purchase agreement dated 18 May 2015 and by that certain amendment agreement to assignment and assumption agreement dated 11 August 2015 as further amended by that certain amendment agreement to assignment and assumption agreement dated 16 December 2016.”

- 3.13 On and from the Effective Date, in clause 0.1 of the Assigned A321 Purchase Agreement, the following definition shall be amended and restated as follows:

“**Assignment and Assumption Agreement**” means the assignment and assumption agreement dated 23 December 2014 made between Frontier, the Buyer and the Seller in relation to the Frontier A321 PA and the Aircraft, as amended by that certain letter agreement to the step-in agreement and the assigned A321 purchase agreement dated 18 May 2015 and by that certain amendment agreement to assignment and assumption agreement dated 11 August 2015 as further amended by that certain amendment agreement to assignment and assumption agreement dated 16 December 2016.”

4 MISCELLANEOUS

- 4.1 Each party repeats its representations and warranties under the Step-In Agreement on the date hereof.
- 4.2 The provisions of clause 13 (*Notices*) to (and including) clause 21 (*Cape Town Convention*) of the Step-In Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.
- 4.3 The Step-In Agreement shall be deemed to be supplemented and amended by this Agreement to the extent herein provided with all other provisions thereof remaining unchanged, and as so supplemented and amended shall continue in full force and effect.
- 4.4 In the event of any inconsistency between the terms and conditions of the Step-In Agreement and the present Agreement, the latter shall prevail to the extent of such inconsistency, whereas the part not concerned by such inconsistency shall remain in full force.

5 GOVERNING LAW AND JURISDICTION

- 5.1 This Agreement is governed by English law.

5.2 The provisions of clause 22 (*Governing Law and Jurisdiction*) and the provisions of clause 23 (*Service of Process*) of the Step-In Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.

IN WITNESS whereof each of the Parties has executed this Agreement as a deed the day and year first before written.

The Buyer

Executed as a Deed by)
Vertical Horizons, Ltd.)
)
and signed by Grant Cellier) /s/ Grant Cellier _____
)
being a person/persons who in accordance with the)
laws of the Cayman Islands is/are acting under the)
authority of the company)

in the presence of: /s/ Denise Reid-Sevilla _____

Name: Denise Reid-Sevilla
Client Relationship Officer
Address: Intertrust SPV (Cayman) Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9005

[Amendment Agreement to Step-In Agreement and the Assigned Purchase Agreements Signature Page (Citi/Frontier Airlines)]

Security Trustee

Executed as a Deed by)
Bank of Utah not in its individual capacity but)
solely as Security Trustee)
)
and signed by John Thomas) /s/ John Thomas
) _____
) Vice President
being a person/persons who in accordance with the)
laws of State of Utah is/are acting under the)
authority of the company)

in the presence of: /s/ C. Gardiner _____

Name: Caise Gardiner

Address: 200 E. South Temple, Suite 210
Salt Lake City, UT 84111

[Amendment Agreement to Step-In Agreement and the Assigned Purchase Agreements Signature Page (Citi/Frontier Airlines)]

Airbus

)

Executed as a Deed by

)

Airbus S.A.S.

)

)

) /s/ Christophe Mourey

and signed by Christophe Mourey

)

its _____
being a person/persons who in accordance with the laws of
France is/are acting under the authority of the company in the
presence of:

Name: [Authorized Signatory]

Address: [Address]

[Amendment Agreement to Step-In Agreement and the Assigned Purchase Agreements Signature Page (Citi/Frontier Airlines)]

Schedule 2 A320 Aircraft Pre-Delivery Payments

EXHIBIT D

A320 AIRCRAFT PREDELIVERY PAYMENTS, SCHEDULED DELIVERY MONTHS

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Frontier Airlines, Inc.
as Customer

and

Vertical Horizons, Ltd.
as Buyer

and

Airbus S.A.S.
as Airbus

Assignment and Assumption Agreement

Purchase Agreements

Five (5) Airbus A320neo Aircraft and nine (9) Airbus A321ceo Aircraft

[Table of Contents](#)

Contents

| | | |
|--------------------|---|----|
| 1 | INTERPRETATION | 1 |
| 2 | ASSIGNMENT AND ASSUMPTION | 4 |
| 3 | PRE-DELIVERY PAYMENT AMOUNTS | 5 |
| 4 | AMENDMENT AND RESTATEMENT OF EACH PURCHASE AGREEMENT | 6 |
| 5 | FURTHER ASSURANCES | 7 |
| 6 | REPRESENTATIONS AND WARRANTIES | 7 |
| 7 | UNDERTAKINGS | 8 |
| 8 | MISCELLANEOUS | 9 |
| 9 | GOVERNING LAW AND JURISDICTION | 11 |
| 10 | LIMITED RECOURSE | 13 |
| | THE SCHEDULE FORM OF ASSIGNED PURCHASE AGREEMENTS | 14 |

[Table of Contents](#)

Purchase Agreements Assignment and Assumption Agreement

Dated 23 December 2014

Between:

- (1) **Frontier Airlines, Inc.**, a corporation incorporated and existing under the laws of the State of Colorado, United States of America (the **Customer**);
- (2) **Vertical Horizons, Ltd.**, a company incorporated and existing under the laws of the Cayman Islands whose registered address and principal place of business is at the offices of Intertrust SPV (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1 9005, Cayman Islands (the **Buyer**); and
- (3) **Airbus S.A.S.**, a *société par actions simplifiée* created and existing under French law and having its registered office at 1, rond-point Maurice Bellonte, 31700 Blagnac, France and registered with the Toulouse *Registre du Commerce* under number RCS Toulouse 383 474 814 (**Airbus**).

Recitals:

- (A) The Customer and Airbus have entered into the Purchase Agreements for the sale and purchase of, *inter alia*, the Aircraft.
- (B) The Buyer has entered into the PDP Loan Agreement pursuant to which the Finance Parties have agreed to make available to the Buyer certain facilities on the terms and conditions contained in the PDP Loan Agreement for the purposes of refinancing and financing a portion of the Pre-Delivery Payments paid or payable (as the case may be) to Airbus in relation to the Aircraft.
- (C) On the terms and subject to the conditions set out below, the Parties have agreed that (i) the Customer shall assign and transfer to the Buyer certain of the Customer's rights, interests, obligations and liabilities under the Purchase Agreements (in the case of the A320 Purchase Agreement, solely to the extent relating to the A320 Aircraft), (ii) the Buyer shall assume all such rights, interests, obligations and liabilities, (iii) the Customer shall be released from all such liabilities and obligations under the Purchase Agreements (in the case of the A320 Purchase Agreement, solely to the extent relating to the A320 Aircraft) and (iv) the Purchase Agreements (in the case of the A320 Purchase Agreement, solely to the extent relating to the A320 Aircraft) shall be assigned and transferred and amended and restated as set out in this Agreement.

It is agreed:

1 Interpretation

1.1 Definitions

Capitalised terms and expressions used in this Agreement shall, unless otherwise defined herein, have the meanings given to such terms in the Step-In Agreement. In this

[Table of Contents](#)

Agreement (including the Recitals), except where the context otherwise requires, the following words and expressions have the following meanings:

Agreement means this assignment and assumption agreement.

Aircraft Interests means all of the Assigned Rights together with all of the Transferred Obligations and **Aircraft Interest** means the Assigned Rights and the Transferred Obligations in respect of any one (1) Aircraft.

Assigned A320 Purchase Agreement means the A320 Purchase Agreement (solely to the extent relating to the A320 Aircraft), as assigned and transferred pursuant to this Agreement and as amended and restated pursuant to this Agreement in the form set out in Part A of the Schedule (*Form of Assigned Purchase Agreements*).

Assigned A321 Purchase Agreement means the A321 Purchase Agreement, as assigned and transferred pursuant to this Agreement and as amended and restated pursuant to this Agreement in the form set out in Part B of the Schedule (*Form of Assigned Purchase Agreements*).

Assigned Purchase Agreements means, together, the Assigned A320 Purchase Agreement and the Assigned A321 Purchase Agreement (each, an **Assigned Purchase Agreement**).

Assigned Rights means, in relation to any Aircraft, all of the rights, title, interests and benefits of the Customer (other than the Retained Rights) under (i) the applicable Purchase Agreement (in the case of the A320 Purchase Agreement, solely to the extent relating to the A320 Aircraft) ***** and (ii) the applicable Assigned Purchase Agreement existing from the date of this Agreement, in each case, to the extent that such rights, title, interests and benefits relate to such Aircraft.

Parties means, collectively, Airbus, the Customer and the Buyer (each, a Party).

Pre-Delivery Payment Amount means:

- (a) in respect of each of the A320 Aircraft (being the A320 Aircraft with CA- CIDs *****), an amount of ***** for each of the A320 Aircraft;
- (b) in respect of each of the A321 Aircraft:
 - (i) with CA-CIDs *****, an amount of ***** for each such A321 Aircraft;
 - (ii) with CA-CIDs *****, an amount of ***** for each such A321 Aircraft;
 - (iii) with CA-CIDs *****, an amount of ***** for each such A321 Aircraft; and
 - (iv) with CA-CID *****, an amount of *****.

Proceedings has the meaning given to that term in Clause 9.2.1 (Jurisdiction).

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

Retained Obligation means, in relation to the Customer, any obligation, duty or liability of the Customer under a Purchase Agreement for which there is no corresponding obligation, duty or liability of the Buyer under the applicable Assigned Purchase Agreement, and **Retained Obligations** shall be construed accordingly.

Retained Right means, in relation to the Customer, any right, title, interest or benefit of the Customer under a Purchase Agreement for which there is no corresponding right, title, interest or benefit of the Buyer under the applicable Assigned Purchase Agreement, and **Retained Rights** shall be construed accordingly.

Security Trustee means Bank of Utah, not in its individual capacity but solely as security trustee for and on behalf of the Finance Parties.

Step-In Agreement means the step-in agreement relating to five (5) Airbus A320neo aircraft and nine (9) Airbus A321ceo aircraft entered into on or about the date hereof between the Security Trustee, the Buyer and Airbus.

Transaction Documents has the meaning given to that term in Clause 7.1(a).

Transferred Obligations means, in relation to any Aircraft, all of the Customer's obligations, duties and liabilities (other than the Retained Obligations) under (i) the applicable Purchase Agreement (in the case of the A320 Purchase Agreement, solely to the extent relating to the A320 Aircraft) existing prior to the date of this Agreement and (ii) the applicable Assigned Purchase Agreement existing from the date of this Agreement, in each case, to the extent that such obligations, duties and liabilities relate to such Aircraft.

1.2 Interpretation

1.2.1 Clause headings and the table of contents are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement.

1.2.2 In this Agreement, unless the context otherwise requires:

- (a) References to Clauses, Recitals and Schedules are to be construed as references to the clauses and recitals of, and schedules to, this Agreement and references to this Agreement include its Recitals and Schedules;
- (b) references to (or to any specified provision of) this Agreement or any other document shall be construed as references to this Agreement, that provision or that document as in force for the time being and as may be amended, assigned, transferred, supplemented, extended or reinstated (in each case, no matter how fundamentally) from time to time in accordance with its terms and where consent is, by the terms of this Agreement, required to be obtained as a condition to such amendment being permitted, with the prior written consent of the relevant parties;
- (c) words importing the plural shall include the singular and vice versa, and words importing a gender include every gender;

Table of Contents

- (d) references to a **person** shall be construed as including references to an individual, firm, company, corporation, unincorporated body of persons or any government entity or any of its agencies;
- (e) references to any party in this Agreement shall be construed so as to include that party's successors, permitted assigns and permitted transferees in accordance with its interests;
- (f) a reference to **including** shall be construed as a reference to including without limitation, so that any list of items or matters appearing after the word including shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word including; and
- (g) references to any provision of law is a reference to such provision as applied, amended, extended or re-enacted and includes any subordinate legislation.

1.2.3 This Agreement is conditional upon the execution of each other Relevant Document.

2 **Assignment and Assumption**

2.1 The Parties agree that from the date of this Agreement, each Purchase Agreement (in the case of the A320 Purchase Agreement, solely to the extent relating to the A320 Aircraft) shall be assigned and transferred from the Customer to the Buyer on the following terms:

- (a) the Customer assigns and transfers to the Buyer the Assigned Rights and the Transferred Obligations;
- (b) the Buyer agrees to accept and hereby accepts the Assigned Rights and undertakes in favour of Airbus to assume and perform the Transferred Obligations and to be bound by the terms of each Assigned Purchase Agreement;
- (c) Airbus releases and discharges the Customer from the Transferred Obligations and accepts the assumption by the Buyer under the Assigned Purchase Agreements of the Transferred Obligations and hereby agrees to perform its obligations under the Assigned Purchase Agreements in favour of the Buyer;
- (d) the Customer releases and discharges Airbus from its obligations and liabilities to the Customer under the Purchase Agreements (in the case of the A320 Purchase Agreement, solely to the extent relating to the A320 Aircraft) other than with respect to any exercise by the Customer of the Retained Rights and agrees that it has no further rights against Airbus under the Purchase Agreements (in the case of the A320 Purchase Agreement, solely to the extent relating to the A320 Aircraft) other than the Retained Rights;
- (e) none of the Customer or the Buyer shall have any claim against one another in respect of any and all liabilities, obligations, claims and demands whatsoever relating to or arising out of the Purchase Agreements (other than with respect to the Retained Rights and the Retained Obligations) after the date of this Agreement; and

Table of Contents

- (f) the Buyer shall have (to the exclusion of the Customer) all the respective rights, which were vested in the Customer in respect of the Assigned Rights immediately prior to the date of this Agreement,

it being agreed and confirmed, for the avoidance of doubt, that the foregoing provisions of this Clause 2.1 apply, in the case of the A320 Aircraft, solely to the extent that the Assigned Rights and the Transferred Obligations relate to the A320 Aircraft and the A320 Purchase Agreement as it relates to the A320 Aircraft (and not any other aircraft that is the subject of the A320 Purchase Agreement) and, in the case of the A320 Purchase Agreement, solely to the extent that the A320 Purchase Agreement relates to the A320 Aircraft (and not any other aircraft that is the subject of the A320 Purchase Agreement).

- 2.2 Each of the foregoing events are conditional on, and take effect simultaneously with, the others.
- 2.3 The Customer shall remain liable to Airbus to perform all the obligations of the “Buyer” under each Purchase Agreement as it relates to any aircraft other than the Aircraft, in each case in accordance with the terms of each Purchase Agreement, and Airbus shall remain liable to the Customer to perform all obligations of the “Seller” under each Purchase Agreement as it relates to any aircraft other than the Aircraft, in each case in accordance with the terms of each Purchase Agreement.
- 2.4 Notwithstanding any of the transactions contemplated by this Agreement or any of the other Relevant Documents, the Customer agrees and acknowledges that Airbus shall continue to have the same rights and remedies against the Customer as Airbus would have had under each Purchase Agreement (and any document entered into pursuant thereto) in respect of any losses, liabilities or claims suffered or incurred by Airbus insofar as the same are attributable to the period prior to the date of this Agreement, whether in respect of the Aircraft or otherwise.
- 2.5 The Buyer hereby appoints the Customer to perform (and the Customer hereby undertakes to the Buyer that it will perform), on behalf and to the exclusion of the Buyer, as the Customer may reasonably determine to be appropriate and/or necessary within the authority granted to it, each of the Assigned Rights and the Parties agree that, except as otherwise stated in this Agreement, to the extent any Transferred Obligations are performed by the Customer after the date of this Agreement, such performance shall be deemed to be performance of such Transferred Obligations by the Buyer and shall satisfy any corresponding obligation of the Buyer to perform the same Transferred Obligations under the applicable Assigned Purchase Agreement.

3 Pre-Delivery Payment Amounts

- 3.1 Each of the Customer and the Buyer acknowledges and agrees that:

Table of Contents

- (a) as of and with effect from the date of this Agreement, the Customer (i) transfers to the Buyer all of its rights, title and interest in or to the Pre-Delivery Payments for each Aircraft equal to the Pre-Delivery Payment Amount specified for that Aircraft in Clause 1.1 (*Definitions*), (ii) instructs Airbus to treat such Pre-Delivery Payments as having been paid for and on behalf of the Buyer and (iii) irrevocably renounces any rights it may have in respect of such Pre-Delivery Payments; and
 - (b) any and all amounts in respect of the Pre-Delivery Payments for any Aircraft which become payable under the applicable Assigned Purchase Agreement after the date of this Agreement shall be payable by the Buyer to Airbus in accordance with the terms of the applicable Assigned Purchase Agreement and the Customer shall have no liability in respect of these amounts.
- 3.2 Airbus acknowledges the transfer and instructions in Clause 3.1(a) above and agrees that it will treat the Pre-Delivery Payments for each Aircraft equal to the Pre-Delivery Payment Amount specified for that Aircraft in Clause 1.1 (*Definitions*) as having been paid for and on behalf of the Buyer pursuant to the applicable Assigned Purchase Agreement.
- 4 **Amendment and Restatement of each Purchase Agreement**
- 4.1 The Parties agree that, effective on and from the assignment and assumption pursuant to Clause 2 (*Assignment and Assumption*), each Purchase Agreement (as assigned and assumed pursuant to Clause 2 (*Assignment and Assumption*)) shall:
- (a) in respect of the A320 Aircraft, be amended and restated in the form set out in Part A of the Schedule (*Form of Assigned Purchase Agreements*) and shall constitute the Assigned A320 Purchase Agreement; and
 - (b) in respect of the A321 Aircraft, be amended and restated in the form set out in Part B of the Schedule (*Form of Assigned Purchase Agreements*) and shall constitute the Assigned A321 Purchase Agreement.
- 4.2 Except as set out in this Agreement:
- (a) each Purchase Agreement shall remain unmodified and in full force and effect and shall continue to constitute the applicable Purchase Agreement between the Customer and Airbus to the extent relating to any aircraft other than the Aircraft; and
 - (b) each Assigned Purchase Agreement shall remain unmodified and in full force and effect and shall continue to constitute the applicable Assigned Purchase Agreement between the Buyer and Airbus to the extent relating to the applicable Aircraft.
- 4.3 Airbus, the Customer and the Buyer acknowledge and agree, for the benefit of the Buyer, that the Retained Rights and the Retained Obligations are strictly without prejudice to the rights and obligations of the Buyer under each Assigned Purchase Agreement.

5 Further Assurances

The Customer and the Buyer shall from time to time, at the request of Airbus and at the cost of the Customer or, as the case may be, the Buyer, do and perform or cause to be done and performed such other and further acts and execute and deliver or cause to be executed and delivered any and all such other instruments as may be required by law or requested by Airbus, in order to establish, maintain and protect the rights and remedies of Airbus hereunder and to carry out and effect the intent and purpose of this Agreement.

6 Representations and Warranties

6.1 The Customer represents and warrants to the Buyer and Airbus that, as at the date of this Agreement:

- (a) it is the sole lawful owner of all rights, title and interest in and to the Aircraft Interests and neither the Aircraft Interests nor any part thereof is subject to any Encumbrance; and
- (b) each Purchase Agreement is in full force and effect and is enforceable against it in accordance with its terms subject to general principles of equity and any applicable law from time to time in effect relating to bankruptcy or liquidation or any other applicable law affecting generally the enforcement of creditor's rights.

6.2 The Buyer represents and warrants that:

- (a) it has reviewed in full all the provisions of each Assigned Purchase Agreement and hereby confirms to Airbus that the same are, subject to and in accordance with the terms set out in this Agreement, in every way acceptable to and binding on it;
- (b) it has not entered into any business or other activity save for that contemplated or expressly permitted by the Transaction Documents; and
- (c) it has not entered into any contract or agreement or any business or other activities with any person (save in connection with corporate management and administrative matters) or created or incurred any liability or indebtedness to any person, in each case, save as contemplated and permitted by the Transaction Documents.

6.3 Each of the Customer and the Buyer represents and warrants that:

- (a) it is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has the power and authority to enter into and perform its obligations under this Agreement and all necessary action has been taken by it to authorise the execution, delivery and performance of this Agreement;
- (b) no authorisations, consents or approvals are required to be obtained by it under the laws, rules and regulations of any governmental authorities or other official bodies in their jurisdiction of incorporation known to be applicable in connection with this Agreement;

Table of Contents

- (c) this Agreement constitutes its valid and legally binding obligation, enforceable in accordance with its terms subject to general principles of equity and any applicable law from time to time in effect relating to bankruptcy or liquidation or any other applicable law affecting generally the enforcement of creditors' rights; and
- (d) the execution and delivery of, the performance of its obligations under, and compliance by it with the provisions of this Agreement will not:
 - (i) conflict with any agreement or other instrument or treaty to which it is a party;
 - (ii) contravene any existing applicable law of its jurisdiction of incorporation; or
 - (iii) contravene or conflict with any provision of its constitutional documents.

7 **Undertakings**

7.1 The Buyer shall not enter into any business or other activity other than:

- (a) the business of purchasing, financing, owning, leasing and disposal of the Aircraft and the exercise of rights under, and the performance of all obligations to be performed by it pursuant to, each Relevant Document, the PDP Loan Agreement and the "Operative Documents" referred to in the PDP Loan Agreement (collectively, the **Transaction Documents**) to which it is a party from time to time or any documents executed or to be executed by it in connection with the transactions contemplated thereby; and
- (b) activities incidental to or expressly contemplated by the foregoing or otherwise required in respect of the management and/or administration and/or corporate existence of the Buyer.

7.2 The Buyer shall cause to be maintained certain policies and procedures relating to its existence as a separate legal entity.

7.3 The Buyer shall:

- (a) observe all formalities necessary to remain a legal entity separate and distinct from, and independent of, the Customer and any other person;
- (b) maintain its assets and liabilities separate and distinct from those of the Customer and any other person;

Table of Contents

- (c) not commingle its assets and/or funds with those of the Customer or any other person;
- (d) maintain records, books and accounts separate from those of the Customer and any other person;
- (e) conduct its business in its own name on arm's length terms and pay its obligations in the ordinary course of business;
- (f) not agree to pay, assume, guarantee or become liable for any debt of, or otherwise grant any Encumbrance in relation to any of its assets for the benefit of, the Customer or any other person, except pursuant to any Encumbrance that is granted by it pursuant to any Transaction Document;
- (g) not hold out that it is a division of the Customer or any other person or that the Customer or any other person is a division of it;
- (h) save for entering into the Transaction Documents, not induce any third party to rely on the creditworthiness of the Customer or any other person in order that such third party will contract with it;
- (i) not acquire any shares (or any other equity interest or securities) of the Customer or any other person; and
- (j) observe all material corporate or other procedures required under applicable law and under its constitutive documents.

For the avoidance of doubt, the Buyer is not authorized to engage in any activity or other undertaking save as expressly required or expressly contemplated by the Transaction Documents.

8 **Miscellaneous**

8.1 **Notices**

All notices, requests, demands or other written communications in relation to this Agreement shall be made in accordance with the provisions of clause 13 of the Step-In Agreement, which provisions apply to this Agreement *mutatis mutandis*, as if set out in full herein. For such purposes, each Party hereby confirms that its notice details are:

- (a) in the case of the Customer:

Frontier Airlines, Inc.
7001 Tower Road
Denver, CO 80249
United States of America

Fax: +1 720 374 9297
Attention: SVP – General Counsel

Table of Contents

(b) in the case of the Buyer:

Vertical Horizons, Ltd.
c/o Intertrust SPV (Cayman) Limited
Elgin Avenue
George Town
Grand Cayman, KY1 9005
Cayman Islands

Fax: +1 345 945 4757
Attention: Directors

(c) in the case of Airbus:

Airbus S.A.S.
1 rond point Maurice Bellonte
31707 Blagnac Cedex
France

Fax: +*****
Attention: Head of Contracts

8.2 Counterparts

This Agreement may be executed in any number of counterparts and by the different Parties on separate counterparts, each of which when so executed and delivered shall be an original and all counterparts shall together constitute one and the same instrument.

8.3 Waivers

Any waiver of any right, power or privilege by any Party shall be in writing signed by such Party. No failure or delay on the part of any Party in exercising any power or right hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any such right or power preclude any other or further exercise of any such right or power.

8.4 Variation

The provisions of this Agreement shall not be varied otherwise than by an instrument in writing executed by each of the Parties.

8.5 Invalidity

If at any time any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that shall not in any way affect or impair:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

- (a) the validity, legality or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.

8.6 **Assignments and Transfers**

The Buyer agrees that it may not sell, assign, transfer, delegate or otherwise deal with or dispose of any of its rights and obligations under this Agreement or under an Assigned Purchase Agreement other than pursuant to that Assigned Purchase Agreement, the Re-Assignment and Assumption Agreement, the Step-In Agreement and the Security Assignment.

8.7 **Confidentiality**

Each Party agrees that it shall treat as confidential, and shall not disclose to any person, this Agreement and/or the Assigned Purchase Agreements (and any information relating to this Agreement and/or the Assigned Purchase Agreements), in each case in accordance with the terms of section 18.11 of each Assigned Purchase Agreement as if such section were set out in full herein, *mutatis mutandis*.

9 **Governing Law and Jurisdiction**

9.1 **Governing Law**

THIS AGREEMENT SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS ENTERED INTO IN THAT STATE BETWEEN CITIZENS OF THAT STATE AND TO BE PERFORMED WHOLLY WITHIN THAT STATE WITHOUT REFERENCE TO ANY RULES GOVERNING CONFLICTS OF LAWS (OTHER THAN IN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

9.2 **Jurisdiction**

- 9.2.1 Each Party irrevocably agrees that the Supreme Court of the State of New York sitting in the Borough of Manhattan, New York City, or the United States District Court for the Southern District of New York shall have non-exclusive jurisdiction to hear and determine any suit, action or proceeding (**Proceedings**), and to settle any disputes, which may arise out of or in connection with this Agreement and for such purpose irrevocably submits to the jurisdiction of such courts.
- 9.2.2 Each Party further agrees, to the fullest extent permitted by applicable laws, that final judgment against it in any Proceeding referred to herein shall be conclusive and may be enforced in any other jurisdiction, within or outside the United States of America, by suit on the judgment, a certified or exemplified copy of which shall be conclusive evidence of the fact and amount of its obligations and liabilities.

Table of Contents

- 9.2.3 The submission by the Parties to the jurisdiction mentioned in Clause 9.2.1 shall not (and shall not be construed so as to) limit the right of the either Party to take Proceedings against the other Party in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not, if and to the extent permitted by applicable law.
- 9.2.4 Each Party hereby consents generally in respect of any Proceedings arising out of or in connection with this Agreement to the giving of any relief or the issue of any process in connection with such Proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.
- 9.2.5 EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.
- 9.3 Each Party hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable laws, any objection which it may now or hereafter have to the laying of venue of any Proceeding arising out of or in connection with this Agreement brought in any of the aforesaid courts, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim that any such Proceeding brought in any such court has been brought in an inconvenient forum.
- 9.3.1 Each Party waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:
- (a) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and
 - (b) the issue of any process against its assets or revenues for the enforcement of a judgement or, in an action in rem, for the arrest, detention or sale of any of its assets or revenues.
- 9.3.2 The Customer hereby irrevocably appoints Corporation Service Company at 80 State Street, Albany, New York, NY 12207-2543, U.S.A., as its agent for service of process in relation to any Proceedings in connection with this Agreement.
- 9.3.3 The Buyer hereby irrevocably appoints Corporation Service Company at 80 State Street, Albany, New York, NY 12207-2543, U.S.A., as its agent for service of process in relation to any Proceedings in connection with this Agreement.
- 9.3.4 Nothing contained in this Agreement shall affect the right to serve process in any other manner permitted by law.

[Table of Contents](#)

10 **Limited Recourse**

Each of the Customer and Airbus hereby acknowledges that its recourse against the Buyer is limited in accordance with the provisions of clause 24 of the Step-In Agreement.

In Witness whereof the Parties have caused this Agreement to be duly executed on the date first above written.

The Schedule Form of Assigned Purchase Agreements

[Table of Contents](#)

Part A — Form of Assigned A320 Purchase Agreement

A320 Purchase Agreement

BETWEEN

AIRBUS S.A.S.
as Seller

AND

Vertical Horizons, Ltd.
as Buyer

CONTENTS

| CLAUSE | TITLE | PAGE |
|--------|---|------|
| 0 | DEFINITIONS AND INTERPRETATION | 1 |
| 1 | SALE AND PURCHASE | 4 |
| 2 | SPECIFICATION | 5 |
| 3 | PRICES | 7 |
| 4 | PRICE REVISION [INTENTIONALLY LEFT BLANK] | 7 |
| 5 | PAYMENTS | 7 |
| 6 | MANUFACTURE PROCEDURE — INSPECTION | 10 |
| 7 | CERTIFICATION | 11 |
| 8 | TECHNICAL ACCEPTANCE | 12 |
| 9 | DELIVERY | 13 |
| 10 | EXCUSABLE DELAY | 15 |
| 11 | NON-EXCUSABLE DELAY | 17 |
| 12 | WARRANTIES AND SERVICE LIFE POLICY | 18 |
| 13 | PATENT AND COPYRIGHT INDEMNITY | 32 |
| 14 | BUYER FURNISHED EQUIPMENT | 34 |
| 15 | INDEMNIFICATION AND INSURANCE | 36 |
| 16 | REMEDIES | 37 |
| 17 | ASSIGNMENTS AND TRANSFERS | 38 |
| 18 | MISCELLANEOUS PROVISIONS | 39 |

CONTENTS

| EXHIBIT | TITLE | PAGE |
|------------------|---|-------------|
| EXHIBIT A | PART 1 — AIRFRAME PRICE REVISION FORMULA | 44 |
| | Part 2 — PROPULSION SYSTEMS PRICE REVISION FORMULA | 46 |
| EXHIBIT B | FORM OF CERTIFICATE OF ACCEPTANCE | 48 |
| EXHIBIT C | BILL OF SALE | 49 |
| EXHIBIT D | PRE-DELIVERY PAYMENTS, SCHEDULED DELIVERY MONTHS | 51 |

A320 FAMILY PURCHASE AGREEMENT

This A320 Purchase Agreement is made on _____ 2014 (the “**Agreement**”).

BETWEEN:

AIRBUS S.A.S., a *société par actions simplifiée*, created and existing under French law having its registered office at 1, rond-point Maurice Bellonte, 31700 Blagnac, France and registered with the Toulouse *Registre du Commerce* under number RCS Toulouse 383 474 814 (the “**Seller**”);

and

Vertical Horizons, Ltd, a company incorporated and existing under the laws of the Cayman Islands and having its registered office at the offices of Intertrust SPV (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1 9005, Cayman Islands (the “**Buyer**”).

WHEREAS subject to the terms and conditions of this Agreement, the Seller desires to sell the Aircraft to the Buyer and the Buyer desires to purchase the Aircraft from the Seller.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

0 DEFINITIONS AND INTERPRETATION

0.1 In addition to words and terms elsewhere defined in this Agreement, the initially capitalized words and terms used in this Agreement shall have the meaning set out below.

Affiliate means with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person.

Aircraft means an Airbus A320 aircraft delivered under this Agreement, including the Airframe, the Propulsion Systems, the NEO Option and any part, component, furnishing or equipment installed on the Aircraft on Delivery.

Airframe means the Aircraft excluding the Propulsion Systems.

Airframe Base Price has the meaning set out in Clause 3.1 which includes the SCN Budget.

Airframe Price Revision Formula is set out in Part 1 of Exhibit A.

Assignment and Assumption Agreement means the assignment and assumption agreement dated on or about _____ 2014 made between Frontier, the Buyer and the Seller in relation to the Frontier A320 PA and the Aircraft.

Aviation Authority means when used in respect of any jurisdiction the government entity, which under the laws of such jurisdiction has control over civil aviation or the registration, airworthiness or operation of aircraft in such jurisdiction.

Table of Contents

Business Day means a day, other than a Saturday or Sunday, on which business of the kind contemplated by this Agreement is carried on in France, in Germany and in the Buyer's country or, where used in relation to a payment, which is a day on which banks are open for business in France, in Germany, in the Buyer's country and in New York, as appropriate.

Declaration of Design and Performance or DDP means the documentation provided by an equipment manufacturer guaranteeing that the corresponding equipment meets the requirements of the Specification, the interface documentation as well as all the relevant certification requirements.

Delivery means the transfer of title to the Aircraft from the Seller to the Buyer in accordance with Clause 9.

Delivery Date means the date on which Delivery occurs.

Delivery Location means the facilities of the Seller at the location of final assembly of the Aircraft.

Export Airworthiness Certificate means an export certificate of airworthiness issued by the Aviation Authority of the Delivery Location.

Facility Agent means Citibank N.A. as facility agent for and on behalf of the Lenders under the PDP Loan Agreement.

Final Price has the meaning set out in Clause 3.2.

Frontier means Frontier Airlines, Inc. a company incorporated and existing under the laws of Colorado.

Frontier A320 PA means the aircraft purchase agreement dated 30 September 2011 as amended and supplemented from time to time, made between Frontier and the Seller.

Frontier A321 PA means the aircraft purchase agreement dated 31 October 2014 as amended and supplemented from time to time, made between Frontier and the Seller.

Guarantee means the guarantee and indemnity dated _____ 2014 made between Frontier as guarantor and the Seller as beneficiary pursuant to which, amongst other things, Frontier shall guarantee to the Seller the due and punctual performance by the Buyer of all of its obligations owed to the Seller under this Agreement.

Irrevocable SCN means an SCN which is irrevocably part of the A320 Specification, as expressly set forth in Appendix 1, in the total amount of ***** and which cost is included in the Airframe Base Price set out in Clause 3.1.

Lenders has the meaning ascribed to such term in the Step-In Agreement.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

Manufacture Facilities means the various manufacture facilities of the Seller, its Affiliates or any subcontractor, where the Airframe or its parts are manufactured or assembled.

New Engine Option or NEO has the meaning set out in Clause 2.1.

Other Agreement means any of:

1. the Frontier A320 PA
2. the Frontier A321 PA;
3. the Assignment and Assumption Agreement;
4. the Re-assignment and Re-assumption Agreement;
5. the Vertical Horizons A321 PA;
6. the Guarantee;
7. the Step-In Agreement and any other document entered into in order to give effect to the transactions contemplated thereby; and
8. any other material agreement made from time to time between the Buyer or any of its Affiliates or Frontier and the Seller or any of its Affiliates.

PDP Loan Agreement has the meaning ascribed to such term in the Step-in Agreement.

Predelivery Payment means the payment(s) determined in accordance with Clause 5.2.

Propulsion Systems has the meaning given to it in Clause 2.3.

Propulsion Systems Manufacturer means the manufacturer of the Propulsion System as set out in Clause 2.3.

Propulsion System Price Revision Formula is set out in Part 2 of Exhibit A.

Propulsion Systems Reference Price means the Propulsion Systems Manufacturer reference price as set out in Exhibit A Part 2.

Ready for Delivery means the time when the Technical Acceptance Process has been completed in accordance with Clause 8 and all technical conditions required for the issuance of the Export Airworthiness Certificate have been satisfied.

SCN Budget means the amount of *****, being the cost ***** of the SCNs which the Buyer and the Seller have assumed to be applicable to each Airframe as delivered hereunder and which cost is included in the Airframe Base Price set out in Clause 3.1.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Table of Contents

Security Trustee means the Bank of Utah, not in its individual capacity but solely as security trustee for and on behalf of the Facility Agent and the Lenders.

Seller Furnished Equipment or **SFE** corresponds to items of equipment that are identified in the Specification as being furnished by the Seller.

Sharklets means a new large wingtip device designed to enhance the eco-efficiency and payload range performance of the A320 family aircraft and which is an Irrevocable SCN.

Vertical Horizons A321 PA means the aircraft purchase agreement dated _____, 2014 made between the Buyer and the Seller in respect of certain A321 aircraft.

Specification Change Notice or **SCN** means an agreement in writing between the parties to amend the Specification pursuant to Clause 2.

Specification means either: (a) the Standard Specification if no SCNs are applicable; or (b) if SCNs are applicable, the Standard Specification as amended by all applicable SCNs.

Standard Specification means the A320 standard specification document number *****.

Step-In Agreement means the step-in agreement dated _____ 2014 made between the Buyer, the Security Trustee and the Seller in respect of the Aircraft.

0.2 Clause headings and the Index are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement.

0.3 In this Agreement unless the context otherwise requires:

- (i) references to Clauses, Appendices and Exhibits are to be construed as references to the Clauses of, and Appendices, and Exhibits to this Agreement and references to this Agreement include its Schedules, Exhibits and Appendices;
- (ii) words importing the plural shall include the singular and vice versa; and
- (iii) references to a person shall be construed as including, without limitation, references to an individual, firm, company, corporation, unincorporated body of persons and any state or agency of a state.

1 **SALE AND PURCHASE**

The Seller shall sell and deliver and the Buyer shall buy and take delivery of five (5) A320 Aircraft on the Delivery Date at the Delivery Location upon the terms and conditions contained in this Agreement.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

2 **SPECIFICATION**

2.1 **Aircraft Specification**

The Aircraft shall be manufactured in accordance with the Standard Specification, as may already have been modified or varied prior to the date of this Agreement by the Specification Change Notices and Irrevocable SCN's listed in Appendix 1.

The Seller is currently developing a new engine option (the "New Engine Option" or "NEO"), applicable to the Aircraft. The specification of the Aircraft shall be derived from the current Standard Specification and based on the new Propulsion Systems, as set forth in Clause 2.3 below, and Sharklets, combined with the required airframe structural adaptations, as well as Aircraft systems and software adaptations required to operate such Aircraft. The foregoing is currently reflected in the Irrevocable SCNs listed in Appendix 1, the implementation of which is hereby irrevocably accepted by the Buyer.

The New Engine Option shall modify the design weights of the Standard Specification as follows:

| | |
|------|-------|
| | A320 |
| MLW | ***** |
| MZFW | ***** |

2.2 **Specification Amendment**

The Specification may be further amended following signature of this Agreement in accordance with the terms of this Clause 2.

2.2.1 Specification Change Notices

The Specification may be amended by written agreement between the Buyer and the Seller in a Specification Change Notice. Each SCN shall be in the Seller's standard form and shall set out the particular change to be made to the Specification and the effect, if any, of such change on the Aircraft affected thereby and on the text of the Specification. An SCN may result in an adjustment of the Final Price, which adjustment, if any, shall be specified in the SCN.

2.2.2 Development Changes

The Specification may also be amended to incorporate changes deemed necessary by the Seller to improve the Aircraft, prevent delay or ensure compliance with this Agreement ("**Development Changes**"), as set forth in this Clause 2.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Table of Contents

- (i) Manufacturer Specification Changes Notices
 - (a) The Specification may be amended by the Seller through a Manufacturer Specification Change Notice (“**MSCN**”), which shall be substantially in the Seller’s standard form and shall set out the change to be made to the Specification and the effect, if any, of such change on the Aircraft affected thereby and the Specification.
 - (b) If a MSCN is necessitated by an Aviation Authority directive or by equipment obsolescence (a “**Mandatory MSCN**”), any such Mandatory MSCN shall be accomplished without requiring the Buyer’s consent. If the MSCN is not a Mandatory MSCN (a “**Non-Mandatory MSCN**”) and adversely affects the performance, weight, Base Price, Delivery Date of the Aircraft affected thereby or the interchangeability or replaceability requirements under the Specification, the Seller shall notify the Buyer of a reasonable period of time during which the Buyer must accept or reject such Non-Mandatory MSCN. If the Buyer does not notify the Seller of the rejection of the Non-Mandatory MSCN within such period, the Non-Mandatory MSCN shall be deemed accepted by the Buyer and the corresponding modification shall be accomplished.
- (ii) In the event of the Seller revising the Specification to incorporate Development Changes which have no adverse effect on any of the elements as set forth in 2.2.2(i)(a) above, such revision shall be performed by the Seller without the Buyer’s consent.
- (iii) The Seller is considering turning certain items, which are currently BFE in the Specification, into SFE and the parties agree that such BFE items shall be excluded from the provisions of Clauses 2.2.2(i) and 2.2.2(ii) above and, should they become SFE, shall furthermore be chargeable to the Buyer.

2.3 Propulsion System

Each Airframe shall be equipped with a set of two (2) CFM International LEAP-1 A26 engines propulsion systems (the “**Propulsion Systems**”).

2.4 Milestones

2.4.1 Customization Milestones Chart

Within a reasonable period following signature of the Agreement, the Seller shall provide the Buyer with a customisation milestones chart (the “**Customisation Milestone Chart**”), setting out how far in advance of the Scheduled Delivery Month of the Aircraft an SCN must be executed in order to integrate into the Specification any items requested by the Buyer from the Seller’s catalogues of Specification change options (the “**Option Catalogues**”).

[Table of Contents](#)

2.4.2 Contractual Definition Freeze

The Customisation Milestone Chart shall in particular define the date(s) by which the contractual definition of the Aircraft must be finalized and all SCNs need to have been executed by the Buyer (the “**Contractual Definition Freeze**” or “**CDF**”) in order to enable their incorporation into the manufacturing of the Aircraft and Delivery of the Aircraft in the Scheduled Delivery Month. Each such date shall be referred to as a “**CDF Date**”.

3 PRICES

3.1 Airframe Base Price

The Airframe Base Price is *****.

The Airframe Base Price has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in *****.

3.2 Final Price

The Final Price of each Aircraft shall be the Airframe Base Price as increased by:

- (i) the price of any unpaid MSCNs and any Specification Change Notices ***** as adjusted to the Delivery Date of such Aircraft in accordance with the Airframe Price Revision Formula;
- (ii) escalation of the Airframe Base Price from a theoretical delivery date of ***** to the Delivery Date of such Aircraft in accordance with the Airframe Price Revision Formula;
- (iii) the Propulsion Systems Reference Price and its corresponding escalation from a theoretical delivery date of ***** for the Propulsion Systems to the actual Delivery Date of such Aircraft in accordance with the Propulsion System Price Revision Formula; and
- (iv) any other amount due from the Buyer to the Seller pursuant to this Agreement and/or any other agreement between the Buyer and the Seller with respect to the Aircraft.

4 [INTENTIONALLY LEFT BLANK]

5 PAYMENTS

5.1 Seller’s Account

The Buyer shall pay the Predelivery Payments, the Balance of Final Price and/or any other amount due by the Buyer to the Seller, to the following account:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Table of Contents

Beneficiary Name: *****

account identification: *****

with:

SWIFT: *****

ABA: *****

or to such other account as may be designated by the Seller.

5.2 **Predelivery Payments**

5.2.1 The Buyer shall pay Predelivery Payments to the Seller in accordance with the schedule set out in Exhibit D.

5.2.2 Any Predelivery Payment received by the Seller shall constitute an instalment in respect of the Final Price of the Aircraft. The Seller shall be entitled to hold and use any Predelivery Payment as absolute owner thereof, subject only to: (i) the obligation to deduct any such Predelivery Payment from the Final Price when calculating the Balance of Final Price; or (ii) the obligation to pay to the Buyer an amount equal to the Predelivery Payments pursuant to any other provision of this Agreement.

5.2.3 If any Predelivery Payment is not received ***** then, in addition to any other rights and remedies available to Seller, the Seller shall have no obligation to deliver any or all of the Aircraft remaining to be delivered under the Agreement within their respective Scheduled Delivery Month(s). Upon receipt of the full amount of all delayed Predelivery Payments, together with any amount due pursuant to Clause 5.6, the Seller shall inform the Buyer of new Scheduled Delivery Month(s) consistent with the Seller's other commitments and production capabilities.

5.2.4 *****

5.3 **Balance of Final Price**

5.3.1 The "**Balance of Final Price**" payable by the Buyer to the Seller on the Delivery Date shall be the Final Price less the amount of Predelivery Payments received by the Seller on or before the Delivery Date.

5.3.2 Upon receipt of the Seller's invoice, and immediately prior to Delivery, the Buyer shall pay to the Seller the Balance of Final Price.

5.4 **Other Charges**

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

Unless expressly stipulated otherwise, any other charges due under this Agreement other than those set out in Clauses 5.2 and 5.3 shall be paid by the Buyer at the same time as payment of the Balance of Final Price or, if invoiced after the Delivery Date, ***** the invoice date.

5.5 **Method of Payment**

5.5.1 All payments provided for in this Agreement shall be made in US Dollars (US\$) in immediately available funds.

5.5.2 *****

5.6 **Overdue Payments**

If any payment due to the Seller under this Agreement including but not limited to any Predelivery Payment is not received on its respective due date, without prejudice to the Seller's other rights under this Agreement and at law, the Seller shall be entitled to claim from the Buyer, and the Buyer shall *****.

5.7 **Taxes**

5.7.1 *****

5.7.2 *****

5.7.3 *****

5.8 **Proprietary Interest**

The Buyer shall not, by virtue of anything contained in this Agreement (including, without limitation, any Predelivery Payments hereunder, or any designation or identification by the Seller of a particular aircraft as an Aircraft to which any of the provisions of this Agreement refers) acquire any proprietary, insurable or other interest whatsoever in any Aircraft before Delivery of and payment for such Aircraft, as provided in this Agreement.

5.9 **Set-Off**

5.10 **Cross-Collateralisation**

5.10.1 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

6 MANUFACTURE PROCEDURE — INSPECTION

6.1 Manufacture Procedure

The Airframe shall be manufactured in accordance with the relevant requirements of the laws of the jurisdiction of incorporation of the Seller or of its relevant Affiliate as enforced by the Aviation Authority of such jurisdiction.

6.2 Inspection

6.2.1 Subject to providing the Seller with insurance certificates satisfactory to the Seller, the Buyer or its duly authorised representatives (the “**Buyer’s Inspector(s)**”) shall be entitled to inspect the manufacture of the Airframe and all materials and parts obtained by the Seller for the manufacture of the Airframe on the following terms and conditions:

- (i) any inspection shall be made according to a procedure to be agreed upon with the Buyer but shall be conducted pursuant to the Seller’s own system of inspection as developed under the supervision of the relevant Aviation Authority;
- (ii) the Buyer’s Inspector(s) shall have access to such relevant technical data as is reasonably necessary for the purpose of the inspection;
- (iii) any inspection and any related discussions with the Seller and other relevant personnel by the Buyer’s Inspector(s) shall be at reasonable times during business hours and shall take place in the presence of relevant inspection department personnel of the Seller; and
- (iv) the inspections shall be performed in a manner not to unduly delay or hinder the manufacture or assembly of the Aircraft or the performance of this Agreement by the Seller or any other work in progress at the Manufacture Facilities.

6.2.2 Location of Inspections

The Buyer’s Inspector(s) shall be entitled to conduct any such inspection at the relevant Manufacture Facility of the Seller or the Affiliates and where possible at the Manufacture Facilities of the sub-contractors provided that if access to any part of the Manufacture Facilities where the Airframe manufacture is in progress or materials or parts are stored are restricted for security or confidentiality reasons, the Seller shall be allowed reasonable time to make the relevant items available elsewhere.

6.3 Seller’s Service for Buyer’s Inspector(s)

For the purpose of the inspections, and commencing with the date hereof until the Delivery Date, the Seller shall furnish without additional charge suitable space and office equipment in or conveniently located with respect to the Delivery Location for the use of a reasonable number of Buyer’s Inspector(s).

Table of Contents

7 CERTIFICATION

7.1 Type Certification

The Aircraft has been type certificated under European Aviation Safety Agency (EASA) procedures for certification in the transport category. The Seller has obtained the relevant type certificate (the “**Type Certificate**”) to allow the issuance of the Export Airworthiness Certificate.

7.2 Export Airworthiness Certificate

7.2.1 The Aircraft shall be delivered to the Buyer with an Export Airworthiness Certificate.

7.2.2 If, any time before the date on which the Aircraft is Ready for Delivery, any law or regulation is enacted, promulgated, becomes effective and/or an interpretation of any law or regulation is issued which requires any change to the Specification for the purposes of obtaining the Export Airworthiness Certificate (a “**Change in Law**”), the Seller shall make the required variation or modification and the parties hereto shall sign a Specification Change Notice which specifies the effects, if any, upon the guaranteed performances, weights, interchangeability, time of Delivery, price of the Aircraft and text of the Specification.

7.2.3 The Seller shall as far as practicable (but at its sole discretion and without prejudice to Clause 7.3.1 (ii)) take into account the information available to it concerning any proposed law, regulation or interpretation which could become a Change in Law in order to minimise the costs of changes to the Specification as a result of such proposed law, regulation or interpretation becoming effective prior to the Aircraft being Ready for Delivery.

7.3 Costs of SCNs for Certification

7.3.1 The costs of implementing the variation or modification referred to in Clause 7.2.2 above shall be:

(i) *****

(ii) *****

7.3.2 Notwithstanding the provisions of sub-Clauses 7.3.1 (i) and (ii), if the Change in Law relates to the Propulsion Systems, the costs shall be borne in accordance with such arrangements as may be made separately between the Buyer and the Propulsion System Manufacturer, however such costs shall not be borne by the Seller.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

7.4 Validation of Export Airworthiness Certificate

- 7.4.1 The Seller shall endeavour to obtain the validation of the Export Airworthiness Certificate by the Buyer's Aviation Authority.
- 7.4.2 Where the Buyer's Aviation Authority requires a modification to comply with additional import aviation requirements and/or supply of additional data prior to the issuance of the Export Airworthiness Certificate the Seller shall incorporate such modification and/or provide such data at costs to be borne by the Buyer. The parties shall sign a Specification Change Notice which specifies the effects, if any, upon the guaranteed performances, weights, interchangeability, time of Delivery and price of the Aircraft.

8 TECHNICAL ACCEPTANCE

8.1 Technical Acceptance Process

- 8.1.1 Prior to Delivery the Aircraft shall undergo a technical acceptance process, proposed by the Seller (the "**Technical Acceptance Process**"). Completion of the Technical Acceptance Process shall demonstrate the satisfactory functioning of the Aircraft and shall be deemed to demonstrate compliance with the Specification. Should it be established that the Aircraft does not comply with the Technical Acceptance Process requirements, the Seller shall without hindrance from the Buyer be entitled to carry out any necessary changes and, as soon as practicable thereafter, resubmit the Aircraft to such further Technical Acceptance Process as is necessary to demonstrate the elimination of the non-compliance.
- 8.1.2 The Technical Acceptance Process shall:
- (i) commence on a date notified by the Seller to the Buyer by no less than ***** notice;
 - (ii) take place at the Delivery Location;
 - (iii) be carried out by the personnel of the Seller; and
 - (iv) include a technical acceptance flight which shall *****.

8.2 Buyer's Attendance

- 8.2.1 The Buyer shall be entitled to attend the Technical Acceptance Process and notification of the start of such Technical Acceptance Process shall be done in accordance with Clause 9.1.2.

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Table of Contents

8.2.2 If the Buyer elects to attend the Technical Acceptance Process, the Buyer:

- (i) shall co-operate in complying with the reasonable requirements of the Seller with the intention of completing the Technical Acceptance Process within *****;
- (ii) may have a ***** of the Buyer's representatives (with no more than ***** such representatives having access to the cockpit at any one time) accompany the Seller's representatives on a technical acceptance flight and during such flight the Buyer's representatives shall comply with the instructions of the Seller's representatives.

8.2.3 If the Buyer does not attend or fails to co-operate in the Technical Acceptance Process, the Seller shall be entitled to complete the Technical Acceptance Process and the Buyer shall be deemed to have accepted the Technical Acceptance Process as satisfactory in all respects.

8.3 **Certificate of Acceptance**

Following completion of the Technical Acceptance Process, the Buyer shall sign and deliver to the Seller, in accordance with Clause 9.2.1, a certificate of acceptance in respect of the Aircraft in the form of Exhibit B (the "**Certificate of Acceptance**").

8.4 **Aircraft Utilisation**

The Seller shall, without payment or other liability, be entitled to use the Aircraft prior to Delivery as may be necessary to obtain the certificates required under Clause 7, and such use shall not prejudice the Buyer's obligation to accept Delivery of the Aircraft hereunder. However the Seller shall not be authorised to use the Aircraft during more than ***** for any other purpose without the specific agreement of the Buyer.

9 **DELIVERY**

9.1 **Delivery Schedule**

9.1.1 Subject to the terms and conditions set out in this Agreement, the Seller shall have the Aircraft Ready for Delivery at the Delivery Location within the following months (each a "**Scheduled Delivery Month**") or quarters (each a "**Scheduled Delivery Quarter**"):

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Table of Contents

| <u>Aircraft Rank</u> | <u>CAC ID Reference</u> | | <u>Scheduled Delivery</u> | |
|----------------------|-------------------------|---------------|---------------------------|-------------|
| | | | <u>Month/Quarter</u> | <u>Year</u> |
| 1 | ***** | A320 Aircraft | ***** | ***** |
| 2 | ***** | A320 Aircraft | ***** | ***** |
| 3 | ***** | A320 Aircraft | ***** | ***** |
| 4 | ***** | A320 Aircraft | ***** | ***** |
| 5 | ***** | A320 Aircraft | ***** | ***** |

9.1.2 The Seller will give the Buyer written notice of the Scheduled Delivery Month of each Aircraft not already identified above at least ***** before the first day of the Scheduled Delivery Quarter of the respective Aircraft or upon execution of this Agreement for Aircraft to be delivered earlier than ***** before the first day of the Scheduled Delivery Quarter. The Seller shall give the Buyer at least ***** prior written notice of the anticipated date on which the Aircraft shall be Ready for Delivery. Thereafter the Seller shall notify the Buyer of any change in such date necessitated by the conditions of manufacture or flight.

9.2 Delivery

9.2.1 The Buyer shall, ***** sign the Certificate of Acceptance, pay the Balance of the Final Price and send its representatives to the Delivery Location to take Delivery of, and collect, the Aircraft.

9.2.2 The Seller shall deliver and transfer title to the Aircraft free and clear of all encumbrances to the Buyer provided that the Balance of the Final Price has been paid by the Buyer and that the Certificate of Acceptance has been signed and delivered to the Seller. The Seller shall provide the Buyer with a bill of sale in the form of Exhibit C (the “**Bill of Sale**”) and/or such other documentation confirming transfer of title and receipt of the Final Price as may reasonably be requested by the Buyer. Title to, property in and risk of loss of or damage to the Aircraft shall be transferred to the Buyer on Delivery.

9.2.3 Should the Buyer fail, within the period specified in Clause 9.2.1, to:

- (i) deliver the signed Certificate of Acceptance to the Seller; or
- (ii) pay the Balance of the Final Price for the Aircraft to the Seller and take Delivery of the Aircraft,

then the Buyer shall be deemed to have rejected delivery of the Aircraft without warrant when duly tendered to it hereunder. Without prejudice to Clause 5.7 and the Seller’s other rights under this Agreement or at law:

- (a) the Seller shall retain title to the Aircraft; and

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Table of Contents

- (b) the Buyer shall bear all risk of loss of or damage to the Aircraft and shall indemnify and hold the Seller harmless against any and all costs (including but not limited to any parking, storage, and insurance costs) and consequences resulting from such failure, it being understood that the Seller shall be under no duty towards the Buyer to store, park, insure, or otherwise protect the Aircraft.

9.2.4 Should the Buyer fail to collect the Aircraft as mentioned in Clause 9.2.1 above and without prejudice to the Seller's other rights under this Agreement or at law, the provisions of Clause 9.2.3(b) shall apply.

9.3 Fly Away

The Buyer and the Seller shall co-operate to obtain any licenses, which may be required by the Aviation Authority of the Delivery Location for the purpose of exporting the Aircraft. All expenses of, or connected with, flying the Aircraft from the Delivery Location after Delivery shall be borne by the Buyer. The Buyer shall make direct arrangements with the supplying companies for the fuel and oil required for all post- Delivery flights.

10 EXCUSABLE DELAY

10.1 The Buyer acknowledges that the Aircraft are to be manufactured by Seller in performance of this Agreement and that the Scheduled Delivery Months are based on the assumption that there shall be no delay due to causes beyond the control of the Seller. Accordingly, Seller shall not be responsible for any delay in the Delivery of the Aircraft or delay or interruption in the performance of the other obligations of the Seller hereunder due to causes beyond its control, and not occasioned by its fault or negligence including (but without limitation) *****.

10.2 If an Excusable Delay occurs:

- 10.2.1 the Seller shall notify the Buyer of such Excusable Delay as soon as practicable after becoming aware of the same;
- 10.2.2 the Seller shall not be responsible for any damages arising from or in connection with such Excusable Delay suffered or incurred by the Buyer;
- 10.2.3 the Seller shall not be deemed to be in default in the performance of its obligations hereunder as a result of such Excusable Delay; and

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Table of Contents

10.2.4 the Seller shall as soon as practicable after the removal of the cause of the delay resume performance of its obligations under this Agreement and in particular shall notify to the Buyer the revised Scheduled Delivery Month.

10.3 **Termination on Excusable Delay**

10.3.1 If the Delivery of any Aircraft is delayed as a result of an Excusable Delay for a period of more than ***** after the last day of the Scheduled Delivery Month then either party may terminate this Agreement with respect to the Aircraft so affected by giving written notice to the other party ***** after the ***** provided that the Buyer shall not be entitled to terminate this Agreement pursuant to this Clause if the Excusable Delay results from a cause within its control.

10.3.2 If the Seller concludes that the Delivery of any Aircraft shall be delayed for more than ***** after the last day of the Scheduled Delivery Month due to an Excusable Delay and as a result thereof reschedules Delivery of such Aircraft to a date or month reflecting such delay then the Seller shall promptly notify the Buyer in writing to this effect and shall include in such notification the new Scheduled Delivery Month. Either party may thereupon terminate this Agreement with respect to such Aircraft by giving written notice to the other party ***** after receipt by the Buyer of the notice of anticipated delay.

10.3.3 If this Agreement has not been terminated with respect to the delayed Aircraft during the ***** referred to in either Clause 10.3.1 or 10.3.2 above, then the Seller shall be entitled to reschedule Delivery and the new Scheduled Delivery Month shall be notified to the Buyer and shall be binding on the parties.

10.4 **Total Loss, Destruction or Damage**

If prior to Delivery, any Aircraft is lost, destroyed or in the reasonable opinion of the Seller is damaged beyond repair (“Total Loss”), the Seller shall notify the Buyer to this effect within ***** of such occurrence. The Seller shall include in said notification (or as soon after the issue of the notice as such information becomes available to the Seller) the earliest date consistent with the Seller’s other commitments and production capabilities that an aircraft to replace the Aircraft may be delivered to the Buyer and the Scheduled Delivery Month shall be extended as specified in the Seller’s notice to accommodate the delivery of the replacement aircraft; provided, however, that in the event the specified extension of the Scheduled Delivery Month to a month is exceeding ***** after the last day of the original Scheduled Delivery Month then this Agreement shall terminate with respect to said Aircraft unless:

10.4.1 the Buyer notifies the Seller within ***** of the date of receipt of the Seller’s notice that it desires the Seller to provide a replacement aircraft during the month quoted in the Seller’s notice; and

10.4.2 the parties execute an amendment to this Agreement recording the variation in the Scheduled Delivery Month,

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[Table of Contents](#)

provided, however, that nothing herein shall require the Seller to manufacture and deliver a replacement aircraft if such manufacture would require the reactivation of its production line for the model or series of aircraft which includes the Aircraft purchased hereunder.

10.5 **Termination Rights Exclusive**

In the event that this Agreement shall be terminated as provided for under the terms of Clauses 10.3 or 10.4, such termination shall discharge all obligations and liabilities of the parties hereunder with respect to such affected Aircraft and undelivered material, services, data or other items applicable thereto and to be furnished hereunder and neither party shall have any claim against the other for any loss resulting from such non-delivery. The Seller shall in no circumstances have any liability whatsoever for Excusable Delay other than as set forth in this Clause 10.

11 **NON-EXCUSABLE DELAY**

11.1 *****

11.2 **Re-negotiation**

If, as a result of Non-Excusable Delay, Delivery does not occur in the period falling ***** after the Delivery Period, the Buyer shall have the right exercisable by written notice to the Seller given not less than ***** to require from the Seller a re-negotiation of the Scheduled Delivery Month for the affected Aircraft. Unless otherwise agreed between the Seller and the Buyer during such renegotiation, the said re-negotiation shall not prejudice the Buyer's right to receive liquidated damages in accordance with Clause 11.1 during the period of Non-Excusable Delay.

11.3 **Termination**

If, as a result of Non-Excusable Delay, Delivery does not occur in the period falling ***** and the parties have not renegotiated the Scheduled Delivery Month pursuant to Clause 11.2, either party shall have the right exercisable by written notice to the other party, given not less than ***** to terminate this Agreement in respect of the affected Aircraft and *****

11.4 **Limitation of Damages**

The Buyer and the Seller agree that payment by the Seller of the amounts due pursuant to Clause 11.1 shall be considered to be a liquidated damages provision and has been calculated to compensate the Buyer for its entire damages for all losses of any kind due to Non-Excusable Delay. The Seller shall not in any circumstances have any liability whatsoever for Non-Excusable Delay other than as set forth in this Clause 11.

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12 **WARRANTIES AND SERVICE LIFE POLICY**

This Clause covers the terms and conditions of the warranty and service life policy.

12.1 **Standard Warranty**

12.1.1 Nature of Warranty

For the purpose of this Agreement the term “**Warranted Part**” shall mean any Seller proprietary component, equipment, accessory or part, which is installed on an Aircraft at Delivery thereof and which:

- (i) is manufactured to the detailed design of the Seller or a subcontractor of the Seller; and
- (ii) bears a part number of the Seller at the time of such Delivery.

Subject to the conditions and limitations as hereinafter provided for and except as provided for in Clause 12.1.2, the Seller warrants to the Buyer that each Aircraft and each Warranted Part shall at Delivery to the Buyer be free from defects:

- (a) in material;
- (b) in workmanship, including without limitation processes of manufacture;
- (c) in design (including without limitation the selection of materials) having regard to the state of the art at the date of such design; and
- (d) arising from failure to conform to the Specification, except to those portions of the Specification relating to performance or where it is expressly stated that they are estimates, approximations or design aims.

12.1.2 Exclusions

The warranties set forth in Clause 12.1.1 shall not apply to Buyer Furnished Equipment, nor to the Propulsion Systems, nor to any component, equipment, accessory or part installed on the Aircraft at Delivery that is not a Warranted Part except that:

- (i) any defect in the Seller’s workmanship in respect of the installation of such items in the Aircraft, including any failure by the Seller to conform to the installation instructions of the manufacturers of such items, that invalidates any applicable warranty from such manufacturers, shall constitute a defect in workmanship for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1(b); and
- (ii) any defect inherent in the Seller’s design of the installation, in consideration of the state of the art at the date of such design, which impairs the use of such items, shall constitute a defect in design for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1(c).

Table of Contents

12.1.3 Warranty Period

The warranties set forth in Clauses 12.1.1 and 12.1.2 shall be limited to those defects that become apparent within ***** of the affected Aircraft (the “**Warranty Period**”).

12.1.4 Buyer’s Remedy and Seller’s Obligation

- (i) The Buyer’s remedy and the Seller’s obligation and liability under Clauses 12.1.1 and 12.1.2 are limited to, at the Seller’s expense and option, the repair, replacement or correction of any Warranted Part which is defective (or to the supply of modification kits rectifying the defect), together with a credit to the Buyer’s account with the Seller of an amount equal to the mutually agreed direct labor costs expended in performing the removal and the reinstallation thereof on the Aircraft at the labor rate defined in Clause 12.1.8(v). The Seller may alternatively furnish to the Buyer’s account with the Seller a credit equal to the price at which the Buyer is entitled to purchase a replacement for the defective Warranted Part.
- (ii) In the event of a defect covered by Clauses 12.1.1(c), 12.1.1(d) and 12.1.2(ii) becoming apparent within the Warranty Period, the Seller shall also, if so requested by the Buyer in writing, correct such defect in any Aircraft which has not yet been delivered to the Buyer, provided, however, that
- (iii) the Seller shall not be responsible, nor deemed to be in default on account of any delay in Delivery of any Aircraft or otherwise in respect of the performance of this Agreement, due to the Seller’s undertaking to make such correction and provided further, that,
- (iv) *****

12.1.5 Cost of inspection

In addition to the remedies set forth in Clauses 12.1.4(i) and 12.1.4(ii), the Seller shall reimburse the direct labor costs incurred by the Buyer in performing inspections of the Aircraft to determine whether or not a defect exists in any Warranted Part within the Warranty Period subject to the following conditions:

- (i) such inspections are recommended by a Seller Service Bulletin to be performed within the Warranty Period;
- (ii) *****
- (iii) the labor rate for the reimbursement shall be the labor rate defined in Clause 12.1.8(v); and

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Table of Contents

- (iv) the manhours used to determine such reimbursement shall not exceed the Seller's estimate of the manhours required for such inspections.

12.1.6 Warranty Claim Requirements

The Buyer's remedy and the Seller's obligation and liability under this Clause 12.1, with respect to any warranty claim submitted by the Buyer (each a "Warranty Claim") are subject to the following conditions:

- (i) the defect having become apparent within the Warranty Period;
- (ii) the Buyer having filed a warranty claim within *****;
- (iii) *****
- (iv) the Seller having received a Warranty Claim complying with the provisions of Clause 12.1.8 below.

12.1.7 Warranty Administration

The warranties set forth in Clause 12.1 shall be administered as hereinafter provided for:

(i) Claim Determination

Determination as to whether any claimed defect in any Warranted Part is a valid Warranty Claim shall be made by the Seller and shall be based upon the claim details, reports from the Seller's Representatives, historical data logs, inspections, tests, findings during repair, defect analysis and other relevant documents.

(ii) Transportation Costs

The cost of transporting a Warranted Part claimed to be defective to the facilities designated by the Seller and for the return therefrom of a repaired or replaced Warranted Part shall be *****.

(iii) Return of an Aircraft

If the Buyer and the Seller mutually agree, prior to such return, that it is necessary to return an Aircraft to the Seller for consideration of a Warranty Claim, the Seller ***** The Buyer shall make its reasonable efforts to minimize the duration of the corresponding flights.

(iv) On Aircraft Work by the Seller

If the Seller determines that a defect subject to this Clause 12.1 justifies the dispatch by the Seller of a working team to repair or correct such defect through the embodiment of one or several Seller's Service Bulletins at the Buyer's facilities, or if the Seller accepts the return of an Aircraft to perform or have

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Table of Contents

performed such repair or correction, then the *****. The condition which has to be fulfilled for on-Aircraft work by the Seller is that, in the opinion of the Seller, the work necessitates the technical expertise of the Seller as manufacturer of the Aircraft. If said condition is fulfilled and if the Seller is requested to perform the work, the Seller and the Buyer shall agree on a schedule and place for the work to be performed.

(v) Warranty Claim Substantiation

Each Warranty Claim filed by the Buyer under this Clause 12.1 shall contain at least the following data:

- (a) description of defect and action taken, if any,
- (b) date of incident and/or removal date,
- (c) description of Warranted Part claimed to be defective,
- (d) part number,
- (e) serial number (if applicable),
- (f) position on Aircraft,
- (g) total flying hours or calendar time, as applicable, at appearance, the date of defect
- (h) time since last shop visit at the date of defect appearance,
- (i) Manufacturer Serial Number of the Aircraft and/or its registration,
- (j) Aircraft total flying hours and/or number of landings at appearance, the date of defect
- (k) Warranty Claim number,
- (l) date of Warranty Claim,
- (m) Delivery Date of Aircraft or Warranted Part to the Buyer,

Warranty Claims are to be addressed as follows:

AIRBUS S.A.S.
CUSTOMER SERVICES DIRECTORATE
WARRANTY ADMINISTRATION
Rond Point Maurice Bellonte
B.P. 33
F 31707 BLAGNAC CEDEX

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Table of Contents

FRANCE

(vi) Replacements

Title to and risk of loss of any Aircraft, component, accessory, equipment or part returned by the Buyer to the Seller shall at all times remain with the Buyer, except that:

- (a) risk of loss (limited to cost of replacement and excluding in particular loss of use) shall be with the Seller for as long as such Aircraft, component, accessory, equipment or part shall be under the care, custody and control of the Seller and;
- (b) title to and risk of loss of a returned component, accessory, equipment or part shall pass to the Seller upon shipment by the Seller to the Buyer of any item furnished by the Seller to the Buyer as a replacement therefor.

Upon the Seller's shipment to the Buyer of any replacement component, accessory, equipment or part provided by the Seller pursuant to this Clause 12.1, title to and risk of loss of such replacement component, accessory, equipment or part shall pass to the Buyer.

(vii) Rejection

The Seller shall provide reasonable written substantiation in case of rejection of a Warranty Claim. In such event the Buyer shall refund to the Seller reasonable inspection and test charges incurred in connection therewith.

(viii) Inspection

The Seller shall have the right to inspect the affected Aircraft, documents and other records relating thereto in the event of any Warranty Claim under this Clause 12.1.

12.1.8 Inhouse Warranty

(i) Seller's Authorisation

The Seller hereby authorizes the Buyer to repair Warranted Parts (the "**Inhouse Warranty**") subject to the terms of this Clause 12.1.8.

(ii) Conditions for Seller's Authorisation

The Buyer shall be entitled to repair such Warranted Parts:

- (a) provided the Buyer notifies the Seller's representative of its intention to perform Inhouse Warranty repairs before any such repairs are started where the estimated cost of such repair is in excess of *****. The Buyer's

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Table of Contents

notification shall include sufficient detail regarding the defect, estimated labor hours and material to allow the Seller to ascertain the reasonableness of the estimate. The Seller agrees to use all reasonable efforts to ensure a prompt response and shall not unreasonably withhold authorisation;

- (b) provided adequate facilities and qualified personnel are available to the Buyer;
- (c) provided repairs are performed in accordance with the Seller's Technical Data or written instructions; and
- (d) only to the extent specified by the Seller, or, in the absence of such specification, to the extent reasonably necessary to correct the defect, in accordance with the standards set forth in Clause 12.1.11.

(iii) Seller's Rights

The Seller shall have the right to require the return of any Warranted Part, or any part removed therefrom, which is claimed to be defective if, in the judgment of the Seller, the nature of the claimed defect requires technical investigation. Such return shall be subject to the provisions of Clause 12.1.7(ii). Furthermore, the Seller shall have the right to have a Seller representative present during the disassembly, inspection and testing of any Warranted Part claimed to be defective, subject to such presence being practical and not unduly delaying the repair.

(iv) Inhouse Warranty Claim Substantiation

Claims for Inhouse Warranty credit shall be filed within the time period set forth in Clause 12.1.6(ii) and shall contain the same information as that required for Warranty Claims under Clause 12.1.7(v) and in addition shall include:

- (a) a report of technical findings with respect to the defect;
- (b) for parts required to remedy the defect:
 - part numbers,
 - serial numbers (if applicable),
 - parts description,
 - quantity of parts,
 - unit price of parts,
 - related Seller's or third party's invoices (if applicable),
 - total price of parts,

Table of Contents

- (c) detailed number of labor hours;
- (d) Inhouse Warranty Labor Rate; and
- (e) total claim value.

(v) *****

The Buyer's sole remedy and the Seller's sole obligation and liability with respect to Inhouse Warranty Claims ***** determined as set forth below:

(a) *****

(b) ***** The Inhouse Warranty Labor Rate shall be *****. For the purposes of this Clause 12.1.8(v) only, *****.

(c) *****

(vi) Limitation

The Buyer shall in no event be credited for repair costs (including labor and material) for any Warranted Part in excess of ***** of the Seller's current catalogue price for a replacement of such defective Warranted Part.

(vii) Scrapped Material

The Buyer shall retain any defective Warranted Part beyond economic repair and any defective part removed from a Warranted Part during repair for a period of either ***** after the date of completion of the repair or ***** after submission of a claim for Inhouse Warranty credit relating thereto, whichever is longer. Such parts shall be returned to the Seller within ***** of receipt of the Seller's request to that effect.

Notwithstanding the foregoing, the Buyer may scrap any such defective parts, which are beyond economic repair and not required for technical evaluation locally, with the agreement of the Seller representative(s). Scrapped Warranted Parts shall be evidenced by a record of scrapped material certified by an authorized representative of the Buyer and shall be kept in the Buyer's file for a least the duration of the applicable Warranty Period.

12.1.9 Standard Warranty in case of Pooling or Leasing Arrangements

Without prejudice to Clause 17.1, the warranties provided for in this Clause 12.1 for any Warranted Part shall accrue to the benefit of any airline in revenue service, other than the Buyer, if the Warranted Part enters into the possession of any such airline as a result of a pooling or leasing agreement between such airline and the Buyer, in accordance with the terms and subject to the limitations and exclusions of the foregoing warranties and to the extent permitted by any applicable law or regulations.

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[Table of Contents](#)

12.1.10 Warranty for Corrected, Replaced or Repaired Warranted Parts

Whenever any Warranted Part, which contains a defect for which the Seller is liable under Clause 12.1, has been corrected, replaced or repaired pursuant to the terms of this Clause 12.1, the period of the Seller's warranty with respect to such corrected, repaired or replacement Warranted Part, whichever the case may be, *****. If a defect is attributable to a defective repair or replacement by the Buyer, a Warranty Claim with respect to such defect shall be rejected, notwithstanding any subsequent correction or repair, and shall immediately terminate the remaining warranties under this Clause 12.1 in respect of the affected Warranted Part.

12.1.11 Accepted Industry Standard Practices Normal Wear and Tear

The Buyer's rights under this Clause 12.1 are subject to the Aircraft and each component, equipment, accessory and part thereof being maintained, overhauled, repaired and operated in accordance with accepted industry standard practices, all Technical Data and any other instructions issued by the Seller, the Suppliers and the Propulsion Systems Manufacturer and all applicable rules, regulations and directives of the relevant Aviation Authorities. The Seller's liability under this Clause 12.1 shall not extend to normal wear and tear nor to:

- (i) any Aircraft or component, equipment, accessory or part thereof, which has been repaired, altered or modified after Delivery, except by the Seller or in a manner approved by the Seller;
- (ii) any Aircraft or component, equipment, accessory or part thereof, which has been operated in a damaged state; and
- (iii) any component, equipment, accessory and part from which the trademark, name, part or serial number or other identification marks have been removed.

12.1.12 Limitation of liability

THE SELLER SHALL NOT BE LIABLE FOR, AND THE BUYER SHALL INDEMNIFY THE SELLER AGAINST, ANY CLAIMS FROM ANY THIRD PARTIES FOR LOSSES DUE TO ANY DEFECT OR NON-CONFORMITY OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH ANY REPAIR OF ANY WARRANTED PART UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12.1 OR ANY OTHER ACTIONS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12, WHETHER SUCH CLAIM IS ASSERTED IN CONTRACT OR IN TORT, OR IS PREMISED ON ALLEGED, ACTUAL, IMPUTED, ORDINARY OR INTENTIONAL ACTS OR OMISSIONS OF THE BUYER.

12.2 Seller Service Life Policy

12.2.1 In addition to the warranties set forth in Clause 12.1, the Seller further agrees that should a Failure occur in any Item (as these terms are defined herebelow) that has not suffered

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[Table of Contents](#)

from an extrinsic force, then, subject to the general conditions and limitations set forth in Clause 12.2.4, the provisions of this Clause 12.2 shall apply. For the purposes of this Clause 12.2:

- (i) **“Item”** means any item listed in the Seller’s then current standard service life policy; and
- (ii) **“Failure”** means a breakage or defect that can reasonably be expected to occur on a fleetwide basis and which materially impairs the utility of the Item.

12.2.2 Periods and Seller’s Undertakings

The Seller agrees that if a Failure occurs in an Item before the Aircraft in which such Item was originally installed has completed thirty six thousand (36,000) flying hours or twelve thousand (12,000) flight cycles or within twelve (12) years after the Delivery of said Aircraft, whichever shall first occur, the Seller shall, at its discretion and as promptly as practicable and with the Seller’s financial participation as hereinafter provided, either:

- (i) design and furnish to the Buyer a correction for such Item with a Failure and provide any parts required for such correction (including Seller designed standard parts but excluding industry standard parts), or
- (ii) replace such Item.

12.2.3 Seller’s Participation in the Costs

Subject to the general conditions and limitations set forth in Clause 12.2.4, any part or Item that the Seller is required to furnish to the Buyer under this Service Life Policy in connection with the correction or replacement of an Item shall be furnished to the Buyer ***** therefore, ***** determined in accordance with the following formula:

12.2.4 General Conditions and Limitations

- (i) The undertakings set forth in this Clause 12.2 shall be valid after the period of the Seller’s warranty applicable to an Item under Clause 12.1.
- (ii) The Buyer’s remedies and the Seller’s obligations and liabilities under this Service Life Policy are subject to the prior compliance by the Buyer with the following conditions:
 - (a) the Buyer shall maintain log books and other historical records with respect to each Item, adequate to enable the Seller to determine whether the alleged Failure is covered by this Service Life Policy and, if so, to define the portion of the costs to be borne by the Seller in accordance with Clause 12.2.3;

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Table of Contents

- (b) the Buyer shall keep the Seller informed of any significant incidents relating to an Aircraft, howsoever occurring or recorded;
 - (c) the Buyer shall comply with the conditions of Clause 12.1.11;
 - (d) the Buyer shall implement specific structural inspection programs for monitoring purposes as may be established from time to time by the Seller. Such programs shall be as compatible as possible with the Buyer's operational requirements and shall be carried out at the Buyer's expense. Reports relating thereto shall be regularly furnished to the Seller; and
 - (e) the Buyer shall report any breakage or defect in a Item in writing to the Seller within ***** after such breakage or defect becomes apparent, whether or not said breakage or defect can reasonably be expected to occur in any other aircraft, and the Buyer shall have provided to the Seller sufficient detail on the breakage or defect to enable the Seller to determine whether said breakage or defect is subject to this Service Life Policy.
- (iii) Except as otherwise provided for in this Clause 12.2, any claim under this Service Life Policy shall be administered as provided for in, and shall be subject to the terms and conditions of, Clause 12.1.7.
- (iv) In the event of the Seller having issued a modification applicable to an Aircraft, the purpose of which is to avoid a Failure, the Seller may elect to supply the necessary modification kit *****. If such a kit is so offered to the Buyer, then, to the extent of such Failure and any Failures that could ensue therefrom, the validity of the Seller's commitment under this Clause 12.2 shall be subject to the Buyer incorporating such modification in the relevant Aircraft, as promulgated by the Seller and in accordance with the Seller's instructions, within a reasonable time.
- (v) This Service Life Policy is neither a warranty, performance guarantee, nor an agreement to modify any Aircraft or Airframe components to conform to new developments occurring in the state of airframe design and manufacturing art. The Seller's obligation hereunder is to furnish only those corrections to the Items or provide replacements therefor as provided for in this Clause 12.2. The Buyer's sole remedy and relief for the non-performance of any obligation or liability of the Seller arising under or by virtue of this Service Life Policy shall be *****, limited to the amount the Buyer reasonably expends in procuring a correction or replacement for any Item that is the subject of a Failure covered by this Service Life Policy and to which such nonperformance is related. The Buyer hereby waives, releases and renounces all claims to any further damages, direct, incidental or consequential, including loss of profits and all other rights, claims and remedies, arising under or by virtue of this Service Life Policy.

12.3 Supplier Warranties and Service Life Policies

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Table of Contents

Prior to/at Delivery of the first Aircraft, the Seller shall provide the Buyer with the warranties and, where applicable, service life policies that the Seller has obtained for Supplier Parts pursuant to the supplier product support agreements to be entered into between the Buyer and the Seller prior to Delivery.

12.3.1 Definitions

“Supplier” means any supplier of Supplier Parts.

“Supplier Part” means any component, equipment, accessory or part installed in an Aircraft at the time of Delivery thereof and for which there exists a Supplier Product Support Agreement. For the sake of clarity, Propulsion Systems and Buyer Furnished Equipment and other equipment selected by the Buyer to be supplied by suppliers with whom the Seller has no existing enforceable warranty agreements are not Supplier Parts.

“Supplier Product Support Agreements” means agreements between the Seller and Suppliers to be negotiated in good faith between the Buyer and the Seller containing enforceable and transferable warranties and, in the case of landing gear suppliers, service life policies for selected structural landing gear elements.

12.3.2 Supplier’s Default

- (i) In the event of any Supplier, under any standard warranty obtained by the Seller pursuant to Clause 12.3.1, ***** the Buyer submitting in reasonable time to the Seller reasonable proof that such default has occurred, then Clause 12.1 shall apply to the extent the same would have been applicable had such Supplier Part been a Warranted Part, except that the Supplier’s warranty period as indicated in the Supplier Product Support Agreement shall apply
- (ii) In the event of any Supplier, under any Supplier Service Life Policy obtained by the Seller pursuant to Clause 12.3.1, ***** and the Buyer submitting in reasonable time to the Seller reasonable proof that such default has occurred, then Clause 12.2 shall apply to the extent the same would have been applicable had such Supplier Item been listed in Exhibit F, Seller Service Life Policy, except that the Supplier’s Service Life Policy period as indicated in the Supplier Product Support Agreement shall apply.
- (iii) At the Seller’s request, the Buyer shall assign to the Seller, and the Seller shall be subrogated to, all of the Buyer’s rights against the relevant

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Supplier with respect to and arising by reason of such default and shall provide reasonable assistance to enable the Seller to enforce the rights so assigned.

12.4 Interface Commitment

12.4.1 Interface Problem

If the Buyer experiences any technical problem in the operation of an Aircraft or its systems due to a malfunction, the cause of which, after due and reasonable investigation, is not readily identifiable by the Buyer but which the Buyer reasonably believes to be attributable to the design characteristics of one or more components of the Aircraft (the “**Interface Problem**”), the Seller shall, if so requested by the Buyer, and without additional charge to the Buyer except for transportation of the Seller’s personnel to the Buyer’s facilities, promptly conduct or have conducted an investigation and analysis of such problem to determine, if possible, the cause or causes of the problem and to recommend such corrective action as may be feasible. The Buyer shall furnish to the Seller all data and information in the Buyer’s possession relevant to the Interface Problem and shall cooperate with the Seller in the conduct of the Seller’s investigations and such tests as may be required. At the conclusion of such investigation, the Seller shall promptly advise the Buyer in writing of the Seller’s opinion as to the cause or causes of the Interface Problem and the Seller’s recommendations as to corrective action.

12.4.2 Seller’s Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of a Warranted Part, the Seller shall, if so requested by the Buyer and pursuant to the terms and conditions of Clause 12.1, correct the design of such Warranted Part to the extent of the Seller’s obligation as defined in Clause 12.1.

12.4.3 Supplier’s Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of any Supplier Part, the Seller shall, if so requested by the Buyer, reasonably assist the Buyer in processing any warranty claim the Buyer may have against the Supplier.

12.4.4 Joint Responsibility

If the Seller determines that the Interface Problem is attributable partially to the design of a Warranted Part and partially to the design of any Supplier Part, the Seller shall, if so requested by the Buyer, seek a solution to the Interface Problem through cooperative efforts of the Seller and any Supplier involved. The Seller shall promptly advise the Buyer of such corrective action as may be proposed by the Seller and any such Supplier. Such proposal shall be consistent with any then existing obligations of the Seller hereunder and of any such Supplier towards the

Table of Contents

Buyer. Such corrective action, when accepted by the Buyer, shall constitute full satisfaction of any claim the Buyer may have against either the Seller or any such Supplier with respect to such Interface Problem.

12.4.5 General

- (i) All requests under this Clause 12.4 shall be directed to both the Seller and the Supplier.
- (ii) Except as specifically set forth in this Clause 12.4, this Clause shall not be deemed to impose on the Seller any obligations not expressly set forth elsewhere in this Clause 12.
- (iii) All reports, recommendations, data and other documents furnished by the Seller to the Buyer pursuant to this Clause 12.4 shall be deemed to be delivered under this Agreement and shall be subject to the terms, covenants and conditions set forth in this Clause 12.

12.5 Waiver, Release and Renunciation

THE WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER (AS DEFINED BELOW FOR THE PURPOSES OF THIS CLAUSE) AND REMEDIES OF THE BUYER SET FORTH IN THIS CLAUSE 12 ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER AND RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, EXPRESS OR IMPLIED, ARISING BY LAW, CONTRACT OR OTHERWISE, WITH RESPECT TO ANY NON CONFORMITY OR DEFECT OF ANY KIND, IN ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA OR SERVICES DELIVERED UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO:

- A. ANY WARRANTY AGAINST HIDDEN DEFECTS;
- B. ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS;
- C. ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OR TRADE;
- D. ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY, WHETHER IN CONTRACT OR IN TORT, WHETHER OR NOT ARISING FROM THE SELLER'S NEGLIGENCE, ACTUAL OR IMPUTED; AND
- E. ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY FOR LOSS OF OR DAMAGE TO ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA, OR SERVICES DELIVERED UNDER THIS AGREEMENT, FOR LOSS OF USE, REVENUE OR PROFIT, OR FOR ANY OTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES,

PROVIDED THAT IN THE EVENT THAT ANY OF THE AFORESAID PROVISIONS SHOULD FOR ANY REASON BE HELD UNLAWFUL OR OTHERWISE INEFFECTIVE THE REMAINDER OF THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT. FOR THE PURPOSES OF THIS CLAUSE 12.5, THE "SELLER" SHALL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS AND SUBCONTRACTORS, ITS AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

12.6 Duplicate Remedies

The Seller shall not be obliged to provide any remedy that duplicates any other remedy available to the Buyer in respect of the same defect under Clauses 12.1 and 12.2 as such Clauses may be amended, complemented or supplemented by other contractual agreements or by other Clauses of this Agreement.

12.7 Negotiated Agreement

The Buyer specifically recognizes that:

- 12.7.1 the Specification has been agreed upon after careful consideration by the Buyer using its judgment as a professional operator of aircraft used in public transportation and as such is a professional within the same industry as the Seller;
- 12.7.2 this Agreement, and in particular this Clause 12, has been the subject of discussion and negotiation and is fully understood by the Buyer; and
- 12.7.3 the price of the Aircraft and the other mutual agreements of the Buyer set forth in this Agreement were arrived at in consideration of, inter alia, the provisions of this Clause 12, specifically including the waiver, release and renunciation by the Buyer set forth in Clause 12.5.

12.8 Disclosure to Third Party Entity

In the event of the Buyer intending to designate a third party entity (a "**Third Party Entity**") to administrate this Clause 12, the Buyer shall notify the Seller of such intention prior to any disclosure of this Clause to the selected Third Party Entity and shall cause such Third Party Entity to enter into a confidentiality agreement and or any other relevant documentation with the Seller solely for the purpose of administrating this Clause 12.

12.9 Transferability

Without prejudice to Clause 17.1, the Buyer's rights under this Clause 12 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent, which shall not be unreasonably withheld. Any transfer in violation of this Clause 12.9 shall, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 12 and any and all other warranties that might arise under or be implied in law.

13 **PATENT AND COPYRIGHT INDEMNITY**

13.1 **Indemnity**

13.1.1 Subject to the provisions of Clause 13.2.3, the Seller shall indemnify the Buyer from and against any damages, costs or expenses including legal costs (excluding damages, costs, expenses, loss of profits and other liabilities in respect of or resulting from loss of use of the Aircraft) resulting from any infringement or claim of infringement by the Airframe (or any part or software installed therein at Delivery) of:

- (i) any British, French, German, Spanish or U.S. patent; and
- (ii) any patent issued under the laws of any other country in which the Buyer may lawfully operate the Aircraft, provided that:
 - (a) from the time of design of such Airframe, accessory, equipment or part and until infringement claims are resolved, such country and the flag country of the Aircraft are each a party to the Chicago Convention on International Civil Aviation of December 7, 1944, and are each fully entitled to all benefits of Article 27 thereof; or, in the alternative;
 - (b) from such time of design and until infringement claims are resolved, such country and the flag country of the Aircraft are each a party to the International Convention for the Protection of Industrial Property of March 20, 1883 (the "Paris Convention"); and
- (iii) in respect of computer software installed on the Aircraft, any copyright, provided that the Seller's obligation to indemnify shall be limited to infringements in countries which, at the time of infringement, are members of The Berne Union and recognise computer software as a "work" under the Berne Convention.

13.1.2 Clause 13.1.1 shall not apply to:

- (i) Buyer Furnished Equipment or Propulsion Systems; or
- (ii) parts not supplied pursuant to a Supplier Product Support Agreement; or
- (iii) software not created by the Seller.

Table of Contents

- 13.1.3 In the event that the Buyer is prevented from using the Aircraft (whether by a valid judgement of a court of competent jurisdiction or by a settlement arrived at between claimant, Seller and Buyer), the Seller shall at its expense either:
- (i) procure for the Buyer the right to use the same free of charge to the Buyer; or
 - (ii) replace the infringing part of the Aircraft as soon as possible with a non-infringing substitute complying in all other respects with the requirements of this Agreement.

13.2 Administration of Patent and Copyright indemnity Claims

- 13.2.1 If the Buyer receives a written claim or a suit is threatened or commenced against the Buyer for infringement of a patent or copyright referred to in Clause 13.1, the Buyer shall:
- (i) forthwith notify the Seller giving particulars thereof;
 - (ii) furnish to the Seller all data, papers and records within the Buyer's control or possession relating to such patent or claim;
 - (iii) refrain from admitting any liability or making any payment or assuming any expenses, damages, costs or royalties or otherwise acting in a manner prejudicial to the defense or denial of such suit or claim provided always that nothing in this sub-clause (iii) shall prevent the Buyer from paying such sums as may be required in order to obtain the release of the Aircraft, provided such payment is accompanied by a denial of liability and is made without prejudice;
 - (iv) fully co-operate with, and render all such assistance to, the Seller as may be pertinent to the defense or denial of the suit or claim; and
 - (v) act in such a way as to mitigate damages and / or to reduce the amount of royalties which may be payable as well as to minimise costs and expenses.
- 13.2.2 The Seller shall be entitled either in its own name or on behalf of the Buyer to conduct negotiations with the party or parties alleging infringement and may assume and conduct the defense or settlement of any suit or claim in the manner which, in the Seller's opinion, it deems proper.
- 13.2.3 The Seller's liability hereunder shall be conditional upon the strict and timely compliance by the Buyer with the terms of this Clause and is in lieu of any other liability to the Buyer express or implied which the Seller might incur at law as a result of any infringement or claim of infringement of any patent or copyright.

14 BUYER FURNISHED EQUIPMENT

14.1 Administration

- 14.1.1 Without additional charge, the Seller shall provide for the installation of those items of equipment which are identified in the Specification as being furnished by the Buyer (“**Buyer Furnished Equipment**” or “**BFE**”), provided that they are referred to in the Airbus BFE Product Catalogue valid at the time the BFE is selected.
- 14.1.2 The Seller shall advise the Buyer of the dates by which, in the planned release of engineering for the Aircraft, the Seller requires a written detailed engineering definition (the “**BFE Engineering Definition**”) including the description of the dimensions and weight of BFE, the information related to its certification and information necessary for the installation and operation thereof. The Buyer shall furnish such detailed description and information by the dates so specified. Such information, dimensions and weights shall not thereafter be revised unless authorised by a Specification Change Notice.
- 14.1.3 The Seller shall also furnish in due time to the Buyer a schedule of dates and indication of shipping addresses for delivery of BFE and, where requested by the Seller, additional spare BFE to permit installation in the Aircraft and delivery of the Aircraft in accordance with the delivery schedule. The Buyer shall provide or cause to be provided such equipment by such dates in a serviceable condition, in order to allow performance of any assembly, test, or acceptance process in accordance with the industrial schedule.
- 14.1.4 The Buyer shall also provide, when requested by the Seller, at AIRBUS OPERATIONS S.A.S. works in TOULOUSE (FRANCE) and/or at AIRBUS OPERATIONS GMBH, Division Hamburger Flugzeugbau, works in HAMBURG (FEDERAL REPUBLIC OF GERMANY) adequate field service including support from BFE suppliers to act in a technical advisory capacity to the Seller in the installation, calibration and possible repair of any BFE.
- 14.1.5 The Seller shall be entitled to refuse any item of BFE which it considers incompatible with the Specification, the above mentioned engineering definition or the certification requirements.
- 14.1.6 The BFE shall be imported into FRANCE or into the FEDERAL REPUBLIC OF GERMANY by the Buyer under a suspensive customs system (“*Régime de l’entrepôt industriel pour fabrication coordonnée*” or “*Zollverschluss*”) without application of any French or German tax or customs duty, and shall be Delivered Duty Unpaid (DDU) according to the Incoterms definition.

Shipping Addresses:

AIRBUS OPERATIONS S.A.S.
316 Route de Bayonne
31300 TOULOUSE
FRANCE

or

AIRBUS OPERATIONS GMBH
Division Hamburger Flugzeugbau
Kreetslag 10
21129 HAMBURG
FEDERAL REPUBLIC OF GERMANY

as specified by the Seller.

14.2 Aviation Authorities' Requirements

The Buyer is responsible for, at its expense, and warrants that BFE shall: (i) be manufactured by a qualified supplier; (ii) meet the requirements of the Specification; (iii) comply with the BFE Engineering Definition; (iv) comply with applicable requirements incorporated by reference to the Type Certificate and listed in the Type Certificate Data Sheet; (v) be approved by the Aviation Authorities delivering the Export Certificate of Airworthiness and by the Buyer's Aviation Authority for installation and use on the Aircraft at the time of Delivery of such Aircraft; and (vi) not be subject to any legal obligation or other encumbrance that may prevent, hinder or delay the installation of the BFE in the Aircraft and/or Delivery of the Aircraft.

14.3 Buyer's Obligation and Seller's Remedies

14.3.1 Any delay or failure in complying with the foregoing warranty or in providing the descriptive information or service representatives mentioned in Clause 14.1 or in furnishing the BFE in serviceable condition at the requested delivery date or in obtaining any required approval for such equipment under the above mentioned Aviation Authorities regulations may delay the performance of any act to be performed by the Seller, and cause the Final Price of the Aircraft to be adjusted in accordance with the updated delivery schedule and to include in particular the amount of the Seller's additional costs, attributable to such delay or failure such as storage, taxes, insurance and costs of out-of sequence installation.

14.3.2 Further, in any such event, the Seller may:

- (i) select, purchase and install an equipment similar to the involved one, in which event the Final Price of the affected Aircraft shall also be increased by the purchase price of such equipment plus reasonable costs and expenses incurred by the Seller for handling charges, transportation, insurance, packaging and if so required and not already provided for in the price of the Aircraft for adjustment and calibration; or

Table of Contents

- (ii) if the BFE shall be so delayed by more than *****, or unapproved within ***** of the dates specified in Clause 14.1.2, deliver the Aircraft without the installation of such BFE, notwithstanding the applicable terms of Clause 7 insofar as it may otherwise have applied, and the Seller shall thereupon be relieved of all obligations to install such equipment. The Buyer may also elect to have the Aircraft so delivered.

14.4 **Title and Risk of Loss**

Title to and risk of loss of any BFE shall at all times remain with the Buyer except that risk of loss (limited to cost of replacement of said BFE and excluding in particular loss of use) shall be with the Seller for as long as such BFE shall be under the care, custody and control of the Seller.

14.5 **Disposition of BFE Following Termination**

14.5.1 *****.

14.5.2 The Buyer shall cooperate with the Seller in facilitating the sale of BFE pursuant to Clause 14.5.1 and shall be responsible for all costs incurred by the Seller in removing and facilitating the sale of such BFE. The Buyer shall reimburse the Seller for all such costs within ***** of receiving documentation of such costs from the Seller.

14.5.3 The Seller shall notify the Buyer as to those items of BFE not sold by the Seller pursuant to paragraph 14.5.1 above and, at the Seller's request, the Buyer shall undertake to remove such items from the Seller's facility within ***** of the date of such notice. The Buyer shall have no claim against the Seller for damage, loss or destruction of any item of BFE removed from the Aircraft and not removed from Seller's facility within such period.

14.5.4 The Buyer shall have no claim against the Seller for damage to or destruction of any item of BFE damaged or destroyed in the process of being removed from the Aircraft, provided that the Seller shall use reasonable care in such removal.

14.5.5 The Buyer shall grant title (or, as the case may be, procure that title is granted to) the Seller to any BFE items that cannot be removed from the Aircraft without causing damage to the Aircraft or rendering any system in the Aircraft unusable.

15 **INDEMNIFICATION and insurance**

15.1 The Seller shall, except in case of gross negligence or wilful misconduct of the Buyer, its directors, officers, agents or employees, be solely liable for and shall indemnify and hold harmless the Buyer, its Affiliates and each of their respective directors, officers, agents, employees and insurers from and against all liabilities, claims, damages, costs and expenses (including legal expenses and attorney fees) in respect of:

15.1.1 loss of, or damage to, the Seller's property;

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Table of Contents

- 15.1.2 Injury to, or death of, the directors, officers, agents or employees of the Seller;
 - 15.1.3 any damage caused by the Seller to third parties arising out of, or in any way connected with, any ground check, check or controls connected with the Technical Acceptance Process; and
 - 15.1.4 any damage caused by the Buyer and/or the Seller to third parties arising out of, or in any way connected with, technical acceptance flights under Clause 8 of this Agreement.
- 15.2 The Buyer shall, except in case of gross negligence or wilful misconduct of the Seller, its directors, officers, agents or employees, be solely liable for and shall indemnify and hold harmless the Seller, its Affiliates and each of their respective directors, officers, agents, employees, sub-contractors and insurers from and against all liabilities, claims, damages, costs and expenses (including legal expenses and attorney fees) in respect of:
- 15.2.1 loss of, or damage to, the Buyer's property;
 - 15.2.2 injury to, or death of, the directors, officers, agents or employees of the Buyer; and
 - 15.2.3 any damage caused by the Buyer to third parties arising out of, or in any way connected with the Technical Acceptance Process.
- 16 **REMEDIES**
- 16.1 **Insolvency**
- In the event that either the Seller or the Buyer:
- 16.1.1 makes a general assignment for the benefit of creditors or becomes insolvent;
 - 16.1.2 files a voluntary petition in bankruptcy;
 - 16.1.3 petitions for or acquiesces in the appointment of any receiver, trustee or similar officer to liquidate or conserve its business or any substantial part of its assets;
 - 16.1.4 commences under the laws of any competent jurisdiction any proceeding involving its insolvency, bankruptcy, readjustment of debt, liquidation or any other similar proceeding for the relief of financially distressed debtors;
 - 16.1.5 becomes the object of any proceeding or action of the type described in (c) or (d) above and such proceeding or action remains undismissed or unstayed for a period of at least *****; or
 - 16.1.6 is divested of a substantial part of its assets for a period of at least *****, then the other party may, to the full extent permitted by law, by written notice, terminate all or part of its obligations under this Agreement.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Table of Contents

- 16.2 *****
If for any Aircraft the Buyer fails to *****.
- 16.3 *****
If the Buyer fails to *****.
- 16.4 **Default under Other Agreements**
If the Buyer *****.
- 16.5 **Change of Control**
If after the date of this Agreement the ultimate beneficial ownership of a majority of the shares in the Buyer or in the ultimate control of the Buyer occurs without the prior approval of the Seller, the Seller may, by written notice, terminate all or part of its obligations under this Agreement with respect to undelivered Aircraft.
- 16.6 **General**
- 16.6.1 To the fullest extent permitted by law, ***** upon receipt by the relevant party of the notice sent by the other party without it being necessary for either party to take any further action or to seek any consent from the other party or any court having jurisdiction.
- 16.6.2 The right for either party ***** shall be without prejudice to any other rights and remedies available to such party to enforce its rights under this Agreement before any court having jurisdiction pursuant to any failure by the other party to perform its obligations under this Agreement.
- 16.6.3 If the party taking the initiative of ***** , the notice sent to the other party shall *****.
- 16.6.4 In the event of ***** , without prejudice to any other rights and remedies available under this Agreement or by law, *****.
- 17 **ASSIGNMENTS AND TRANSFERS**
- 17.1 **Assignments by Buyer**
Except as hereinafter provided, the Buyer may not sell, assign, novate or transfer its rights and obligations under this Agreement to any person without the prior written consent of the Seller.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

17.1.1 Assignments for Delivery Financing

The Buyer shall be entitled to assign its rights under this Agreement at any time in connection with the financing of its obligation to pay the Final Price subject to such assignment being in form and substance acceptable to the Seller.

17.2 Assignments by Seller

The Seller may at any time sell, assign, novate or transfer its rights and obligations under this Agreement to any person, provided such sale, assignment or transfer be notified to Buyer and shall not have a material adverse effect on any of Buyer's rights and obligations under this Agreement.

17.3 Transfer of Rights and Obligations upon Restructuring

In the event that the Seller is subject to a corporate restructuring having as its object the transfer of, or succession by operation of law in, all or a substantial part of its assets and liabilities, rights and obligations, including those existing under this Agreement, to a person (the "**Successor**") under the control of the ultimate controlling shareholders of the Seller at the time of that restructuring, for the purpose of the Successor carrying on the business carried on by the Seller at the time of the restructuring, such restructuring shall be completed without consent of the Buyer following notification by the Seller to the Buyer in writing. The Buyer recognises that succession of the Successor to the Agreement by operation of law, which is valid under the law pursuant to which that succession occurs, shall be binding upon the Buyer.

18 MISCELLANEOUS PROVISIONS

18.1 Data Retrieval

On the Seller's reasonable request, the Buyer shall provide the Seller with all the necessary data, as customarily compiled by the Buyer and pertaining to the operation of the Aircraft, to assist the Seller in making an efficient and coordinated survey of all reliability, maintenance, operational and cost data with a view to monitoring the efficient and cost effective operations of the Airbus fleet worldwide.

18.2 Notices

All notices and requests required or authorized hereunder shall be given in writing either by personal delivery to an authorized representative of the party to whom the same is given or by registered mail (return receipt requested), express mail (tracking receipt requested) or by facsimile, to be confirmed by subsequent registered mail, and the date upon which any such notice or request is so personally delivered or if such notice or request is given by registered mail, the date upon which it is received by the addressee or, if given by facsimile, the date upon which it is sent with a correct confirmation printout, provided that if such date of receipt is not a Business Day notice shall be deemed to have been received on the first following Business Day, shall be deemed to be the effective date of such notice or request.

[Table of Contents](#)

Seller's address for notices is:

AIRBUS S.A.S.
Attn. To V.P. Contracts
1, rond-point Maurice Bellonte
31707 BLAGNAC CEDEX
FRANCE

Buyer's address for notices is:

Vertical Horizons, Ltd.
c/o Intertrust SPV (Cayman) Limited
Elgin Avenue
George Town
Grand Cayman, KY1 9005
Cayman Islands

Attention: Directors
Fax: +1 345 945 4757

or such other address or such other person as the party receiving the notice or request may reasonably designate from time to time.

18.3 **Waiver**

The failure of either party to *enforce* at any time any of the provisions of this Agreement, or to exercise any right herein provided, or to require at any time performance by the other party of any of the provisions hereof, shall in no way be construed to be a present or future waiver of such provisions nor in any way to affect the validity of this Agreement or any part thereof or the right of the other party thereafter to enforce each and every such provision. The express waiver (whether made one (1) or several times) by either party of any provision, condition or requirement of this Agreement shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

18.4 **Law and Jurisdiction**

18.4.1 This Agreement shall be governed by and construed in accordance with the laws of England.

18.4.2 Any dispute arising out of or in connection with this Agreement shall be within the exclusive jurisdiction of the Courts of England.

18.4.3 The parties do not intend that any term of this Agreement shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement.

18.5 **International Supply Contract**

[Table of Contents](#)

The Buyer and the Seller recognise that this Agreement is an international supply contract which has been the subject of discussion and negotiation, that all its terms and conditions are fully understood by the parties, and that the Specification and price of the Aircraft and the other mutual agreements of the parties set forth herein were arrived at in consideration of, inter alia, all the provisions hereof specifically including all waivers, releases and renunciations by the Buyer set out herein. The Buyer and the Seller hereby also agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this transaction.

18.6 **Severability**

In the event that any provision of this Agreement should for any reason be held ineffective, the remainder of this Agreement shall remain in full force and effect. To the extent permitted by applicable law, each party hereto hereby waives any provision of law, which renders any provision of this Agreement prohibited or unenforceable in any respect.

18.7 **Alterations to Contract**

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any previous understandings, commitments or representations whatsoever oral or written in respect thereto. This Agreement shall not be varied except by an instrument in writing of date even herewith or subsequent hereto executed by both parties or by their duly authorised representatives.

18.8 **Language**

All correspondence, documents and any other written matters in connection with this Agreement shall be in English.

18.9 **Counterparts**

This Agreement has been executed in two (2) original copies. Notwithstanding the above, this Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same Agreement.

18.10 **Inconsistencies**

In the event of any inconsistency between the terms of this Agreement and the terms contained in either (i) the Specification, or (ii) any other Exhibit, in each such case the terms of this Agreement shall prevail over the terms of the Specification or any other Exhibit. For the purpose of this Clause 18.10, the term Agreement shall not include the Specification or any other Exhibit hereto.

18.11 **Confidentiality**

This Agreement including any Exhibits, other documents or data exchanged between the Buyer and the Seller for the fulfilment of their respective obligations under the Agreement shall be treated by both parties as confidential and shall not be released in whole or in part to any third party except:

- (i) as may be required by law;
- (ii) to its professional advisors for the purpose of implementation of this Agreement and the transactions contemplated herein.

Both the Buyer and the Seller agree:

- (iii) not to make any press release concerning the whole or any part of the contents and/or subject matter hereof or of any future addendum hereto without the prior written consent of the other party hereto;
- (iv) that any and all terms and conditions of the transaction contemplated in this Agreement are strictly personal and exclusive to the Buyer, including in particular, but not limited to, the Aircraft pricing (the "**Personal Information**"). The Buyer therefore agrees to enter into consultations with the Seller reasonably in advance of any required disclosure of Personal Information to financial institutions, including operating lessors, investment banks and their agents or other relevant institutions for aircraft sale and leaseback or any other Aircraft or Predelivery Payment financing purposes (the "**Receiving Party**").

Without prejudice to the foregoing, any disclosure of Personal Information to a Receiving Party shall be subject to written agreement between the Buyer and the Seller, including in particular, but not limited to:

- (a) the contact details of the Receiving Party;
- (b) the extent of the Personal Information subject to disclosure; and
- (c) the Aircraft pricing to be provided to the Receiving Party.

Furthermore, the Buyer shall use its best efforts to limit the disclosure of the contents of this Agreement to the extent legally permissible in any filing required to be made by the Buyer with any governmental or regulatory agency. The Buyer agrees that prior to any such disclosure or filing, the Seller and the Buyer shall jointly review and agree on the terms and conditions of the document to be filed or disclosed. The provisions of this Clause 18.11 shall survive any termination of this Agreement for a period of *****.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

IN WITNESS WHEREOF this Agreement was entered into the day and year first above written.

For and on behalf of
Vertical Horizons, Ltd.

Name:

Title:

For and on behalf of
AIRBUS S.A.S.

Name:

Title:

EXHIBIT A

PART 1 —

AIRFRAME PRICE REVISION FORMULA

1. BASE PRICE

The Airframe Base Price quoted in Clause 3.1 of the Agreement is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics, and in accordance with the provisions hereof.

2. BASE PERIOD

The Airframe Base Price has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in ***** as defined by “ECIb” and “ICb” index values indicated hereafter.

3. INDEXES

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS”, and found in Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group”, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100).

The quarterly value released for a certain month (March, June, September and December) shall be the one deemed to apply for the two preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU20232110000001.

Material Index: “Industrial Commodities” (hereinafter referred to as “1C”) as published in “PPI Detailed Report” (found in Table 6: “Producer price indexes and percent changes for commodity and service groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

4. REVISION FORMULA

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5. GENERAL PROVISIONS

5.1 Roundings

The Labor Index average and the Material Index average shall be computed to the first decimal. If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

Each quotient (*****) and (*****) shall be rounded to the nearest ten-thousandth (4 decimals). If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

The final factor shall be rounded to the nearest ten-thousandth (4 decimals).

The final price shall be rounded to the nearest whole number (0.5 or more rounded to 1).

5.2 Substitution of Indexes for Airframe Price Revision Formula

If:

- (a) the United States Department of Labor substantially revises the methodology of calculation of the Labor Index or the Material Index as used in the Airframe Price Revision Formula, or
- (b) the United States Department of Labor discontinues, either temporarily or permanently, such Labor Index or such Material Index, or
- (c) the data samples used to calculate such Labor Index or such Material Index are substantially changed;

the Seller shall select a substitute index for inclusion in the Airframe Price Revision Formula (the "Substitute Index").

The Substitute Index shall reflect as closely as possible the actual variance of the Labor Costs or of the material costs used in the calculation of the original Labor Index or Material Index as the case may be.

As a result of the selection of the Substitute Index, the Seller shall make an appropriate adjustment to the Airframe Price Revision Formula to combine the successive utilization of the original Labor Index or Material Index (as the case may be) and of the Substitute Index.

5.3 Final Index Values

The Index values as defined in Clause 4 above shall be considered final and no further adjustment to the base prices as revised at Delivery of the Aircraft shall be made after Aircraft Delivery for any subsequent changes in the published Index values.

5.4 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT A

Part 2 —

**PROPULSION SYSTEMS PRICE REVISION FORMULA
CFM INTERNATIONAL**

1. REFERENCE PRICE OF THE PROPULSION SYSTEM

The “**Propulsion Systems Reference Price**” (as such term is used in this Exhibit A Part 2) of a set of two (2) CFM International LEAP-1A26 Engines is *****.

The Propulsion Systems Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics and in accordance with the provisions of this Exhibit C Part 2.

2. REFERENCE PERIOD

The Propulsion Systems Reference Price has been established in accordance with the economic conditions prevailing for a ***** as defined by CFM International by the Reference Composite Price Index (CPI) 186.92.

3. INDEXES

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS”, and found in: Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group”, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100, *****).

The quarterly value released for a certain month (March, June, September and December) will be the one deemed to apply for the two (2) preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU20232110000001.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI detailed report” (found in Table 6. “Producer price indexes and percent changes for commodity groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

4. REVISION FORMULA

5. GENERAL PROVISIONS

5.1 Roundings

- (i) The Material Index average (*****) will be rounded to the nearest second decimal place and the Labor Index average (*****) will be rounded to the nearest first decimal place.
- (ii) ***** will be rounded to the nearest second decimal place.
- (iii) The final factor (*****) will be rounded to the nearest fourth decimal place. If the next succeeding place is five (5) or more, the preceding decimal place will be raised to the next higher figure.
- (iv) After final computation, ***** will be rounded to the nearest whole number (0.5 rounds to 1).

5.2 Final Index Values

The revised Propulsion Systems Reference Price at the date of Aircraft delivery will not be subject to any further adjustment in the indexes.

5.3 Interruption of Index Publication

If the US Department of Labor substantially revises the methodology of calculation or discontinues any of the indexes referred to hereabove, the Seller will reflect the substitute for the revised or discontinued index selected by CFM International, such substitute index to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original index as it may have fluctuated had it not been revised or discontinued.

Appropriate revision of the formula will be made to accomplish this result.

5.4 Annulment of the Formula

Should the above ***** provisions become null and void by action of the US Government, the Propulsion Systems Reference Price will be adjusted due to increases in the costs of labor and material which have occurred from the period represented by the applicable Reference ***** to the ***** prior to the scheduled month of Aircraft delivery.

5.5 *****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT B

FORM OF CERTIFICATE OF ACCEPTANCE

In accordance with the terms of [clause []] of the purchase agreement dated [day] [month] [year] and made between **Vertical Horizons, Ltd.** (the “**Customer**”) and Airbus S.A.S. as amended and supplemented from time to time (the “**Purchase Agreement**”), the technical acceptance tests relating to one Airbus A320 aircraft, bearing manufacturer’s serial number [], and registration mark [] (the “**Aircraft**”) have taken place in *****.

In view of said tests having been carried out with satisfactory results, the Customer, [as agent of [insert the name of the lessor/SPC] (the “**Owner**”) pursuant to the [purchase agreement assignment] dated [day] [month] [year], between the Customer and the Owner] hereby approves the Aircraft as being in conformity with the provisions of the Purchase Agreement and accepts the Aircraft for delivery in accordance with the provisions of the Purchase Agreement.

Such acceptance shall not impair the rights that may be derived from the warranties relating to the Aircraft set forth in the Purchase Agreement.

Any right at law or otherwise to revoke this acceptance of the Aircraft is hereby irrevocably waived.

IN WITNESS WHEREOF, the Customer, [as agent of the Owner] has caused this instrument to be executed by its duly authorised representative this _____ day of [month], [year] in *****.

CUSTOMER [as agent of **OWNER**]

Name:

Title:

Signature:

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT C
BILL OF SALE

Know all men by these presents that Airbus S.A.S., a *Société par Actions Simplifiée* existing under French law and having its principal office at 1 rond-point Maurice Belionte, 31707 Blagnac Cedex, FRANCE (the “**Seller**”), was this [day] [month] [year] the owner of the title to the following airframe (the “**Airframe**”), the propulsion systems as specified (the “**Propulsion Systems**”) and [all appliances, components, parts, instruments, accessories, furnishings, modules and other equipment of any nature], excluding buyer furnished equipment (“**BFE**”), incorporated therein, installed thereon or attached thereto on the date hereof (the “**Parts**”):

AIRFRAME:

AIRBUS Model A320-200

PROPULSION SYSTEMS:

CFM International LEAP-1 A26

MANUFACTURER’S

ENGINE SERIAL NUMBERS:

SERIAL NUMBER:

[]

LH: []

RH: []

REGISTRATION MARK:

[]

The Airframe, Propulsion Systems and Parts are hereafter together referred to as the “**Aircraft**”.

The Seller did this _____ day of [month] [year], sell, transfer and deliver all of its above described rights, title and interest in and to the Aircraft to the following entity and to its successors and assigns forever, said Aircraft to be the property thereof:

[Insert Name/Address of Buyer]

(the “**Buyer**”)

The Seller hereby warrants to the Buyer, its successors and assigns that it had good and lawful right to sell, deliver and transfer title to the Aircraft to the Buyer and that there was conveyed to the Buyer good, legal and valid title to the Aircraft, free and clear of all liens, claims, charges, encumbrances and rights of others and that the Seller will warrant and defend such title forever against all claims and demands whatsoever.

This Bill of Sale shall be governed by and construed in accordance with the laws of England.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized representative this _____ day of [month], [year] in *****.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

AIRBUS S.A.S.

Name:

Title:

Signature:

EXHIBIT D
PRE-DELIVERY PAYMENTS, SCHEDULED DELIVERY MONTHS

| ***** | ***** | ***** |
|-------|-------|-------|
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| ***** | ***** | ***** |
| ***** | ***** | ***** |
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| ***** | ***** | ***** |

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

APPENDIX 1

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

| | |
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***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

Part B — Form of Assigned A321 Purchase Agreement

55

A321 Purchase Agreement

BETWEEN

AIRBUS S.A.S.
as Seller

AND

Vertical Horizons, Ltd.
as Buyer

CONTENTS

| CLAUSES | TITLES | PAGE |
|----------------|------------------------------------|-------------|
| 0. | DEFINITIONS AND INTERPRETATION | 1 |
| 1. | SALE AND PURCHASE | 4 |
| 2. | SPECIFICATION | 4 |
| 3. | PRICES | 6 |
| 4. | INTENTIONALLY LEFT BLANK | 7 |
| 5. | PAYMENTS | 7 |
| 6. | MANUFACTURE PROCEDURE — INSPECTION | 9 |
| 7. | CERTIFICATION | 10 |
| 8. | TECHNICAL ACCEPTANCE | 11 |
| 9. | DELIVERY | 12 |
| 10. | EXCUSABLE DELAY | 14 |
| 11. | NON-EXCUSABLE DELAY | 16 |
| 12. | WARRANTIES AND SERVICE LIFE POLICY | 17 |
| 13. | PATENT AND COPYRIGHT INDEMNITY | 30 |
| 14. | BUYER FURNISHED EQUIPMENT | 32 |
| 15. | INDEMNIFICATION | 35 |
| 16. | REMEDIES | 36 |
| 17. | ASSIGNMENTS AND TRANSFERS | 37 |
| 18. | MISCELLANEOUS PROVISIONS | 38 |

CONTENTS

| EXHIBITS | TITLES | |
|-----------|---|----|
| Exhibit A | Part 1 — AIRFRAME PRICE REVISION FORMULA | 43 |
| | Part 2 — PROPULSION SYSTEM PRICE REVISION FORMULA | 45 |
| Exhibit B | FORM OF CERTIFICATE OF ACCEPTANCE | 47 |
| Exhibit C | FORM OF BILL OF SALE | 48 |
| Exhibit D | PRE-DELIVERY PAYMENTS, SCHEDULED DELIVERY MONTHS | 50 |

A321 PURCHASE AGREEMENT

This A321 Purchase Agreement is made on _____ 2014 (the “**Agreement**”).

BETWEEN:

AIRBUS S.A.S., a *société par actions simplifiée*, created and existing under French law having its registered office at 1, rond-point Maurice Bellonte, 31700 Blagnac, France and registered with the Toulouse *Registre du Commerce* under number RCS Toulouse 383 474 814 (the “**Seller**”);

and

Vertical Horizons, Ltd., a company incorporated and existing under the laws of the Cayman Islands and having its registered office at the offices of Intertrust SPV (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1 9005, Cayman Islands (the “**Buyer**”).

WHEREAS subject to the terms and conditions of this Agreement, the Seller desires to sell the Aircraft to the Buyer and the Buyer desires to purchase the Aircraft from the Seller.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

0 DEFINITIONS AND INTERPRETATION

0.1 In addition to words and terms elsewhere defined in this Agreement, the initially capitalized words and terms used in this Agreement shall have the meaning set out below.

Affiliate means with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person.

Aircraft means an Airbus A321 aircraft delivered under this Agreement, including the Airframe, the Propulsion Systems, and any part, component, furnishing or equipment installed on the Aircraft on Delivery.

Airframe means the Aircraft excluding the Propulsion Systems.

Airframe Base Price has the meaning set out in Clause 3.1 which includes the SCN Budget.

Airframe Price Revision Formula is set out in Part 1 of Exhibit A.

Assignment and Assumption Agreement means the assignment and assumption agreement dated on or about 2014 made between Frontier, the Buyer and the Seller in relation to the Frontier A321 PA and the Aircraft.

Aviation Authority means when used in respect of any jurisdiction the government entity, which under the laws of such jurisdiction has control over civil aviation or the registration, airworthiness or operation of aircraft in such jurisdiction.

[Table of Contents](#)

Business Day means a day, other than a Saturday or Sunday, on which business of the kind contemplated by this Agreement is carried on in France, in Germany and in the Buyer's country or, where used in relation to a payment, which is a day on which banks are open for business in France, in Germany, in the Buyer's country and in New York, as appropriate.

Declaration of Design and Performance or DDP means the documentation provided by an equipment manufacturer guaranteeing that the corresponding equipment meets the requirements of the Specification, the interface documentation as well as all the relevant certification requirements.

Delivery means the transfer of title to the Aircraft from the Seller to the Buyer in accordance with Clause 9.

Delivery Date means the date on which Delivery occurs.

Delivery Location means the facilities of the Seller at the location of final assembly of the Aircraft.

Export Airworthiness Certificate means an export certificate of airworthiness issued by the Aviation Authority of the Delivery Location.

Facility Agent means Citibank N.A. as facility agent for and on behalf of the Lenders under the PDP Loan Agreement.

Final Price has the meaning set out in Clause 3.2.

Frontier means Frontier Airlines, Inc. a company incorporated and existing under the laws of Colorado.

Frontier A320 PA means the aircraft purchase agreement dated 30 September 2011 as amended and supplemented from time to time, made between Frontier and the Seller.

Frontier A321 PA means the aircraft purchase agreement dated 31 October 2014 as amended and supplemented from time to time, made between Frontier and the Seller.

Guarantee means the guarantee and indemnity dated 2014 made between Frontier as guarantor and the Seller as beneficiary pursuant to which, amongst other things, Frontier shall guarantee to the Seller the due and punctual performance by the Buyer of all of its obligations owed to the Seller under this Agreement.

Lenders has the meaning ascribed to such term in the Step-In Agreement.

Manufacture Facilities means the various manufacture facilities of the Seller, its Affiliates or any subcontractor, where the Airframe or its parts are manufactured or assembled.

Table of Contents

Other Agreement means any of.

1. the Frontier A320 PA
2. the Frontier A321 PA;
3. the Assignment and Assumption Agreement;
4. the Re-assignment and Re-assumption Agreement;
5. the Vertical Horizons A320neo PA;
6. the Guarantee;
7. the Step-In Agreement and any other document entered into in order to give effect to the transactions contemplated thereby; and
8. any other material agreement made from time to time between the Buyer or any of its Affiliates or Frontier and the Seller or any of its Affiliates.

PDP Loan Agreement has the meaning ascribed to such term in the Step-in Agreement.

Predelivery Payment means the payment(s) determined in accordance with Clause 5.2.

Propulsion Systems has the meaning given to it in Clause 2.3.

Propulsion Systems Manufacturer means the manufacturer of the Propulsion System as set out in Clause 2.3.

Propulsion System Price Revision Formula is set out in Part 2 of Exhibit A.

Propulsion Systems Reference Price means the Propulsion Systems Manufacturer reference price as set out in Exhibit A Part 2.

Ready for Delivery means the time when the Technical Acceptance Process has been completed in accordance with Clause 8 and all technical conditions required for the issuance of the Export Airworthiness Certificate have been satisfied.

SCN Budget means: the amount of *****, being the cost in delivery condition ***** Dollars of the SCNs which the Buyer and the Seller have assumed to be applicable to each Airframe as delivered hereunder and which cost is included in the relevant Airframe Base Price set out in Clause 3.1.

Security Trustee means the Bank of Utah, not in its individual capacity but solely as security trustee for and on behalf of the Facility Agent and the Lenders.

Seller Furnished Equipment or **SFE** corresponds to items of equipment that are identified in the Specification as being furnished by the Seller.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Table of Contents

Sharklets means a new large wingtip device designed to enhance the eco-efficiency and payload range performance of the A320 family aircraft and which are part of the SCN Budget.

Vertical Horizons A320neo PA means the aircraft purchase agreement dated , 2014 made between the Buyer and the Seller in respect of certain A320neo aircraft.

Specification Change Notice or **SCN** means an agreement in writing between the parties to amend the Specification pursuant to Clause 2.

Specification means either: (a) the Standard Specification if no SCNs are applicable; or (b) if SCNs are applicable, the Standard Specification as amended by all applicable SCNs.

Standard Specification means the A321 standard specification document number *****.

Step-In Agreement means the step-in agreement dated _____ 2014 made between the Buyer, the Security Trustee and the Seller in respect of the Aircraft.

0.2 Clause headings and the Index are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement.

0.3 In this Agreement unless the context otherwise requires:

- (a) references to Clauses, Appendices and Exhibits are to be construed as references to the Clauses of, and Appendices, and Exhibits to this Agreement and references to this Agreement include its Schedules, Exhibits and Appendices;
- (b) words importing the plural shall include the singular and vice versa; and
- (c) references to a person shall be construed as including, without limitation, references to an individual, firm, company, corporation, unincorporated body of persons and any state or agency of a state.

1 **SALE AND PURCHASE**

The Seller shall sell and deliver and the Buyer shall buy and take delivery of nine (9) A321 Aircraft on the Delivery Date at the Delivery Location upon the terms and conditions contained in this Agreement.

2 **SPECIFICATION**

2.1 **Aircraft Specification**

The Aircraft shall be manufactured in accordance with the Standard Specification, as may already have been modified or varied prior to the date of this Agreement by the Specification Change Notices listed in Appendix 1.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

2.2 Specification Amendment

The Specification may be further amended following signature of this Agreement in accordance with the terms of this Clause 2.

2.2.1 Specification Change Notices

The Specification may be amended by written agreement between the Buyer and the Seller in a Specification Change Notice. Each SCN shall be in the Seller's standard form and shall set out the particular change to be made to the Specification and the effect, if any, of such change on the Aircraft affected thereby and on the text of the Specification. An SCN may result in an adjustment of the Final Price, which adjustment, if any, shall be specified in the SCN.

2.2.2 Development Changes

The Specification may also be amended to incorporate changes deemed necessary by the Seller to improve the Aircraft, prevent delay or ensure compliance with this Agreement ("**Development Changes**"), as set forth in this Clause 2.

(i) Manufacturer Specification Changes Notices

- (a) The Specification may be amended by the Seller through a Manufacturer Specification Change Notice ("**MSCN**"), which shall be substantially in the Seller's standard form and shall set out the change to be made to the Specification and the effect, if any, of such change on the Aircraft affected thereby and the Specification.
- (b) If a MSCN is necessitated by an Aviation Authority directive or by equipment obsolescence (a "Mandatory MSCN"), any such Mandatory MSCN shall be accomplished without requiring the Buyer's consent. If the MSCN is not a Mandatory MSCN (a "Non-Mandatory MSCN") and adversely affects the performance, weight, Base Price, Delivery Date of the Aircraft affected thereby or the interchangeability or replaceability requirements under the Specification, the Seller shall notify the Buyer of a reasonable period of time during which the Buyer must accept or reject such Non-Mandatory MSCN. If the Buyer does not notify the Seller of the rejection of the Non-Mandatory MSCN within such period, the Non-Mandatory MSCN shall be deemed accepted by the Buyer and the corresponding modification shall be accomplished.

- (ii) In the event of the Seller revising the Specification to incorporate Development Changes which have no adverse effect on any of the elements as set forth in 2.2.2(i)(a) above, such revision shall be performed by the Seller without the Buyer's consent.

Table of Contents

- (iii) The Seller is considering turning certain items, which are currently BFE in the Specification, into SFE and the parties agree that such BFE items shall be excluded from the provisions of Clauses 2.2.2(i) and 2.2.2(ii) above and, should they become SFE, shall furthermore be chargeable to the Buyer.

2.3 **Propulsion System**

Each Airframe shall be equipped with a set of two (2) CFM International CFM56B3/3 engines propulsion systems (the “**Propulsion Systems**”).

2.4 **Milestones**

2.4.1 **Customization Milestones Chart**

Within a reasonable period following signature of the Agreement, the Seller shall provide the Buyer with a customisation milestones chart (the “**Customisation Milestone Chart**”), setting out how far in advance of the Scheduled Delivery Month of the Aircraft an SCN must be executed in order to integrate into the Specification any items requested by the Buyer from the Seller’s catalogues of Specification change options (the “**Option Catalogues**”).

2.4.2 **Contractual Definition Freeze**

The Customisation Milestone Chart shall in particular define the date(s) by which the contractual definition of the Aircraft must be finalized and all SCNs need to have been executed by the Buyer (the “**Contractual Definition Freeze**” or “**CDF**”) in order to enable their incorporation into the manufacturing of the Aircraft and Delivery of the Aircraft in the Scheduled Delivery Month. Each such date shall be referred to as a “**CDF Date**”.

3 **PRICES**

3.1 **Airframe Base Price**

The Airframe Base Price is *****.

The Airframe Base Price has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in *****.

3.2 **Final Price**

The Final Price of each Aircraft shall be the Airframe Base Price as increased by:

- (i) the price of any unpaid MSCNs and any Specification Change Notices contracted after the date of ***** as adjusted to the Delivery Date of such Aircraft in accordance with the Airframe Price Revision Formula;

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Table of Contents

- (ii) escalation of the Airframe Base Price from a theoretical delivery date of ***** to the Delivery Date of such Aircraft in accordance with the Airframe Price Revision Formula;
- (iii) the Propulsion Systems Reference Price and its corresponding escalation from a theoretical delivery date of ***** for the Propulsion Systems to the actual Delivery Date of such Aircraft in accordance with the Propulsion System Price Revision Formula; and
- (iv) any other amount due from the Buyer to the Seller pursuant to this Agreement and/or any other agreement between the Buyer and the Seller with respect to the Aircraft.

4 INTENTIONALLY LEFT BLANK

5 PAYMENTS

5.1 Seller's Account

The Buyer shall pay the Predelivery Payments, the Balance of Final Price and/or any other amount due by the Buyer to the Seller, to the following account;

Beneficiary Name: *****

account identification:*****

with:

SWIFT: *****

ABA: *****

or to such other account as may be designated by the Seller.

5.2 Predelivery Payments

5.2.1 The Buyer shall pay Predelivery Payments to the Seller in accordance with the schedule set out in Exhibit D.

5.2.2 Any Predelivery Payment received by the Seller shall constitute an instalment in respect of the Final Price of the Aircraft. The Seller shall be entitled to hold and use any Predelivery Payment as absolute owner thereof, subject only to: (i) the obligation to deduct any such Predelivery Payment from the Final Price when calculating the Balance of Final Price; or (ii) the obligation to pay to the Buyer an amount equal to the Predelivery Payments pursuant to any other provision of this Agreement.

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Table of Contents

5.2.3 If any Predelivery Payment is not received ***** then, in addition to any other rights and remedies available to Seller, the Seller shall have no obligation to deliver any or all of the Aircraft remaining to be delivered under the Agreement within their respective Scheduled Delivery Month(s). Upon receipt of the full amount of all delayed Predelivery Payments, together with any amount due pursuant to Clause 5.6, the Seller shall inform the Buyer of new Scheduled Delivery Month(s) consistent with the Seller's other commitments and production capabilities.

5.2.4 *****

5.3 **Balance of Final Price**

5.3.1 The "**Balance of Final Price**" payable by the Buyer to the Seller on the Delivery Date shall be the Final Price less the amount of Predelivery Payments received by the Seller on or before the Delivery Date.

5.3.2 Upon receipt of the Seller's invoice, and immediately prior to Delivery, the Buyer shall pay to the Seller the Balance of Final Price.

5.4 **Other Charges**

Unless expressly stipulated otherwise, any other charges due under this Agreement other than those set out in Clauses 5.2 and 5.3 shall be paid by the Buyer at the same time as payment of the Balance of Final Price or, if invoiced after the Delivery Date, ***** the invoice date.

5.5 **Method of Payment**

5.5.1 All payments provided for in this Agreement shall be made in US Dollars (US\$) in immediately available funds.

5.5.2 *****

5.6 **Overdue Payments**

5.7 **Taxes**

5.7.1 *****

5.7.2 *****

5.7.3 *****

5.8 **Proprietary Interest**

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Table of Contents

The Buyer shall not, by virtue of anything contained in this Agreement (including, without limitation, any Predelivery Payments hereunder, or any designation or identification by the Seller of a particular aircraft as an Aircraft to which any of the provisions of this Agreement refers) acquire any proprietary, insurable or other interest whatsoever in any Aircraft before Delivery of and payment for such Aircraft, as provided in this Agreement.

5.9 **Set-Off**

5.10 *****

5.10.1 *****

6 **MANUFACTURE PROCEDURE — INSPECTION**

6.1 **Manufacture Procedure**

The Airframe shall be manufactured in accordance with the relevant requirements of the laws of the jurisdiction of incorporation of the Seller or of its relevant Affiliate as enforced by the Aviation Authority of such jurisdiction.

6.2 **Inspection**

6.2.1 Subject to providing the Seiler with insurance certificates satisfactory to the Seller, the Buyer or its duly authorised representatives (the “**Buyer’s Inspector(s)**”) shall be entitled to inspect the manufacture of the Airframe and all materials and parts obtained by the Seller for the manufacture of the Airframe on the following terms and conditions:

- (i) any inspection shall be made according to a procedure to be agreed upon with the Buyer but shall be conducted pursuant to the Seller’s own system of inspection as developed under the supervision of the relevant Aviation Authority;
- (ii) the Buyer’s Inspector(s) shall have access to such relevant technical data as is reasonably necessary for the purpose of the inspection;
- (iii) any inspection and any related discussions with the Seller and other relevant personnel by the Buyer’s Inspector(s) shall be at reasonable times during business hours and shall take place in the presence of relevant inspection department personnel of the Seller; and
- (iv) the inspections shall be performed in a manner not to unduly delay or hinder the manufacture or assembly of the Aircraft or the performance of this Agreement by the Seller or any other work in progress at the Manufacture Facilities.

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6.2.2 Location of Inspections

The Buyer's Inspector(s) shall be entitled to conduct any such inspection at the relevant Manufacture Facility of the Seller or the Affiliates and where possible at the Manufacture Facilities of the sub-contractors provided that if access to any part of the Manufacture Facilities where the Airframe manufacture is in progress or materials or parts are stored are restricted for security or confidentiality reasons, the Seller shall be allowed reasonable time to make the relevant items available elsewhere.

6.3 Seller's Service for Buyer's Inspector(s)

For the purpose of the inspections, and commencing with the date hereof until the Delivery Date, the Seller shall furnish without additional charge suitable space and office equipment in or conveniently located with respect to the Delivery Location for the use of a reasonable number of Buyer's Inspector(s).

7 CERTIFICATION

7.1 Type Certification

The Aircraft has been type certificated under European Aviation Safety Agency (EASA) procedures for certification in the transport category. The Seller has obtained the relevant type certificate (the "**Type Certificate**") to allow the issuance of the Export Airworthiness Certificate.

7.2 Export Airworthiness Certificate

7.2.1 The Aircraft shall be delivered to the Buyer with an Export Airworthiness Certificate.

7.2.2 If, any time before the date on which the Aircraft is Ready for Delivery, any law or regulation is enacted, promulgated, becomes effective and/or an interpretation of any law or regulation is issued which requires any change to the Specification for the purposes of obtaining the Export Airworthiness Certificate (a "**Change in Law**"), the Seller shall make the required variation or modification and the parties hereto shall sign a Specification Change Notice which specifies the effects, if any, upon the guaranteed performances, weights, interchangeability, time of Delivery, price of the Aircraft and text of the Specification.

7.2.3 The Seller shall as far as practicable (but at its sole discretion and without prejudice to Clause 7.3.1(ii)) take into account the information available to it concerning any proposed law, regulation or interpretation which could become a Change in Law in order to minimise the costs of changes to the Specification as a result of such proposed law, regulation or interpretation becoming effective prior to the Aircraft being Ready for Delivery.

7.3 Costs of SCNs for Certification

7.3.1 The costs of implementing the variation or modification referred to in Clause 7.2.2 above shall be:

- (i) *****
- (ii) *****

7.3.2 Notwithstanding the provisions of sub-Clauses 7.3.1 (i) and (ii), if the Change in Law relates to the Propulsion Systems, the costs shall be borne in accordance with such arrangements as may be made separately between the Buyer and the Propulsion System Manufacturer, *****.

7.4 Validation of Export Airworthiness Certificate

7.4.1 The Seller shall endeavour to obtain the validation of the Export Airworthiness Certificate by the Buyer's Aviation Authority.

7.4.2 Where the Buyer's Aviation Authority requires a modification to comply with additional import aviation requirements and/or supply of additional data prior to the issuance of the Export Airworthiness Certificate the Seller shall incorporate such modification and/or provide such data at costs to be borne by the Buyer. The parties shall sign a Specification Change Notice which specifies the effects, if any, upon the guaranteed performances, weights, interchangeability, time of Delivery and price of the Aircraft.

8 TECHNICAL ACCEPTANCE

8.1 Technical Acceptance Process

8.1.1 Prior to Delivery the Aircraft shall undergo a technical acceptance process, proposed by the Seller (the "**Technical Acceptance Process**"). Completion of the Technical Acceptance Process shall demonstrate the satisfactory functioning of the Aircraft and shall be deemed to demonstrate compliance with the Specification. Should it be established that the Aircraft does not comply with the Technical Acceptance Process requirements, the Seller shall without hindrance from the Buyer be entitled to carry out any necessary changes and, as soon as practicable thereafter, resubmit the Aircraft to such further Technical Acceptance Process as is necessary to demonstrate the elimination of the non-compliance.

8.1.2 The Technical Acceptance Process shall:

- (i) commence on a date notified by the Seller to the Buyer by no less than *****;

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Table of Contents

- (ii) take place at the Delivery Location;
- (iii) be carried out by the personnel of the Seller; and
- (iv) include a technical acceptance flight which shall *****.

8.2 Buyer's Attendance

8.2.1 The Buyer shall be entitled to attend the Technical Acceptance Process and notification of the start of such Technical Acceptance Process shall be done in accordance with Clause 9.1.2.

8.2.2 If the Buyer elects to attend the Technical Acceptance Process, the Buyer:

- (a) shall co-operate in complying with the reasonable requirements of the Seller with the intention of completing the Technical Acceptance Process within ***** after its commencement;
- (b) may have a maximum of ***** of its representatives (no more than ***** such representatives having access to the cockpit at any one time) accompany the Seller's representatives on a technical acceptance flight and during such flight the Buyer's representatives shall comply with the instructions of the Seller's representatives.

8.2.3 If the Buyer does not attend or fails to co-operate in the Technical Acceptance Process, the Seller shall be entitled to complete the Technical Acceptance Process and the Buyer shall be deemed to have accepted the Technical Acceptance Process as satisfactory in all respects.

8.3 Certificate of Acceptance

Following completion of the Technical Acceptance Process, the Buyer shall sign and deliver to the Seller, in accordance with Clause 9.2.1, a certificate of acceptance in respect of the Aircraft in the form of Exhibit B (the "**Certificate of Acceptance**").

8.4 Aircraft Utilisation

The Seller shall, without payment or other liability, be entitled to use the Aircraft prior to Delivery as may be necessary to obtain the certificates required under Clause 7, and such use shall not prejudice the Buyer's obligation to accept Delivery of the Aircraft hereunder. However the Seller shall not be authorised to use the Aircraft during more than ***** for any other purpose without the specific agreement of the Buyer.

9 DELIVERY

9.1 Delivery Schedule

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[Table of Contents](#)

9.1.1 Subject to the terms and conditions set out in this Agreement, the Seller shall have the Aircraft Ready for Delivery at the Delivery Location within the following months (each a “**Scheduled Delivery Month**”) or quarters (each a “**Scheduled Delivery Quarter**”):

| Aircraft Rank | CAC ID Reference | | Scheduled Delivery | |
|---------------|------------------|---------------|--------------------|-------|
| | | | Month/Quarter | Year |
| 1 | ***** | A321 Aircraft | ***** | ***** |
| 2 | ***** | A321 Aircraft | ***** | ***** |
| 3 | ***** | A321 Aircraft | ***** | ***** |
| 4 | ***** | A321 Aircraft | ***** | ***** |
| 5 | ***** | A321 Aircraft | ***** | ***** |
| 6 | ***** | A321 Aircraft | ***** | ***** |
| 7 | ***** | A321 Aircraft | ***** | ***** |
| 8 | ***** | A321 Aircraft | ***** | ***** |
| 9 | ***** | A321 Aircraft | ***** | ***** |

9.1.2 The Seller will give the Buyer written notice of the Scheduled Delivery Month of each Aircraft not already identified above at least ***** before the first day of the Scheduled Delivery Quarter of the respective Aircraft or upon execution of this Agreement for Aircraft to be delivered earlier than ***** before the first day of the Scheduled Delivery Quarter. The Seller shall give the Buyer at least ***** prior written notice of the anticipated date ***** . Thereafter the Seller shall notify the Buyer of any change in such date necessitated by the conditions of manufacture or flight,

9.2 Delivery

9.2.1 The Buyer shall, ***** , sign the Certificate of Acceptance, pay the Balance of the Final Price and send its representatives to the Delivery Location to take Delivery of, and collect, the Aircraft.

9.2.2 The Seller shall deliver and transfer title to the Aircraft free and clear of all encumbrances to the Buyer provided that the Balance of the Final Price has been paid by the Buyer and that the Certificate of Acceptance has been signed and delivered to the Seller. The Seller shall provide the Buyer with a bill of sale in the form of Exhibit C (the “**Bill of Sale**”) and/or such other documentation confirming transfer of title and receipt of the Final Price as may reasonably be requested by the Buyer. Title to, property in and risk of loss of or damage to the Aircraft shall be transferred to the Buyer on Delivery.

9.2.3 Should the Buyer fail, within the period specified in Clause 9.2.1, to:

- (i) deliver the signed Certificate of Acceptance to the Seller; or

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Table of Contents

(ii) pay the Balance of the Final Price for the Aircraft to the Seller and take Delivery of the Aircraft, then the Buyer shall be deemed to have rejected delivery of the Aircraft without warrant when duly tendered to it hereunder. Without prejudice to Clause 5.7 and the Seller's other rights under this Agreement or at law:

- (a) the Seller shall retain title to the Aircraft; and
- (b) the Buyer shall bear all risk of loss of or damage to the Aircraft and shall indemnify and hold the Seller harmless against any and all costs (including but not limited to any parking, storage, and insurance costs) and consequences resulting from such failure, it being understood that the Seller shall be under no duty towards the Buyer to store, park, insure, or otherwise protect the Aircraft.

9.2.4 Should the Buyer fail to collect the Aircraft as mentioned in Clause 9.2.1 above and without prejudice to the Seller's other rights under this Agreement or at law, the provisions of Clause 9.2.3(b) shall apply.

9.3 Fly Away

The Buyer and the Seller shall co-operate to obtain any licenses, which may be required by the Aviation Authority of the Delivery Location for the purpose of exporting the Aircraft. All expenses of, or connected with, flying the Aircraft from the Delivery Location after Delivery shall be borne by the Buyer. The Buyer shall make direct arrangements with the supplying companies for the fuel and oil required for all post- Delivery flights.

10 EXCUSABLE DELAY

10.1 The Buyer acknowledges that the Aircraft are to be manufactured by Seller in performance of this Agreement and that the Scheduled Delivery Months are based on the assumption that there shall be no delay due to causes beyond the control of the Seller. Accordingly, Seller shall not be responsible for any delay in the Delivery of the Aircraft or delay or interruption in the performance of the other obligations of the Seller hereunder due to causes beyond its control, and not occasioned by its fault or negligence including (but without limitation) *****.

10.2 If an Excusable Delay occurs:

- 10.2.1 the Seller shall notify the Buyer of such Excusable Delay as soon as practicable after becoming aware of the same;
- 10.2.2 the Seller shall not be responsible for any damages arising from or in connection with such Excusable Delay suffered or incurred by the Buyer;

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Table of Contents

- 10.2.3 the Seller shall not be deemed to be in default in the performance of its obligations hereunder as a result of such Excusable Delay; and
- 10.2.4 the Seller shall as soon as practicable after the removal of the cause of the delay resume performance of its obligations under this Agreement and in particular shall notify to the Buyer the revised Scheduled Delivery Month.

10.3 Termination on Excusable Delay

- 10.3.1 If the Delivery of any Aircraft is delayed as a result of an Excusable Delay for a period of more than ***** after the last day of the Scheduled Delivery Month then either party may terminate this Agreement with respect to the Aircraft so affected by giving written notice to the other party ***** after the ***** provided that the Buyer shall not be entitled to terminate this Agreement pursuant to this Clause if the Excusable Delay results from a cause within its control.
- 10.3.2 If the Seller concludes that the Delivery of any Aircraft shall be delayed for more than ***** after the last day of the Scheduled Delivery Month due to an Excusable Delay and as a result thereof reschedules Delivery of such Aircraft to a date or month reflecting such delay then the Seller shall promptly notify the Buyer in writing to this effect and shall include in such notification the new Scheduled Delivery Month. Either party may thereupon terminate this Agreement with respect to such Aircraft by giving written notice to the other party ***** after receipt by the Buyer of the notice of anticipated delay.
- 10.3.3 If this Agreement has not been terminated with respect to the delayed Aircraft during the ***** referred to in either Clause 10.3.1 or 10.3.2 above, then the Seller shall be entitled to reschedule Delivery and the new Scheduled Delivery Month shall be notified to the Buyer and shall be binding on the parties.

10.4 Total Loss, Destruction or Damage

If prior to Delivery, any Aircraft is lost, destroyed or in the reasonable opinion of the Seller is damaged beyond repair (“Total Loss”), the Seller shall notify the Buyer to this effect within ***** of such occurrence. The Seller shall include in said notification (or as soon after the issue of the notice as such information becomes available to the Seller) the earliest date consistent with the Seller’s other commitments and production capabilities that an aircraft to replace the Aircraft may be delivered to the Buyer and the Scheduled Delivery Month shall be extended as specified in the Seller’s notice to accommodate the delivery of the replacement aircraft; provided, however, that in the event the specified extension of the Scheduled Delivery Month to a month is exceeding ***** after the last day of the original Scheduled Delivery Month then this Agreement shall terminate with respect to said Aircraft unless:

- 10.4.1 the Buyer notifies the Seller within ***** of the date of receipt of the Seller’s notice that it desires the Seller to provide a replacement aircraft during the month quoted in the Seller’s notice; and

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Table of Contents

10.4.2 the parties execute an amendment to this Agreement recording the variation in the Scheduled Delivery Month, provided, however, that nothing herein shall require the Seller to manufacture and deliver a replacement aircraft if such manufacture would require the reactivation of its production line for the model or series of aircraft which includes the Aircraft purchased hereunder.

10.5 **Termination Rights Exclusive**

In the event that this Agreement shall be terminated as provided for under the terms of Clauses 10.3 or 10.4, such termination shall discharge all obligations and liabilities of the parties hereunder with respect to such affected Aircraft and undelivered material, services, data or other items applicable thereto and to be furnished hereunder and neither party shall have any claim against the other for any loss resulting from such non-delivery. The Seller shall in no circumstances have any liability whatsoever for Excusable Delay other than as set forth in this Clause 10.

11 **NON-EXCUSABLE DELAY**

11.1 *****

11.2 **Re-negotiation**

If, as a result of Non-Excusable Delay, Delivery does not occur in the period falling ***** after the Delivery Period, the Buyer shall have the right exercisable by written notice to the Seller given not less than ***** to require from the Seller a re-negotiation of the Scheduled Delivery Month for the affected Aircraft. Unless otherwise agreed between the Seller and the Buyer during such renegotiation, the said re-negotiation shall not prejudice the Buyer's right to receive liquidated damages in accordance with Clause 11.1 during the period of Non-Excusable Delay.

11.3 **Termination**

If, as a result of Non-Excusable Delay, Delivery does not occur in the period falling ***** and the parties have not renegotiated the Scheduled Delivery Month pursuant to Clause 11.2, either party shall have the right exercisable by written notice to the other party, given not less than ***** to terminate this Agreement in respect of the affected Aircraft and *****

11.4 **Limitation of Damages**

The Buyer and the Seller agree that payment by the Seller of the amounts due pursuant to Clause 11.1 shall be considered to be a liquidated damages provision and has been calculated to compensate the Buyer for its entire damages for all losses of any kind due to Non-Excusable Delay. The Seller shall not in any circumstances have any liability whatsoever for Non-Excusable Delay other than as set forth in this Clause 11.

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12 WARRANTIES AND SERVICE LIFE POLICY

This Clause covers the terms and conditions of the warranty and service life policy.

12.1 Standard Warranty

12.1.1 Nature of Warranty

For the purpose of this Agreement the term “**Warranted Part**” shall mean any Seller proprietary component, equipment, accessory or part, which is installed on an Aircraft at Delivery thereof and which:

- (i) is manufactured to the detailed design of the Seller or a subcontractor of the Seller; and
- (ii) bears a part number of the Seller at the time of such Delivery.

Subject to the conditions and limitations as hereinafter provided for and except as provided for in Clause 12.1.2, the Seller warrants to the Buyer that each Aircraft and each Warranted Part shall at Delivery to the Buyer be free from defects:

- (a) in material;
- (b) in workmanship, including without limitation processes of manufacture;
- (c) in design (including without limitation the selection of materials) having regard to the state of the art at the date of such design; and
- (d) arising from failure to conform to the Specification, except to those portions of the Specification relating to performance or where it is expressly stated that they are estimates, approximations or design aims.

12.1.2 Exclusions

The warranties set forth in Clause 12.1.1 shall not apply to Buyer Furnished Equipment, nor to the Propulsion Systems, nor to any component, equipment, accessory or part installed on the Aircraft at Delivery that is not a Warranted Part except that:

- (i) any defect in the Seller’s workmanship in respect of the installation of such items in the Aircraft, including any failure by the Seller to conform to the installation instructions of the manufacturers of such items, that invalidates any applicable warranty from such manufacturers, shall constitute a defect in workmanship for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1(b); and

Table of Contents

- (ii) any defect inherent in the Seller's design of the installation, in consideration of the state of the art at the date of such design, which impairs the use of such items, shall constitute a defect in design for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1(c).

12.1.3 Warranty Period

The warranties set forth in Clauses 12.1.1 and 12.1.2 shall be limited to those defects that become apparent within ***** after Delivery of the affected Aircraft (the "**Warranty Period**").

12.1.4 Buyer's Remedy and Seller's Obligation

- (i) The Buyer's remedy and the Seller's obligation and liability under Clauses 12.1.1 and 12.1.2 are limited to, at the Seller's expense and option, the repair, replacement or correction of any Warranted Part which is defective (or to the supply of modification kits rectifying the defect), together with a credit to the Buyer's account with the Seller of an amount equal to the mutually agreed direct labor costs expended in performing the removal and the reinstallation thereof on the Aircraft at the labor rate defined in Clause 12.1.8(v). The Seller may alternatively furnish to the Buyer's account with the Seller a credit equal to the price at which the Buyer is entitled to purchase a replacement for the defective Warranted Part.
- (ii) In the event of a defect covered by Clauses 12.1.1(c), 12.1.1(d) and 12.1.2(H) becoming apparent within the Warranty Period, the Seller shall also, if so requested by the Buyer in writing, correct such defect in any Aircraft which has not yet been delivered to the Buyer, provided, however,
- (iii) *****
- (iv) *****

12.1.5 Cost of inspection

In addition to the remedies set forth in Clauses 12.1.4(i) and 12.1.4(ii), the Seller shall reimburse the direct labor costs incurred by the Buyer in performing inspections of the Aircraft to determine whether or not a defect exists in any Warranted Part within the Warranty Period subject to the following conditions:

- (i) such inspections are recommended by a Seller Service Bulletin to be performed within the Warranty Period;
- (ii) the reimbursement shall not apply for any inspections performed as an alternative to accomplishing corrective action as recommended by the Seller when such corrective action has been made available to the Buyer and such corrective action could have reasonably been accomplished by the Buyer at the time such inspections are performed or earlier,

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Table of Contents

- (iii) (ii) the labor rate for the reimbursement shall be the labor rate defined in Clause 12.1.8(v); and
- (iv) the manhours used to determine such reimbursement shall not exceed the Seller's estimate of the manhours required for such inspections.

12.1.6 Warranty Claim Requirements

The Buyer's remedy and the Seller's obligation and liability under this Clause 12.1, with respect to any warranty claim submitted by the Buyer (each a "**Warranty Claim**") are subject to the following conditions:

- (i) the defect having become apparent within the Warranty Period;
- (ii) the Buyer having filed a warranty claim within ***** of discovering the defect;
- (iii) the Buyer having submitted to the Seller evidence reasonably satisfactory to the Seller that the claimed defect is due to a matter embraced within this Clause 12.1 and that such defect has not resulted from any act or omission of the Buyer, including but not limited to, any failure to operate and maintain the affected Aircraft *or part thereof in* accordance with the standards set forth in Clause 12.1.12 or from any act or omission of any third party;
- (iv) the Seller having received a Warranty Claim complying with the provisions of Clause 12.1.8 below.

12.1.7 Warranty Administration

The warranties set forth in Clause 12.1 shall be administered as hereinafter provided for:

- (i) Claim Determination
Determination as to whether any claimed defect in any Warranted Part is a valid Warranty Claim shall be made by the Seller and shall be based upon the claim details, reports from the Seller's Representatives, historical data logs, inspections, tests, findings during repair, defect analysis and other relevant documents.
- (ii) Transportation Costs

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Table of Contents

The cost of transporting a Warranted Part claimed to be defective to the facilities designated by the Seller and for the return therefrom of a repaired or replaced Warranted Part shall be *****.

(iii) Return of an Aircraft

If the Buyer and the Seller mutually agree, prior to such return, that it is necessary to return an Aircraft to the Seller for consideration of a Warranty Claim, the Seller ***** The Buyer shall make its reasonable efforts to minimize the duration of the corresponding flights.

(iv) On Aircraft Work by the Seller

If the Seller determines that a defect subject to this Clause 12.1 justifies the dispatch by the Seller of a working team to repair or correct such defect through the embodiment of one or several Seller's Service Bulletins at the Buyer's facilities, or if the Seller accepts the return of an Aircraft to perform or have performed such repair or correction, then the *****. The condition which has to be fulfilled for on-Aircraft work by the Seller is that, in the opinion of the Seller, the work necessitates the technical expertise of the Seller as manufacturer of the Aircraft. If said condition is fulfilled and if the Seller is requested to perform the work, the Seller and the Buyer shall agree on a schedule and place for the work to be performed.

(v) Warranty Claim Substantiation

Each Warranty Claim filed by the Buyer under this Clause 12.1 shall contain at least the following data:

- (a) description of defect and action taken, if any,
- (b) date of incident and/or removal date,
- (c) description of Warranted Part claimed to be defective,
- (d) part number,
- (e) serial number (if applicable),
- (f) position on Aircraft,
- (g) total flying hours or calendar time, as applicable, at the date of defect appearance,
- (h) time since last shop visit at the date of defect appearance,
- (i) Manufacturer Serial Number of the Aircraft and/or its registration,

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Table of Contents

- (j) Aircraft total flying hours and/or number of landings at the date of defect appearance,
- (k) Warranty Claim number,
- (l) date of Warranty Claim,
- (m) Delivery Date of Aircraft or Warranted Part to the Buyer,

Warranty Claims are to be addressed as follows:

AIRBUS S.A.S.
CUSTOMER SERVICES DIRECTORATE
WARRANTY ADMINISTRATION
Rond Point Maurice Bellonte
B.P. 33
F 31707 BLAGNAC CEDEX
FRANCE

(vi) Replacements

Title to and risk of loss of any Aircraft, component, accessory, equipment or part returned by the Buyer to the Seller shall at all times remain with the Buyer, except that:

- (a) risk of loss (limited to cost of replacement and excluding in particular loss of use) shall be with the Seller for as long as such Aircraft, component, accessory, equipment or part shall be under the care, custody and control of the Seller and;
- (b) title to and risk of loss of a returned component, accessory, equipment or part shall pass to the Seller upon shipment by the Seller to the Buyer of any item furnished by the Seller to the Buyer as a replacement therefor.

Upon the Seller's shipment to the Buyer of any replacement component, accessory, equipment or part provided by the Seller pursuant to this Clause 12.1, title to and risk of loss of such replacement component, accessory, equipment or part shall pass to the Buyer.

(vii) Rejection

The Seller shall provide reasonable written substantiation in case of rejection of a Warranty Claim. In such event the Buyer shall refund to the Seller reasonable inspection and test charges incurred in connection therewith.

(viii) Inspection

Table of Contents

The Seller shall have the right to inspect the affected Aircraft, documents and other records relating thereto in the event of any Warranty Claim under this Clause 12.1.

12.1.8 Inhouse Warranty

(i) Seller's Authorisation

The Seller hereby authorizes the Buyer to repair Warranted Parts (the "**Inhouse Warranty**") subject to the terms of this Clause 12.1.8.

(ii) Conditions for Seller's Authorisation

The Buyer shall be entitled to repair such Warranted Parts:

- (a) provided the Buyer notifies the Seller's representative of its intention to perform Inhouse Warranty repairs before any such repairs are started where the estimated cost of such repair is in excess of *****. The Buyer's notification shall include sufficient detail regarding the defect, estimated labor hours and material to allow the Seller to ascertain the reasonableness of the estimate. The Seller agrees to use all reasonable efforts to ensure a prompt response and shall not unreasonably withhold authorisation;
- (b) provided adequate facilities and qualified personnel are available to the Buyer;
- (c) provided repairs are performed in accordance with the Seller's Technical Data or written instructions; and
- (d) only to the extent specified by the Seller, or, in the absence of such specification, to the extent reasonably necessary to correct the defect, in accordance with the standards set forth in Clause 12.1.11.

(iii) Seller's Rights

The Seller shall have the right to require the return of any Warranted Part, or any part removed therefrom, which is claimed to be defective if, in the judgment of the Seller, the nature of the claimed defect requires technical investigation. Such return shall be subject to the provisions of Clause 12.1.7(ii). Furthermore, the Seller shall have the right to have a Seller representative present during the disassembly, inspection and testing of any Warranted Part claimed to be defective, subject to such presence being practical and not unduly delaying the repair.

(iv) Inhouse Warranty Claim Substantiation

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Table of Contents

Claims for Inhouse Warranty credit shall be filed within the time period set forth in Clause 12.1.6(ii) and shall contain the same information as that required for Warranty Claims under Clause 12.1.7(v) and in addition shall include:

- (a) a report of technical findings with respect to the defect;
 - (b) for parts required to remedy the defect:
 - part numbers,
 - serial numbers (if applicable),
 - parts description,
 - quantity of parts,
 - unit price of parts,
 - related Seller's or third party's invoices (if applicable),
 - total price of parts,
 - (c) detailed number of labor hours;
 - (d) Inhouse Warranty Labor Rate; and
 - (e) total claim value.
- (v) *****
- The Buyer's sole remedy and the Seller's sole obligation and liability with respect to Inhouse Warranty Claims shall be ***** determined as set forth below:
- (a) *****
 - (b) ***** The Inhouse Warranty Labor Rate shall be *****. For the purposes of this Clause 12.1.8(v) only, *****, defined in the Airframe Price Revision Formula.
 - (c) Direct material costs are determined by the prices at which the Buyer acquired such material, excluding any parts and materials used for overhaul and as may be furnished by the Seller *****.
- (vi) Limitation
- The Buyer shall in no event be credited for repair costs (including labor and material) for any Warranted Part in excess of ***** of the Seller's current catalogue price for a replacement of such defective Warranted Part.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(vii) Scrapped Material

The Buyer shall retain any defective Warranted Part beyond economic repair and any defective part removed from a Warranted Part during repair for a period of either ***** after the date of completion of the repair or ***** after submission of a claim for Inhouse Warranty credit relating thereto, whichever is longer. Such parts shall be returned to the Seller within ***** of receipt of the Seller's request to that effect. Notwithstanding the foregoing, the Buyer may scrap any such defective parts, which are beyond economic repair and not required for technical evaluation locally, with the agreement of the Seller representative(s). Scrapped Warranted Parts shall be evidenced by a record of scrapped material certified by an authorized representative of the Buyer and shall be kept in the Buyer's file for at least the duration of the applicable Warranty Period.

12.1.9 Standard Warranty in case of Pooling or Leasing Arrangements

Without prejudice to Clause 17.1, the warranties provided for in this Clause 12.1 for any Warranted Part shall accrue to the benefit of any airline in revenue service, other than the Buyer, if the Warranted Part enters into the possession of any such airline as a result of a pooling or leasing agreement between such airline and the Buyer, in accordance with the terms and subject to the limitations and exclusions of the foregoing warranties and to the extent permitted by any applicable law or regulations.

12.1.10 Warranty for Corrected, Replaced or Repaired Warranted Parts

Whenever any Warranted Part, which contains a defect for which the Seller is liable under Clause 12.1, has been corrected, replaced or repaired pursuant to the terms of this Clause 12.1, the period of the Seller's warranty with respect to such corrected, repaired or replacement Warranted Part, whichever the case may be, *****. If a defect is attributable to a defective repair or replacement by the Buyer, a Warranty Claim with respect to such defect shall be rejected, notwithstanding any subsequent correction or repair, and shall immediately terminate the remaining warranties under this Clause 12.1 in respect of the affected Warranted Part.

12.1.11 Accepted Industry Standard Practices Normal Wear and Tear

The Buyer's rights under this Clause 12.1 are subject to the Aircraft and each component, equipment, accessory and part thereof being maintained, overhauled, repaired and operated in accordance with accepted industry standard practices, all Technical Data and any other instructions issued by the Seller, the Suppliers and

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Table of Contents

the Propulsion Systems Manufacturer and all applicable rules, regulations and directives of the relevant Aviation Authorities. The Seller's liability under this Clause 12.1 shall not extend to normal wear and tear nor to:

- (i) any Aircraft or component, equipment, accessory or part thereof, which has been repaired, altered or modified after Delivery, except by the Seller or in a manner approved by the Seller;
- (ii) any Aircraft or component, equipment, accessory or part thereof, which has been operated in a damaged state; and
- (iii) any component, equipment, accessory and part from which the trademark, name, part or serial number or other identification marks have been removed.

12.1.12 Limitation of liability

THE SELLER SHALL NOT BE LIABLE FOR, AND THE BUYER SHALL INDEMNIFY THE SELLER AGAINST, ANY CLAIMS FROM ANY THIRD PARTIES FOR LOSSES DUE TO ANY DEFECT OR NON-CONFORMITY OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH ANY REPAIR OF ANY WARRANTED PART UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12.1 OR ANY OTHER ACTIONS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12, WHETHER SUCH CLAIM IS ASSERTED IN CONTRACT OR IN TORT, OR IS PREMISED ON ALLEGED, ACTUAL, IMPUTED, ORDINARY OR INTENTIONAL ACTS OR OMISSIONS OF THE BUYER.

12.2 Seller Service Life Policy

12.2.1 In addition to the warranties set forth in Clause 12.1, the Seller further agrees that should a Failure occur in any Item (as these terms are defined herebelow) that has not suffered from an extrinsic force, then, subject to the general conditions and limitations set forth In Clause 12.2.4, the provisions of this Clause 12.2 shall apply. For the purposes of this Clause 12.2:

- (i) “**Item**” means any item listed in the Seller's then current standard service life policy; and
- (ii) “**Failure**” means a breakage or defect that can reasonably be expected to occur on a fleetwide basis and which materially impairs the utility of the Item.

12.2.2 Periods and Seller's Undertakings

The Seller agrees that if a Failure occurs in an Item ***** after the Delivery of said Aircraft, whichever shall first occur, the Seller shall, at its discretion and as promptly as practicable and with the Seller's financial participation as hereinafter provided, either:

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Table of Contents

- (i) design and furnish to the Buyer a correction for such Item with a Failure and provide any parts required for such correction (including Seller designed standard parts but excluding industry standard parts), or
- (ii) replace such Item.

12.2.3 Seller's Participation in the Costs

Subject to the general conditions and limitations set forth in Clause 12.2.4, any part or Item that the Seller is required to furnish to the Buyer under this Service Life Policy in connection with the correction or replacement of an Item shall be furnished to the Buyer ***** therefore, ***** determined in accordance with the following formula:

12.2.4 General Conditions and Limitations

- (i) The undertakings set forth in this Clause 12.2 shall be valid after the period of the Seller's warranty applicable to an Item under Clause 12.1.
- (ii) The Buyer's remedies and the Seller's obligations and liabilities under this Service Life Policy are subject to the prior compliance by the Buyer with the following conditions:
 - (a) the Buyer shall maintain log books and other historical records with respect to each Item, adequate to enable the Seller to determine whether the alleged Failure is covered by this Service Life Policy and, if so, to define the portion of the costs to be borne by the Seller in accordance with Clause 12.2.3;
 - (b) the Buyer shall keep the Seller informed of any significant incidents relating to an Aircraft, howsoever occurring or recorded;
 - (c) the Buyer shall comply with the conditions of Clause 12.1.11;
 - (d) the Buyer shall implement specific structural inspection programs for monitoring purposes as may be established from time to time by the Seller. Such programs shall be as compatible as possible with the Buyer's operational requirements and shall be carried out at the Buyer's expense. Reports relating thereto shall be regularly furnished to the Seller; and
 - (e) the Buyer shall report any breakage or defect in a Item in writing to the Seller within ***** after such breakage or defect becomes apparent, whether or not said breakage or defect can reasonably be expected to

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occur in any other aircraft, and the Buyer shall have provided to the Seller sufficient detail on the breakage or defect to enable the Seller to determine whether said breakage or defect is subject to this Service Life Policy.

- (iii) Except as otherwise provided for in this Clause 12.2, any claim under this Service Life Policy shall be administered as provided for in, and shall be subject to the terms and conditions of, Clause 12.1.7.
- (iv) In the event of the Seller having issued a modification applicable to an Aircraft, the purpose of which is to avoid a Failure, the Seller may elect to supply the necessary modification kit *****. If such a kit is so offered to the Buyer, then, to the extent of such Failure and any Failures that could ensue therefrom, the validity of the Seller's commitment under this Clause 12.2 shall be subject to the Buyer incorporating such modification in the relevant Aircraft, as promulgated by the Seller and in accordance with the Seller's instructions, within a reasonable time.
- (v) This Service Life Policy is neither a warranty, performance guarantee, nor an agreement to modify any Aircraft or Airframe components to conform to new developments occurring in the state of airframe design and manufacturing art. The Seller's obligation hereunder is to furnish only those corrections to the Items or provide replacements therefor as provided for in this Clause 12.2. The Buyer's sole remedy and relief for the non-performance of any obligation or liability of the Seller arising under or by virtue of this Service Life Policy shall be *****; limited to the amount the Buyer reasonably expends in procuring a correction or replacement for any Item that is the subject of a Failure covered by this Service Life Policy and to which such nonperformance is related. The Buyer hereby waives, releases and renounces all claims to any further damages, direct, incidental or consequential, including loss of profits and all other rights, claims and remedies, arising under or by virtue of this Service Life Policy.

12.3 Supplier Warranties and Service Life Policies

Prior to/at Delivery of the first Aircraft, the Seller shall provide the Buyer with the warranties and, where applicable, service life policies that the Seller has obtained for Supplier Parts pursuant to the supplier product support agreements to be entered into between the Buyer and the Seller prior to Delivery.

12.3.1 Definitions

“**Supplier**” means any supplier of Supplier Parts.

“**Supplier Part**” means any component, equipment, accessory or part installed in an Aircraft at the time of Delivery thereof and for which there exists a Supplier Product Support Agreement. For the sake of clarity, Propulsion Systems and Buyer Furnished Equipment and other equipment selected by the Buyer to be supplied by suppliers with whom the Seller has no existing enforceable warranty agreements are not Supplier Parts.

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Table of Contents

“**Supplier Product Support Agreements**” means agreements between the Seller and Suppliers to be negotiated in good faith between the Buyer and the Seller containing enforceable and transferable warranties and, in the case of landing gear suppliers, service life policies for selected structural landing gear elements.

12.3.2 Supplier’s Default

- (i) *****
- (ii) *****
- (iii) *****

12.4 Interface Commitment

12.4.1 Interface Problem

If the Buyer experiences any technical problem in the operation of an Aircraft or its systems due to a malfunction, the cause of which, after due and reasonable investigation, is not readily identifiable by the Buyer but which the Buyer reasonably believes to be attributable to the design characteristics of one or more components of the Aircraft (the “**Interface Problem**”), the Seller shall, if so requested by the Buyer, and without additional charge to the Buyer except for transportation of the Seller’s personnel to the Buyer’s facilities, promptly conduct or have conducted an investigation and analysis of such problem to determine, if possible, the cause or causes of the problem and to recommend such corrective action as may be feasible. The Buyer shall furnish to the Seller all data and information in the Buyer’s possession relevant to the Interface Problem and shall cooperate with the Seller in the conduct of the Seller’s investigations and such tests as may be required. At the conclusion of such investigation, the Seller shall promptly advise the Buyer in writing of the Seller’s opinion as to the cause or causes of the Interface Problem and the Seller’s recommendations as to corrective action.

12.4.2 Seller’s Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of a Warranted Part, the Seller shall, if so requested by the Buyer and pursuant to the terms and conditions of Clause 12.1, correct the design of such Warranted Part to the extent of the Seller’s obligation as defined in Clause 12.1.

12.4.3 Supplier’s Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of any Supplier Part, the Seller shall, if so requested by the Buyer, reasonably assist the Buyer in processing any warranty claim the Buyer may have against the Supplier.

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Table of Contents

12.4.4 Joint Responsibility

If the Seller determines that the Interface Problem is attributable partially to the design of a Warranted Part and partially to the design of any Supplier Part, the Seller shall, if so requested by the Buyer, seek a solution to the Interface Problem through cooperative efforts of the Seller and any Supplier involved. The Seller shall promptly advise the Buyer of such corrective action as may be proposed by the Seller and any such Supplier. Such proposal shall be consistent with any then existing obligations of the Seller hereunder and of any such Supplier towards the Buyer. Such corrective action, when accepted by the Buyer, shall constitute full satisfaction of any claim the Buyer may have against either the Seller or any such Supplier with respect to such Interface Problem.

12.4.5 General

- (i) All requests under this Clause 12.4 shall be directed to both the Seller and the Supplier.
- (ii) Except as specifically set forth in this Clause 12.4, this Clause shall not be deemed to Impose on the Seller any obligations not expressly set forth elsewhere in this Clause 12.
- (iii) All reports, recommendations, data and other documents furnished by the Seller to the Buyer pursuant to this Clause 12.4 shall be deemed to be delivered under this Agreement and shall be subject to the terms, covenants and conditions set forth in this Clause 12.

12.5 *****

- A. *****
- B. *****
- C. *****
- D. *****
- E. *****

12.6 Duplicate Remedies

The Seller shall not be obliged to provide any remedy that duplicates any other remedy available to the Buyer in respect of the same defect under Clauses 12.1 and 12.2 as such Clauses may be amended, complemented or supplemented by other contractual agreements or by other Clauses of this Agreement.

12.7 Negotiated Agreement

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[Table of Contents](#)

The Buyer specifically recognizes that:

- 12.7.1 the Specification has been agreed upon after careful consideration by the Buyer using its judgment as a professional operator of aircraft used in public transportation and as such is a professional within the same industry as the Seller;
- 12.7.2 this Agreement, and in particular this Clause 12, has been the subject of discussion and negotiation and is fully understood by the Buyer; and
- 12.7.3 the price of the Aircraft and the other mutual agreements of the Buyer set forth in this Agreement were arrived at in consideration of, inter alia, the provisions of this Clause 12, specifically including the waiver, release and renunciation by the Buyer set forth in Clause 12.5.

12.8 Disclosure to Third Party Entity

In the event of the Buyer intending to designate a third party entity (a “**Third Party Entity**”) to administrate this Clause 12, the Buyer shall notify the Seller of such intention prior to any disclosure of this Clause to the selected Third Party Entity and shall cause such Third Party Entity to enter into a confidentiality agreement and or any other relevant documentation with the Seller solely for the purpose of administrating this Clause 12.

12.9 Transferability

Without prejudice to Clause 17.1, the Buyer’s rights under this Clause 12 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller’s prior written consent, which shall not be unreasonably withheld. Any transfer in violation of this Clause 12.9 shall, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 12 and any and all other warranties that might arise under or be implied in law.

13 PATENT AND COPYRIGHT INDEMNITY

13.1 Indemnity

13.1.1*****

(i) *****

(ii) *****

(a) *****

(b) *****

(iii) *****

13.1.2*****

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Table of Contents

(i) *****

(ii) *****

(iii) *****

13.1.3*****

(i) *****

(ii) *****

13.2 Administration of Patent and Copyright Indemnity Claims

13.2.1 If the Buyer receives a written claim or a suit is threatened or commenced against the Buyer for infringement of a patent or copyright referred to in Clause 13.1, the Buyer shall:

(i) forthwith notify the Seller giving particulars thereof;

(ii) furnish to the Seller all data, papers and records within the Buyer's control or possession relating to such patent or claim;

(iii) refrain from admitting any liability or making any payment or assuming any expenses, damages, costs or royalties or otherwise acting in a manner prejudicial to the defense or denial of such suit or claim provided always that nothing in this sub-clause (iii) shall prevent the Buyer from paying such sums as may be required in order to obtain the release of the Aircraft, provided such payment is accompanied by a denial of liability and is made without prejudice;

(iv) fully co-operate with, and render all such assistance to, the Seller as may be pertinent to the defense or denial of the suit or claim; and

(v) act in such a way as to mitigate damages and / or to reduce the amount of royalties which may be payable as well as to minimise costs and expenses.

13.2.2 The Seller shall be entitled either in its own name or on behalf of the Buyer to conduct negotiations with the party or parties alleging infringement and may assume and conduct the defense or settlement of any suit or claim in the manner which, in the Seller's opinion, it deems proper.

13.2.3 The Seller's liability hereunder shall be conditional upon the strict and timely compliance by the Buyer with the terms of this Clause and is in lieu of any other liability to the Buyer express or implied which the Seller might incur at law as a result of any infringement or claim of infringement of any patent or copyright.

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[Table of Contents](#)

14 **BUYER FURNISHED EQUIPMENT**

14.1 **Administration**

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Table of Contents

- 14.1.1 Without additional charge, the Seller shall provide for the installation of those items of equipment which are identified in the Specification as being furnished by the Buyer (“**Buyer Furnished Equipment**” or “**BFE**”), provided that they are referred to in the Airbus BFE Product Catalogue valid at the time the BFE is selected.
- 14.1.2 The Seller shall advise the Buyer of the dates by which, in the planned release of engineering for the Aircraft, the Seller requires a written detailed engineering definition (the “**BFE Engineering Definition**”) including the description of the dimensions and weight of BFE, the information related to its certification and information necessary for the installation and operation thereof. The Buyer shall furnish such detailed description and information by the dates so specified. Such information, dimensions and weights shall not thereafter be revised unless authorised by a Specification Change Notice.
- 14.1.3 The Seller shall also furnish in due time to the Buyer a schedule of dates and indication of shipping addresses for delivery of BFE and, where requested by the Seller, additional spare BFE to permit installation in the Aircraft and delivery of the Aircraft in accordance with the delivery schedule. The Buyer shall provide or cause to be provided such equipment by such dates in a serviceable condition, in order to allow performance of any assembly, test, or acceptance process in accordance with the industrial schedule.
- 14.1.4 The Buyer shall also provide, when requested by the Seller, at AIRBUS OPERATIONS S.A.S. works in TOULOUSE (FRANCE) and/or at AIRBUS OPERATIONS GMBH, Division Hamburger Flugzeugbau, works in HAMBURG (FEDERAL REPUBLIC OF GERMANY) adequate field service including support from BFE suppliers to act in a technical advisory capacity to the Seller in the installation, calibration and possible repair of any BFE.
- 14.1.5 The Seller shall be entitled to refuse any item of BFE which it considers incompatible with the Specification, the above mentioned engineering definition or the certification requirements.
- 14.1.6 The BFE shall be imported into FRANCE or into the FEDERAL REPUBLIC OF GERMANY by the Buyer under a suspensive customs system (“*Régime de l’entrepôt industriel pour fabrication coordonnée*” or “*Zollverschluss*”) without application of any French or German tax or customs duty, and shall be Delivered Duty Unpaid (DDU) according to the Incoterms definition.

Shipping Addresses:

AIRBUS OPERATIONS S.A.S.
Route de Bayonne
31300 TOULOUSE
FRANCE

or

AIRBUS OPERATIONS GMBH
Division Hamburger Flugzeugbau
Kreetslag 10
21129 HAMBURG
FEDERAL REPUBLIC OF GERMANY

as specified by the Seller.

14.2 **Aviation Authorities' Requirements**

The Buyer is responsible for, at its expense, and warrants that BFE shall: (i) be manufactured by a qualified supplier; (ii) meet the requirements of the Specification; (iii) comply with the BFE Engineering Definition; (iv) comply with applicable requirements incorporated by reference to the Type Certificate and listed in the Type Certificate Data Sheet; (v) be approved by the Aviation Authorities delivering the Export Certificate of Airworthiness and by the Buyer's Aviation Authority for installation and use on the Aircraft at the time of Delivery of such Aircraft; and (vi) not be subject to any legal obligation or other encumbrance that may prevent, hinder or delay the installation of the BFE in the Aircraft and/or Delivery of the Aircraft.

14.3 **Buyer's Obligation and Seller's Remedies**

14.3.1 Any delay or failure in complying with the foregoing warranty or in providing the descriptive information or service representatives mentioned in Clause 14.1 or in furnishing the BFE in serviceable condition at the requested delivery date or in obtaining any required approval for such equipment under the above mentioned Aviation Authorities regulations may delay the performance of any act to be performed by the Seller, and cause the Final Price of the Aircraft to be adjusted in accordance with the updated delivery schedule and to include in particular the amount of the Seller's additional costs, attributable to such delay or failure such as storage, taxes, insurance and costs of out-of sequence installation.

14.3.2 Further, in any such event, the Seller may:

- (i) select, purchase and install an equipment similar to the involved one, in which event the Final Price of the affected Aircraft shall also be increased by the purchase price of such equipment plus reasonable costs and expenses incurred by the Seller for handling charges, transportation, insurance, packaging and if so required and not already provided for in the price of the Aircraft for adjustment and calibration; or
- (ii) if the BFE shall be so delayed by more than *****, or unapproved within ***** of the dates specified in Clause 14.1.2, deliver the Aircraft without the installation of such BFE, notwithstanding the applicable terms of Clause 7 insofar as it may otherwise have applied, and the Seller shall thereupon be relieved of all obligations to install such equipment. The Buyer may also elect to have the Aircraft so delivered.

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Table of Contents

14.4 Title and Risk of Loss

Title to and risk of loss of any BFE shall at all times remain with the Buyer except that risk of loss (limited to cost of replacement of said BFE and excluding in particular loss of use) shall be with the Seller for as long as such BFE shall be under the care, custody and control of the Seller.

14.5 Disposition of BFE Following Termination

14.5.1 *****

14.5.2 The Buyer shall cooperate with the Seller in facilitating the sale of BFE pursuant to Clause 14.5.1 and shall be responsible for all costs incurred by the Seller in removing and facilitating the sale of such BFE. *****.

14.5.3 The Seller shall notify the Buyer as to those items of BFE not sold by the Seller pursuant to paragraph 14.5.1 above and, at the Seller's request, the Buyer shall undertake to remove such items from the Seller's facility within ***** of the date of such notice. The Buyer shall have no claim against the Seller for damage, loss or destruction of any item of BFE removed from the Aircraft and not removed from Seller's facility within such period.

14.5.4 The Buyer shall have no claim against the Seller for damage to or destruction of any item of BFE damaged or destroyed in the process of being removed from the Aircraft, provided that the Seller shall use reasonable care in such removal.

14.5.5 The Buyer shall grant title (or, as the case may be, procure that title is granted to) the Seller to any BFE items that cannot be removed from the Aircraft without causing damage to the Aircraft or rendering any system in the Aircraft unusable.

15 INDEMNIFICATION

15.1 The Seller shall, except in case of gross negligence or wilful misconduct of the Buyer, its directors, officers, agents or employees, be solely liable for and shall indemnify and hold harmless the Buyer, its Affiliates and each of their respective directors, officers, agents, employees and insurers from and against all liabilities, claims, damages, costs and expenses (including legal expenses and attorney fees) in respect of:

15.1.1 loss of, or damage to, the Seller's property;

15.1.2 injury to, or death of, the directors, officers, agents or employees of the Seller;

15.1.3 any damage caused by the Seller to third parties arising out of, or in any way connected with, any ground check, check or controls connected with the Technical Acceptance Process; and

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Table of Contents

15.1.4 any damage caused by the Buyer and/or the Seller to third parties arising out of, or in any way connected with, technical acceptance flights under Clause 8 of this Agreement.

15.2 The Buyer shall, except in case of gross negligence or wilful misconduct of the Seller, its directors, officers, agents or employees, be solely liable for and shall indemnify and hold harmless the Seller, its Affiliates and each of their respective directors, officers, agents, employees, sub-contractors and insurers from and against all liabilities, claims, damages, costs and expenses (including legal expenses and attorney fees) in respect of:

15.2.1 loss of, or damage to, the Buyer's property;

15.2.2 injury to, or death of, the directors, officers, agents or employees of the Buyer; and

15.2.3 any damage caused by the Buyer to third parties arising out of, or in any way connected with the Technical Acceptance Process.

16 REMEDIES

16.1 Insolvency

In the event that either the Seller or the Buyer:

16.1.1 makes a general assignment for the benefit of creditors or becomes insolvent;

16.1.2 files a voluntary petition in bankruptcy;

16.1.3 petitions for or acquiesces in the appointment of any receiver, trustee or similar officer to liquidate or conserve its business or any substantial part of its assets;

16.1.4 commences under the laws of any competent jurisdiction any proceeding involving its insolvency, bankruptcy, readjustment of debt, liquidation or any other similar proceeding for the relief of financially distressed debtors;

16.1.5 becomes the object of any proceeding or action of the type described in (c) or (d) above and such proceeding or action remains undismissed or unstayed for a period of at least *****; or

16.1.6 is divested of a substantial part of its assets for a period of at least *****,

then the other party may, to the full extent permitted by law, by written notice, terminate all or part of its obligations under this Agreement.

16.2 *****

If for any Aircraft the Buyer fails to *****.

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Table of Contents

- 16.3 *****
If the Buyer fails to *****.
- 16.4 **Default under Other Agreements**
If the Buyer *****.
- 16.5 **Change of Control**
If after the date of this Agreement the ultimate beneficial ownership of a majority of the shares in the Buyer or in the ultimate control of the Buyer occurs without the prior approval of the Seller, the Seller may, by written notice, terminate all or part of its obligations under this Agreement with respect to undelivered Aircraft.
- 16.6 **General**
- 16.6.1 To the fullest extent permitted by law, ***** upon receipt by the relevant party of the notice sent by the other party without it being necessary for either party to take any further action or to seek any consent from the other party or any court having jurisdiction.
- 16.6.2 The right for either party ***** shall be without prejudice to any other rights and remedies available to such party to enforce its rights under this Agreement before any court having jurisdiction pursuant to any failure by the other party to perform its obligations under this Agreement.
- 16.6.3 If the party taking the initiative of ***** , the notice sent to the other party shall *****.
- 16.6.4 In the event of ***** , without prejudice to any other rights and remedies available under this Agreement or by law, *****.
- 17 **ASSIGNMENTS AND TRANSFERS**
- 17.1 **Assignments by Buyer**
Except as hereinafter provided, the Buyer may not sell, assign, novate or transfer its rights and obligations under this Agreement to any person without the prior written consent of the Seller.
- 17.1.1 Assignments for Delivery Financing
The Buyer shall be entitled to assign its rights under this Agreement at any time in connection with the financing of its obligation to pay the Final Price subject to such assignment being in form and substance acceptable to the Seller.
- 17.2 **Assignments by Seller**

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Table of Contents

The Seller may at any time sell, assign, novate or transfer its rights and obligations under this Agreement to any person, provided such sale, assignment or transfer be notified to Buyer and shall not have a material adverse effect on any of Buyer's rights and obligations under this Agreement.

17.3 **Transfer of Rights and Obligations upon Restructuring**

In the event that the Seller is subject to a corporate restructuring having as its object the transfer of, or succession by operation of law in, all or a substantial part of its assets and liabilities, rights and obligations, including those existing under this Agreement, to a person (the "**Successor**") under the control of the ultimate controlling shareholders of the Seller at the time of that restructuring, for the purpose of the Successor carrying on the business carried on by the Seller at the time of the restructuring, such restructuring shall be completed without consent of the Buyer following notification by the Seller to the Buyer in writing. The Buyer recognises that succession of the Successor to the Agreement by operation of law, which is valid under the law pursuant to which that succession occurs, shall be binding upon the Buyer.

18 **MISCELLANEOUS PROVISIONS**

18.1 **Data Retrieval**

On the Seller's reasonable request, the Buyer shall provide the Seller with all the necessary data, as customarily compiled by the Buyer and pertaining to the operation of the Aircraft, to assist the Seller in making an efficient and coordinated survey of all reliability, maintenance, operational and cost data with a view to monitoring the efficient and cost effective operations of the Airbus fleet worldwide.

18.2 **Notices**

All notices and requests required or authorized hereunder shall be given in writing either by personal delivery to an authorized representative of the party to whom the same is given or by registered mail (return receipt requested), express mail (tracking receipt requested) or by facsimile, to be confirmed by subsequent registered mail, and the date upon which any such notice or request is so personally delivered or if such notice or request is given by registered mail, the date upon which it is received by the addressee or, if given by facsimile, the date upon which it is sent with a correct confirmation printout, provided that if such date of receipt is not a Business Day notice shall be deemed to have been received on the first following Business Day, shall be deemed to be the effective date of such notice or request.

Seller's address for notices is:

AIRBUS S.A.S.
Attn. To V.P. Contracts
1, rond-point Maurice Bellonte
31707 BLAGNACCEDEX
FRANCE

Table of Contents

Buyer's address for notices is:

Vertical Horizons, Ltd.
c/o Intertrust SPV (Cayman) Limited
190 Elgin Avenue
George Town
Grand Cayman, KY1 9005
Cayman Islands

Attention: Directors
Fax: +1 345 945 4757

or such other address or such other person as the party receiving the notice or request may reasonably designate from time to time.

18.3 **Waiver**

The failure of either party to enforce at any time any of the provisions of this Agreement, or to exercise any right herein provided, or to require at any time performance by the other party of any of the provisions hereof, shall in no way be construed to be a present or future waiver of such provisions nor in any way to affect the validity of this Agreement or any part thereof or the right of the other party thereafter to enforce each and every such provision. The express waiver (whether made one (1) or several times) by either party of any provision, condition or requirement of this Agreement shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

18.4 **Law and Jurisdiction**

18.4.1 This Agreement shall be governed by and construed in accordance with the laws of England.

18.4.2 Any dispute arising out of or in connection with this Agreement shall be within the exclusive jurisdiction of the Courts of England.

18.4.3 The parties do not intend that any term of this Agreement shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement.

18.5 **International Supply Contract**

The Buyer and the Seller recognise that this Agreement is *an* international supply contract which has been the subject of discussion and negotiation, that all its terms and conditions are fully understood by the parties, and that the Specification and price of the Aircraft and the other mutual agreements of the parties set forth herein were arrived at in consideration of, inter alia, all the provisions hereof specifically including all waivers, releases and renunciations by the Buyer set out herein. The Buyer and the Seller hereby also agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this transaction.

Table of Contents

18.6 **Severability**

In the event that any provision of this Agreement should for any reason be held ineffective, the remainder of this Agreement shall remain in full force and effect. To the extent permitted by applicable law, each party hereto hereby waives any provision of law, which renders any provision of this Agreement prohibited or unenforceable in any respect.

18.7 **Alterations to Contract**

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any previous understandings, commitments or representations whatsoever oral or written in respect thereto. This Agreement shall not be varied except by an instrument in writing of date even herewith or subsequent hereto executed by both parties or by their duly authorised representatives.

18.8 **Language**

All correspondence, documents and any other written matters in connection with this Agreement shall be in English.

18.9 **Counterparts**

This Agreement has been executed in two (2) original copies. Notwithstanding the above, this Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same Agreement.

18.10 **Inconsistencies**

In the event of any inconsistency between the terms of this Agreement and the terms contained in either (i) the Specification, or (ii) any other Exhibit, in each such case the terms of this Agreement shall prevail over the terms of the Specification or any other Exhibit. For the purpose of this Clause 18.10, the term Agreement shall not include the Specification or any other Exhibit hereto.

18.11 **Confidentiality**

This Agreement including any Exhibits, other documents or data exchanged between the Buyer and the Seller for the fulfilment of their respective obligations under the Agreement shall be treated by both parties as confidential and shall not be released in whole or in part to any third party except:

- (a) as may be required by law;
- (b) to its professional advisors for the purpose of implementation of this Agreement and the transactions contemplated herein.

Table of Contents

Both the Buyer and the Seller agree:

- (i) not to make any press release concerning the whole or any part of the contents and/or subject matter hereof or of any future addendum hereto without the prior written consent of the other party hereto;
- (ii) that any and all terms and conditions of the transaction contemplated in this Agreement are strictly personal and exclusive to the Buyer, including in particular, but not limited to, the Aircraft pricing (the “**Personal Information**”). The Buyer therefore agrees to enter into consultations with the Seller reasonably in advance of any required disclosure of Personal Information to financial institutions, including operating lessors, investment banks and their agents or other relevant institutions for aircraft sale and leaseback or any other Aircraft or Predelivery Payment financing purposes (the “**Receiving Party**”).

Without prejudice to the foregoing, any disclosure of Personal Information to a Receiving Party shall be subject to written agreement between the Buyer and the Seller, including in particular, but not limited to:

- (a) the contact details of the Receiving Party;
- (b) the extent of the Personal Information subject to disclosure; and
- (c) the Aircraft pricing to be provided to the Receiving Party.

Furthermore, the Buyer shall use its best efforts to limit the disclosure of the contents of this Agreement to the extent legally permissible in any filing required to be made by the Buyer with any governmental or regulatory agency. The Buyer agrees that prior to any such disclosure or filing, the Seller and the Buyer shall jointly review and agree on the terms and conditions of the document to be filed or disclosed. The provisions of this Clause 18.11 shall survive any termination of this Agreement for a period of *****.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

IN WITNESS WHEREOF this Agreement was entered into the day and year first above written.

For and on behalf of
Vertical Horizons, Ltd.

For and on behalf of
AIRBUS S.A.S.

Name:

Title:

Name:

Title:

EXHIBIT A

Part 1

AIRFRAME PRICE REVISION FORMULA

1. BASE PRICE

The Airframe Base Price quoted in Clause 3.1 of the Agreement is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics, and in accordance with the provisions hereof.

2. BASE PERIOD

The Airframe Base Price has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in ***** as defined by “ECIb” and “ICb” index values indicated hereafter.

3. INDEXES

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS”, and found in Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group”, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100).

The quarterly value released for a certain month (March, June, September and December) shall be the one deemed to apply for the two preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU20232110000001.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI Detailed Report” (found in Table 6. “Producer price indexes and percent changes for commodity and service groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

4. REVISION FORMULA

5. GENERAL PROVISIONS

5.1 Roundings

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Table of Contents

The Labor Index average and the Material Index average shall be computed to the first decimal. If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

Each quotient ([*****]) and (*****) shall be rounded to the nearest ten-thousandth (4 decimals). If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

The final factor shall be rounded to the nearest ten-thousandth (4 decimals).

The final price shall be rounded to the nearest whole number (0.5 or more rounded to 1).

5.2 **Substitution of Indexes for Airframe Price Revision Formula**

If:

- (a) the United States Department of Labor substantially revises the methodology of calculation of the Labor Index or the Material Index as used in the Airframe Price Revision Formula, or
- (b) the United States Department of Labor discontinues, either temporarily or permanently, such Labor Index or such Material Index, or
- (c) the data samples used to calculate such Labor Index or such Material Index are substantially changed;

the Seller shall select a substitute index for inclusion in the Airframe Price Revision Formula (the "Substitute Index").

The Substitute Index shall reflect as closely as possible the actual variance of the Labor Costs or of the material costs used in the calculation of the original Labor Index or Material Index as the case may be.

As a result of the selection of the Substitute Index, the Seller shall make an appropriate adjustment to the Airframe Price Revision Formula to combine the successive utilization of the original Labor Index or Material Index (as the case may be) and of the Substitute Index.

5.3 **Final Index Values**

The Index values as defined in Clause 4 above shall be considered final and no further adjustment to the base prices as revised at Delivery of the Aircraft shall be made after Aircraft Delivery for any subsequent changes in the published Index values.

5.4 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT A

Part 2

**PROPULSION SYSTEMS PRICE REVISION FORMULA
CFM INTERNATIONAL**

1 REFERENCE PRICE OF THE PROPULSION SYSTEM

The “**Propulsion Systems Reference Price**” (as such term is used in this Exhibit A Part 2) of a set of two (2) CFM International CFM56-5B3/3 Engines is *****

The Propulsion Systems Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics and in accordance with the provisions of this Exhibit C Part 2.

REFERENCE PERIOD

The Propulsion Systems Reference Price has been established in accordance with the economic conditions prevailing for a ***** as defined by CFM international by the Reference Composite Price Index (CPI) 148.84.

INDEXES

Labor Index: “Employment Cost Index for Workers in Aerospace manufacturing” hereinafter referred to as “ECI336411W”, quarterly published by the US Department of Labor, Bureau of Labor Statistics, in “NEWS”, and found in: Table 9, “WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group”, or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100, *****).

The quarterly value released for a certain month (March, June, September and December) will be the one deemed to apply for the two (2) preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU20232110000001.

Material Index: “Industrial Commodities” (hereinafter referred to as “IC”) as published in “PPI detailed report” (found in Table 6. “Producer price indexes and percent changes for commodity groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

4. REVISION FORMULA

5. GENERAL PROVISIONS

5.1 Roundings

- (i) The Material Index average (*****) will be rounded to the nearest second decimal place and the Labor Index average (*****) will be rounded to the nearest first decimal place.
- (ii) ***** will be rounded to the nearest second decimal place.
- (iii) The final factor (*****) will be rounded to the nearest fourth decimal place.

If the next succeeding place is five (5) or more, the preceding decimal place will be raised to the next higher figure. After final computation, ***** will be rounded to the nearest whole number (0.5 rounds to 1).

5.2 Final Index Values

The revised Propulsion Systems Reference Price at the date of Aircraft delivery will not be subject to any further adjustment in the indexes.

5.3 Interruption of Index Publication

If the US Department of Labor substantially revises the methodology of calculation or discontinues any of the indexes referred to hereabove, the Seller will reflect the substitute for the revised or discontinued index selected by CFM International, such substitute index to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original index as it may have fluctuated had it not been revised or discontinued.

Appropriate revision of the formula will be made to accomplish this result.

5.4 Annulment of the Formula

Should the above ***** provisions become null and void by action of the US Government, the Propulsion Systems Reference Price will be adjusted due to increases in the costs of labor and material which have occurred from the period represented by the applicable Reference Composite Price Index to the ***** prior to the scheduled month of Aircraft delivery.

5.5 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT B

CERTIFICATE OF ACCEPTANCE

In accordance with the terms of [clause []] of the purchase agreement dated [day] [month] [year] and made between **Vertical Horizons, Ltd.** (the “**Customer**”) and Airbus S.A.S. as amended and supplemented from time to time (the “**Purchase Agreement**”), the technical acceptance tests relating to one Airbus A321 aircraft, bearing manufacturer’s serial number [], and registration mark [] (the “**Aircraft**”) have taken place in *****.

In view of said tests having been carried out with satisfactory results, the Customer, [as agent of [insert the name of the lessor/SPC] (the “**Owner**”) pursuant to the [purchase agreement assignment] dated [day] [month] [year], between the Customer and the Owner] hereby approves the Aircraft as being in conformity with the provisions of the Purchase Agreement and accepts the Aircraft for delivery in accordance with the provisions of the Purchase Agreement.

Such acceptance shall not impair the rights that may be derived from the warranties relating to the Aircraft set forth in the Purchase Agreement.

Any right at law or otherwise to revoke this acceptance of the Aircraft is hereby irrevocably waived.

IN WITNESS WHEREOF, the Customer, [as agent of the Owner] has caused this instrument to be executed by its duly authorised representative this _____ day of [month], [year] in *****.

CUSTOMER [as agent of **OWNER**]

Name:

Title:

Signature:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT C

BILL OF SALE

Know all men by these presents that Airbus S.A.S., a *Société par Actions Simplifiée* existing under French law and having its principal office at 1 rond-point Maurice Bellonte, 31707 Blagnac Cedex, FRANCE (the “**Seller**”), was this [day] [month] [year] the owner of the title to the following airframe (the “**Airframe**”), the propulsion systems as specified (the “**Propulsion Systems**”) and [all appliances, components, parts, instruments, accessories, furnishings, modules and other equipment of any nature], excluding buyer furnished equipment (“**BFE**”), incorporated therein, installed thereon or attached thereto on the date hereof (the “**Parts**”):

AIRFRAME:

AIRBUS Model A321-200

MANUFACTURER’S SERIAL NUMBER: []

PROPULSION SYSTEMS:

CFM International CFM56-5B3/3

ENGINE SERIAL NUMBERS:

LH: []

RH: []

REGISTRATION MARK: []

The Airframe, Propulsion Systems and Parts are hereafter together referred to as the “**Aircraft**”.

The Seller did this _____ day of [month] [year], sell, transfer and deliver all of its above described rights, title and interest in and to the Aircraft to the following entity and to its successors and assigns forever, said Aircraft to be the property thereof:

[Insert Name/Address of Buyer]

(the “**Buyer**”)

The Seller hereby warrants to the Buyer, its successors and assigns that it had good and lawful right to sell, deliver and transfer title to the Aircraft to the Buyer and that there was conveyed to the Buyer good, legal and valid title to the Aircraft, free and clear of all liens, claims, charges, encumbrances and rights of others and that the Seller will warrant and defend such title forever against all claims and demands whatsoever.

This Bill of Sale shall be governed by and construed in accordance with the laws of England.

[Table of Contents](#)

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized representative this _____ day of [month], [year] in *****.

AIRBUS S.A.S.

Name:

Title:

Signature:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT D

PRE-DELIVERY PAYMENTS, SCHEDULED DELIVERY MONTHS

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

[Table of Contents](#)

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[Table of Contents](#)

Execution Page

Purchase Agreements — Assignment and Assumption Agreement

Airbus A320neo Aircraft / Airbus A321ceo Aircraft

Frontier / Vertical Horizons

Customer

/s/ James G. Dempsey

for and on behalf of

Frontier Airlines, Inc.

Name: James G. Dempsey

Title: Chief Financial Officer

Buyer

/s/ Otelia Scott

for and on behalf of

Vertical Horizons, Ltd.

Name: Otelia Scott

Title: Director

Airbus

/s/ Christophe Mourey

for and on behalf of

Airbus S.A.S.

Name: Christophe Mourey

Title: Senior Vice President Contracts

Dated as of August 11, 2015

AMENDMENT AGREEMENT TO ASSIGNMENT AND ASSUMPTION AGREEMENT

BETWEEN

VERTICAL HORIZONS, LTD.

as Buyer

– and –

FRONTIER AIRLINES, INC.

as Customer

- and -

AIRBUS S.A.S.

as Airbus

relating to the PDP financing
of nineteen (19) A321ceo, two (2) A320ceo and fifteen (15) A320neo aircraft

THIS AMENDMENT AGREEMENT TO ASSIGNMENT AND ASSUMPTION AGREEMENT (the “**Agreement**”) is dated as of August 11, 2015

BETWEEN

- (1) **VERTICAL HORIZONS, LTD.**, a company incorporated pursuant to the laws of the Cayman Islands whose registered address and principal place of business is at the offices of Intertrust SPV (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1 9005, Cayman Islands (the “**Buyer**”);
 - (2) **FRONTIER AIRLINES, INC.**, a corporation incorporated and existing under the laws of the State of Colorado, United States of America (the “**Customer**”); and
 - (3) **AIRBUS S.A.S.**, registered in France and having its registered office at 1 rond-point Maurice Bellonte, 31707 Blagnac Cedex, France (“**Airbus**”),
- (each a “**Party**”, and together, the “**Parties**”).

RECITALS

- (A) In connection with the pre-delivery payment financing of nine (9) A321ceo and five (5) Airbus A320neo aircraft the Buyer, the Customer and Airbus entered into an assignment and assumption agreement dated December 23, 2014, as amended by a letter agreement to the step-in agreement and the assigned A321 purchase agreement dated May 11, 2015 (collectively, the “**Assignment and Assumption Agreement**”).
- (B) The Parties now wish to amend the Assignment and Assumption Agreement in accordance with the terms and conditions of this Agreement.

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

- 1.1 In this Agreement (including the recitals), unless the context otherwise requires or unless otherwise defined or provided for in this Agreement, capitalised words and expressions shall have the respective meanings ascribed to them in the Assignment and Assumption Agreement.
- 1.2 The provisions of clause 1.2 of the Assignment and Assumption Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.
- 1.3 Each Party hereby agrees that each document executed by it and any document appended to any such document is amended in accordance with this Agreement and that all of those documents shall be construed accordingly.

2. CONDITIONS PRECEDENT

It is a condition to the amendment of the Assignment and Assumption Agreement in accordance with the terms and conditions of this Agreement that Airbus shall have received from both Frontier Holdings and Frontier the duly executed Guarantors’ confirmation.

3. AMENDMENTS TO DOCUMENTS

3.1 On and from the date of the satisfaction of the conditions precedent pursuant to Clause 2 (*Conditions Precedent*) above (“**Effective Date**”), the reference to “Five (5) Airbus A320neo Aircraft and nine (9) Airbus A321ceo Aircraft” on the cover page of the Assignment and Assumption Agreement shall be deleted in its entirety and replaced with “Fifteen (15) Airbus A320neo Aircraft, two (2) Airbus A320ceo Aircraft and nineteen (19) Airbus A321ceo Aircraft”.

3.2 On and from the Effective Date, in clause 1.1 (*Definitions*) of the Assignment and Assumption Agreement, the following definitions shall be amended and restated or incorporated into the Assignment and Assumption Agreement (as the case may be) as follows:

“**Assigned A321 Purchase Agreement** means the A321 Purchase Agreement (solely to the extent relating to the A320ceo Aircraft or the A321 Aircraft), as assigned and transferred pursuant to this Agreement and as amended and restated pursuant to this Agreement in the form set out in Part B of the Schedule (*Form of Assigned Purchase Agreements*).

Pre-Delivery Payment Amount means:

- (i) in respect of each of the A320neo Aircraft:
 - (A) with CAC-IDs *****, an amount of ***** for each such A320 Aircraft;
 - (B) with CAC-IDs *****, an amount of ***** for each such A320 Aircraft;
 - (C) with CAC-IDs *****, an amount of ***** for each such A320 Aircraft;
 - (D) with CAC-IDs *****, an amount of ***** for each such A320 Aircraft;
- (ii) in respect of each of the A321 Aircraft:
 - (A) with CAC-IDs *****, an amount of ***** for each such A321 Aircraft;
 - (B) with CAC-IDs *****, an amount of ***** for each such A321 Aircraft;
 - (C) with CAC-ID *****, an amount of ***** for such A321 Aircraft;
 - (D) with CAC-ID *****, an amount of ***** for such A321 Aircraft;
 - (E) with CAC-ID *****, an amount of ***** for such A321 Aircraft;
 - (F) with CAC-ID *****, an amount of ***** for such A321 Aircraft;
 - (G) with CAC-IDs *****, an amount of ***** for each such A321 Aircraft;
 - (H) with CAC-ID *****, an amount of ***** for each such A321 Aircraft;
- (iii) in respect of each of the A320ceo Aircraft:
 - (i) with CAC-IDs *****, an amount of ***** for each such A320ceo Aircraft.

3.3 On and from the Effective Date, clause 4.1(b) of the Assignment and Assumption Agreement shall be amended and restated as follows:

“(b) in respect of the A320ceo Aircraft and the A321 Aircraft, be amended and restated in the form set out in Part B of the Schedule (*Form of Assigned Purchase Agreements*) and shall constitute the Assigned A321 Purchase Agreement.”

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

4. MISCELLANEOUS

- 4.1 Each party repeats its representations and warranties under the Assignment and Assumption Agreement on the date hereof.
- 4.2 The provisions of clause 8 (*Miscellaneous*) of the Assignment and Assumption Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.
- 4.3 Each of the Assignment and Assumption Agreement shall be deemed to be supplemented and amended by this Agreement to the extent herein provided with all other provisions thereof remaining unchanged, and as so supplemented and amended shall continue in full force and effect.
- 4.4 In the event of any inconsistency between the terms and conditions of the Assignment and Assumption Agreement and the present Agreement, the latter shall prevail to the extent of such inconsistency, whereas the part not concerned by such inconsistency shall remain in full force.

5. GOVERNING LAW AND JURISDICTION

- 5.1 This Agreement is governed by the laws of the State of New York.
- 5.2 The provisions of clause 9.2 (*Jurisdiction*) and the provisions of clause 9.3 of the Assignment and Assumption Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.

[signature page follows]

IN WITNESS whereof each of the Parties has executed this Agreement as of the day and year first before written.

The Buyer

Vertical Horizons, Ltd.

By: /s/ Otelia Scott
Name: Otelia Scott
Title: Director

Customer

Frontier Airlines, Inc.

By: /s/ Howard Diamond
Name: Howard Diamond
Title: Senior Vice President, General Counsel and Secretary

Airbus

Airbus S.A.S.

By: /s/ Christophe Mourey
Name: Christophe Mourey
Title: Senior Vice President Contracts

Amendment Agreement to Assignment and Assumption Agreement Signature Page (Citi/Frontier Airlines)

Dated as of December 16, 2016

AMENDMENT AGREEMENT NO. 3 TO ASSIGNMENT AND ASSUMPTION AGREEMENT

BETWEEN

VERTICAL HORIZONS, LTD.
as Buyer

- and -

FRONTIER AIRLINES, INC.
as Customer

- and -

AIRBUS S.A.S.
as Airbus

relating to the PDP financing
of nineteen (19) A321ceo, two (2) A320ceo and forty-nine (49) A320neo aircraft

BETWEEN

- (1) **VERTICAL HORIZONS, LTD.**, a company incorporated pursuant to the laws of the Cayman Islands whose registered address and principal place of business is at the offices of Intertrust SPV (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1 9005, Cayman Islands (the “**Buyer**”);
- (2) **FRONTIER AIRLINES, INC.**, a corporation incorporated and existing under the laws of the State of Colorado, United States of America (the “**Customer**”); and
- (3) **AIRBUS S.A.S.**, registered in France and having its registered office at 1 rond-point Maurice Bellonte, 31707 Blagnac Cedex, France (“**Airbus**”),

(each a “**Party**”, and together, the “**Parties**”).

RECITALS

- (A) In connection with the pre-delivery payment financing of nineteen (19) A321ceo, two (2) A320ceo and fifteen (15) Airbus A320neo aircraft the Buyer, the Customer and Airbus entered into an assignment and assumption agreement dated December 23, 2014, as amended by a letter agreement to the step-in agreement and the assigned A321 purchase agreement dated May 18, 2015 and as further amended by an amendment agreement to the assignment and assumption agreement dated August 11, 2015 (collectively, the “**Assignment and Assumption Agreement**”).
- (B) The Parties now wish to amend the Assignment and Assumption Agreement in accordance with the terms and conditions of this Agreement.

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

- 1.1 In this Agreement (including the recitals), unless the context otherwise requires or unless otherwise defined or provided for in this Agreement, capitalised words and expressions shall have the respective meanings ascribed to them in the Assignment and Assumption Agreement.
- 1.2 The provisions of clause 1.2 of the Assignment and Assumption Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.
- 1.3 Each Party hereby agrees that each document executed by it and any document appended to any such document is amended in accordance with this Agreement and that all of those documents shall be construed accordingly.

2. CONDITIONS PRECEDENT

It is a condition to the amendment of the Assignment and Assumption Agreement in accordance with the terms and conditions of this Agreement that Airbus shall have received from both Frontier Holdings and Frontier the duly executed Guarantors' confirmation.

3. AMENDMENTS TO DOCUMENTS

- 3.1 On and from the date of the satisfaction of the conditions precedent pursuant to Clause 2 (*Conditions Precedent*) above (“**Effective Date**”), the reference to “fifteen (15) Airbus A320neo Aircraft” on the cover page of the Assignment and Assumption Agreement shall be deleted in its entirety and replaced with “forty-nine (49) Airbus A320neo Aircraft”.
- 3.2 On and from the Effective Date, in clause 1.1 (*Definitions*) of the Assignment and Assumption Agreement, the following definitions shall be amended and restated or incorporated into the Assignment and Assumption Agreement (as the case may be) as follows:

Pre-Delivery Payment Amount means:

- (i) in respect of each of the A320neo Aircraft:
- (A) with CAC-IDs ***** an amount of ***** for each such A320neo Aircraft;
 - (B) with CAC-IDs ***** an amount of ***** for each such A320neo Aircraft;
 - (C) with CAC-IDs ***** an amount of ***** for each such A320neo Aircraft;
 - (D) with CAC-IDs ***** an amount of ***** for each such A320neo Aircraft;
 - (E) with CAC-IDs ***** an amount of ***** for each such A320neo Aircraft;
 - (F) with CAC-IDs ***** an amount of ***** for each such A320neo Aircraft.
- (ii) in respect of each of the A321 Aircraft:
- (A) with CAC-IDs ***** , an amount of ***** for each such A321 Aircraft;
 - (B) with CAC-IDs ***** an amount of ***** for each such A321 Aircraft;

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- (C) with CAC-ID *****, an amount of ***** for such A321 Aircraft;
 - (D) with CAC-ID *****, an amount of ***** for such A321 Aircraft;
 - (E) with CAC-IDs ***** an amount of ***** for such A321 Aircraft;
 - (F) with CAC-IDs ***** an amount of ***** for each such A321 Aircraft;
- (iii) in respect of each of the A320ceo Aircraft:
- (A) with CAC-IDs *****, an amount of ***** for each such A320ceo Aircraft.

4. MISCELLANEOUS

- 4.1 Each party repeats its representations and warranties under the Assignment and Assumption Agreement on the date hereof.
- 4.2 The provisions of clause 8 (*Miscellaneous*) of the Assignment and Assumption Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.
- 4.3 Each of the Assignment and Assumption Agreement shall be deemed to be supplemented and amended by this Agreement to the extent herein provided with all other provisions thereof remaining unchanged, and as so supplemented and amended shall continue in full force and effect.
- 4.4 In the event of any inconsistency between the terms and conditions of the Assignment and Assumption Agreement and the present Agreement, the latter shall prevail to the extent of such inconsistency, whereas the part not concerned by such inconsistency shall remain in full force.

5. GOVERNING LAW AND JURISDICTION

- 5.1 This Agreement is governed by the laws of the State of New York.
- 5.2 The provisions of clause 9.2 (*Jurisdiction*) and the provisions of clause 9.3 of the Assignment and Assumption Agreement shall apply to this Agreement as if set out herein in full, *mutatis mutandis*.

[signature page follows]

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

IN WITNESS whereof each of the Parties has executed this Agreement as of the day and year first before written.

The Buyer

Vertical Horizons, Ltd.

By: /s/ Grant Cellier
Name: Grant Cellier
Title: Director

Customer

Frontier Airlines, Inc.

By: /s/ Howard Diamond
Name: Howard Diamond
Title: General Counsel

Airbus

Airbus S.A.S.

By: /s/ Christophe Mourey
Name: Christophe Mourey
Title: Senior Vice President Contracts

Amendment Agreement to Assignment and Assumption Agreement Signature Page (Citi/Frontier Airlines)

**SECOND AMENDED AND RESTATED CFMI ENGINE BENEFITS AGREEMENT
A320NEO AIRCRAFT**

THIS SECOND AMENDED AND RESTATED CFMI ENGINE BENEFITS AGREEMENT, dated as of December 16, 2016 (this “**Agreement**”), is among Vertical Horizons, Ltd., a Cayman Islands company (the “**Borrower**”), CFM International, Inc., a Delaware corporation (the “**Engine Manufacturer**” or “**CFMI**”), Bank of Utah, not in its individual capacity but solely as Security Trustee for the Lenders under the Credit Agreement (together with its successors and assigns in such capacity, the “**Security Trustee**”), and Frontier Airlines, Inc., a Colorado limited liability company (“**Frontier**”).

WHEREAS, this Agreement amends and restates in its entirety the amended and restated CFMI engine benefits agreement A320neo aircraft dated as of August 11, 2015, among the Borrower, the Engine Manufacturer, the Security Trustee and Frontier;

WHEREAS, pursuant to the Second Amended and Restated Credit Agreement, dated the date hereof among the Borrower, the Lenders from time to time party thereto, Citibank, N.A., as facility agent, and the Security Trustee (as amended, supplemented or otherwise modified from time to time in accordance with the applicable provisions thereof, the “**Credit Agreement**”; capitalized terms used herein and not otherwise defined herein being used herein as defined in the Credit Agreement) the Lenders have agreed to reimburse the Borrower for, and finance further, certain pre-delivery payments made and to be made to Airbus with respect to forty-nine (49) Airbus model A320neo aircraft, pursuant to the Assigned Purchase Agreement (the “**Aircraft**”);

WHEREAS, the Engine Manufacturer has agreed to supply and Airbus has agreed to install on the Aircraft two CFMI Model LEAP-1A engines (each, an “**Engine**” and collectively, the “**Engines**”);

WHEREAS, pursuant to the Second Amended and Restated Mortgage and Security Agreement dated the date hereof between the Borrower and the Security Trustee (as amended, supplemented or otherwise modified from time to time in accordance with the applicable provisions thereof, the “**Security Agreement**”), the Borrower has pledged to the Security Trustee, among other things, all of the Borrower’s right, title and interest in and to the Assigned Purchase Agreement relating to the Aircraft; and

WHEREAS, it is a condition precedent to each Lender’s funding of Loans in respect of the Aircraft under the Credit Agreement to the Borrower that, among other things, the Engine Manufacturer shall have executed and delivered this Agreement;

THEREFORE, in consideration of the payment of *****, and for other good and valuable consideration, the receipt of and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

1. **Definitions.** For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following meaning:

“**Engine Warranties**” means the Engine Manufacturer’s “New Engines and Modules Warranty,” “New Parts Warranty,” “Ultimate Life Warranty” and “Campaign Change Warranty,” as set forth in the Engine Manufacturer’s Engine Warranty Plan which forms a part of the General Terms Agreement, and as limited by the applicable terms of the General Terms Agreement and such Engine Warranty Plan, in the form of Attachment A hereto.

“**General Terms Agreement**” means Agreement No. 1 dated October 17, 2011 by and between the Engine Manufacturer and Frontier, including the “Engine Warranty Plan” at Exhibit A thereto, insofar as such Engine Warranty Plan relates to the Engine Warranties, but excluding any and all letter agreements attached thereto (which do not detract or limit the Engine Warranties in any material respect), to the extent that such General Terms Agreement and such Exhibit relate to the Engine Warranties, as such General Terms Agreement may hereafter be amended, supplemented and modified to the extent permitted by the terms of this Agreement to the extent relating to the Engines.

2. **Agreements.** Under the General Terms Agreement, the Engine Manufacturer has agreed to support certain CFMI Model LEAP-1A engines and spare parts therefor purchased by Frontier from the Engine Manufacturer, as installed on certain Airbus Model A320neo aircraft. The Engine Manufacturer hereby confirms to Frontier, the Borrower and the Security Trustee (i) that the Engine Warranties, as and to the extent that such relate to the Engines included as part of any Aircraft delivered to the Borrower or the Security Trustee (or its designee) by Airbus, shall inure to the benefit of the Borrower or the Security Trustee, as the case may be (except, in the case of any Engine, from and after the release from the lien of the Security Agreement of the collateral relating to the Aircraft that includes such Engine and/or at such time as the Borrower no longer has a right to purchase the related Aircraft under the Assigned Purchase Agreement) to the same extent as if originally named “Airline” in the General Terms Agreement and (ii) it consents to the collateral assignment by the Borrower to the Security Trustee of its rights under this Agreement, and agrees that the Security Trustee’s rights under Section 2(i) and such assignment shall not give rise to any duties or obligations whatsoever on the part of the Security Trustee owing to the Engine Manufacturer except for the Security Trustee’s agreement that in exercising any right under the General Terms Agreement with respect to such Engines, or in making any claim with respect to such Engines, the terms and conditions of such General Terms Agreement relating to the Engines and the Engine Warranties shall apply to and be binding upon the Security Trustee to the same extent as Frontier and/or the Borrower; provided, that the Engine Manufacturer shall not owe any liability or obligation under the Engine Warranties more than once in total. Except as expressly provided in this Agreement, nothing contained in this Agreement shall subject the Engine Manufacturer to any obligation or liability to which it would not otherwise be subject under the General Terms Agreement or modify in any respect the Engine Manufacturer’s contract rights thereunder. In no event shall the Engine Manufacturer be subject to any multiple or duplicative liability or obligation under the General Terms Agreement. The Engine Manufacturer shall have no obligation to recognize an assignment by Security Trustee of its rights with respect to the Engine Warranties in connection with a transfer of an Engine (i) unless Security Trustee has given the Engine Manufacturer written notice of such assignment and the assignee is a Permitted Transferee, or (ii) if the Engine Manufacturer is prohibited by law from dealings with the purported assignee. The Engine Warranties will be kept confidential in accordance with Section 18 of the Credit Agreement. To the extent that there is any inconsistency in the terms of the assignment provided for in the Security Agreement and this Agreement, the terms of this Agreement shall govern.

“**Permitted Transferee**” means the Facility Agent, the Lenders and any person to whom the Facility Agent intends to transfer the rights granted to it pursuant to this Agreement and who has been approved in writing by CFMI (such approval not to be unreasonably withheld or delayed); provided that such approval will not be required if such third party is a Lender, a sub-participant of a Lender, or any of their affiliates; it being understood by the Security Trustee and CFMI that it shall only be reasonable for CFMI to refuse its approval in respect of any person proposed by the Security Trustee: (i) who is a person to whom it is illegal for CFMI to sell an engine or a party with which CFMI is prohibited by applicable law or regulation from doing business; or (ii) who is a special purpose company or similar entity (unless such special purpose company or other entity has been guaranteed to the satisfaction of CFMI by an entity that otherwise satisfies the definition of a Permitted Transferee); or (iii) who is a competitor to CFMI or its affiliates in their capacity as Engine OEMs, including, without limitation, an engine manufacturer or an airframe manufacturer or an affiliate of any such person; or (iv) who is a person with which CFMI, acting reasonably, objects to doing business generally either (A) by reason of the occurrence of a contractual or non-contractual dispute with that person or (B) by reason of the default by such person or any of its affiliates in the performance of any material obligation owed to CFMI under any contract.

3. Representations and Warranties. The Engine Manufacturer hereby represents and warrants that (a) the Engine Manufacturer is a corporation organized and existing and in good standing under the law of the State of Delaware, (b) the making, and performance in accordance with the respective terms of, this Agreement have been duly authorized by all necessary corporate action on the part of the Engine Manufacturer, do not require any stockholder approval, contravene the Engine Manufacturer’s certificate of incorporation or bylaws or any indenture, credit agreement or other contractual agreement to which the Engine Manufacturer is a party or by which it is bound and, to the best knowledge of the Engine Manufacturer, do not contravene any law binding on the Engine Manufacturer, and (c) the Engine Warranties constituted, as of the date on which they were made and at all times thereafter the legal, valid and binding obligations of the Engine Manufacturer enforceable against the Engine Manufacturer in accordance with its terms, and this Agreement is the legal, valid and binding obligation of the Engine Manufacturer, enforceable against the Engine Manufacturer in accordance with its terms subject to: (i) the limitations of applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or similar laws affecting the rights of creditors generally, and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), which principles do not make the remedies available at law or in equity with respect to this Agreement inadequate for the practical realization of the benefits intended to be provided hereby.

4. Acknowledgment of Security Trustee. The Security Trustee hereby confirms to the Engine Manufacturer that in exercising any right under the General Terms Agreement with respect to the Engines, or in making any claim with respect to the Engines, the terms and conditions of this Agreement, the General Terms Agreement, the Engine Warranties and the Exclusion of Liabilities provisions of the Engine Warranties, including, without

limitation, Exhibit A thereto, shall apply to and be binding upon the Security Trustee to the same extent as the Borrower. The Engine Manufacturer hereby represents and warrants to the Security Trustee that the provisions of the General Terms Agreement other than the Engine Warranties do not detract from or limit the Engine Warranties in any material respect or adversely affect the rights of the Security Trustee hereunder.

5. Aircraft Allowance. The Engine Manufacturer hereby agrees for the benefit of Frontier, the Borrower and the Security Trustee that it will provide the entity taking delivery of the Aircraft an allowance for the Aircraft in an amount of ***** (the "**Aircraft Allowance**").

The Aircraft Allowance is stated in *****, and shall be subject to adjustment for escalation to the date of delivery of each shipset of Engines to Airbus in accordance with the escalation formula set forth in Attachment B hereto.

Such allowance will be earned upon delivery of each shipset of Engines to Airbus and will be made available within ***** following receipt of written notice from the Borrower or Security Trustee (or a nominee taking delivery in accordance with the purchase agreement with Airbus) that it has taken delivery of each Aircraft in accordance with the purchase agreement with Airbus.

If requested in writing by the Borrower at least ***** prior to scheduled Aircraft delivery date, CFMI will provide the Aircraft Allowance directly to Airbus. The Borrower or the Security Trustee shall continue to advise CFMI of any delivery date changes. If CFMI actually provides the Aircraft Allowance to Airbus and the actual delivery date is delayed more than ***** from the date CFMI provides the Aircraft Allowance then the following will occur under the following circumstances:

(a) The Borrower will request that Airbus immediately return the Aircraft Allowance to CFMI and CFMI will hold the Aircraft Allowance and pay it to Airbus when the Borrower and Airbus confirm that the Aircraft is ready for delivery; and

(b) If the delay of the Aircraft delivery is solely a result of the fault of the Borrower to perform its obligations under the purchase agreement with Airbus and Airbus has not returned the Aircraft Allowance to GE, then the Borrower will pay to CFMI interest on the Aircraft Allowance, calculated from the date of payment to Airbus to the earlier of the date (i) Airbus returns the Aircraft Allowance to GE; or (ii) the date of actual Aircraft delivery. Interest will be computed at *****.

6. Escalation Cap Installed Engines and Allowances. CFMI agrees to provide Frontier, the Borrower and the Security Trustee, as a special allowance, the following price adjustment cap. The below escalation calculations will also apply to all Aircraft Allowance payments through their escalation period.

If the price adjustment due to escalation as calculated under Attachment B is less than or equal to *****, the Engine price will be adjusted by the changes in the escalation calculated in Attachment B. If the price adjustment due to escalation as calculated under Attachment B is greater than ***** then the price adjustment due to escalation will be an amount equal to *****.

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However, in the event the price adjustment due to escalation as calculated under Attachment B is greater than *****, then the price adjustment due to escalation will be an amount equal to the value calculated above, *****.

Notwithstanding previous agreements with Airbus, the price of Engines delivered directly to Airbus from CFMI for installation on the Aircraft shall be subject to escalation *****, in accordance with Attachment B and subject to the Escalation Cap. In the event the price calculated per Attachment B is greater than the price calculated according to the Escalation Cap, CFMI shall provide the entity taking delivery of the Aircraft a credit in an amount equal to the difference. This credit shall be in addition to the Aircraft Allowance and shall be made available to the entity taking delivery of the Aircraft at the same time and in the same manner as the Aircraft Allowance.

7. Confidentiality. This Agreement and its contents are confidential and, as such, shall not be disclosed by any party to this Agreement to any third party other than:

(a) with the prior written consent of the Engine Manufacturer;

(b) pursuant to any applicable law or in connection with any proceeding arising out of or in connection with the Security Agreement, provided however that the Security Trustee shall provide the Engine Manufacturer reasonable notice prior to disclosing this Agreement and allow the Engine Manufacturer the opportunity to seek protective orders;

(c) to any successor, permitted assign or permitted transferee of such party, provided they agree in writing to not disclose this agreement without the prior written consent of the Engine Manufacturer;

(d) to Citibank, N.A. and any other Lender, provided that any other Lender agrees in writing to not disclose this Agreement without the prior written consent of the Engine Manufacturer; or

(e) to the legal advisers of such party, provided they agree in writing to not disclose this agreement without the prior written consent of the Engine Manufacturer.

8. Section References. The captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

9. Severability. If any provision hereof is invalid or unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

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

11. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

12. Entire Agreement. The Engine Manufacturer's obligations hereunder are unconditional and this Agreement supersedes any previous arrangements between the parties in relation to the matters set forth herein.

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IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first above written.

FRONTIER AIRLINES, INC.

By: /s/ Howard Diamond

Name: Howard Diamond

Title: General Counsel

CFM INTERNATIONAL, INC., as Engine Manufacturer

By: /s/ Kevin Fewell

Name: Kevin Fewell

Title: Chief Financial Officer

BANK OF UTAH, as Security Trustee

By: /s/ John Thomas

Name: John Thomas

Title: Vice President

By: /s/ Jon Croasmun

Name: Jon Croasmun

Title: Vice President

VERTICAL HORIZONS, LTD.

By: /s/ Grant Cellier

Name: Grant Cellier

Title: Director

*Second A&R CFMI Engine Benefits
Agreement (A320neos)*

ATTACHMENT A

ENGINE WARRANTIES

ENGINE WARRANTY PLAN

SECTION I - WARRANTIES

A. New Engine Warranty

1. CFM warrants each new Engine and Module against Failure for the initial ***** Engine Flight Hours (“EFH”) as follows:
 - a. Parts Credit Allowance will be granted for any Failed Parts.
 - b. Labor Allowance for disassembly, reassembly, test and Parts Repair of any new Engine part will be granted for replacement of Failed Parts.
 - c. Such Parts Credit Allowance and Labor Allowance will be: *****% from new to ***** EFH and decreasing pro rata from *****% at ***** EFH to ***** at ***** EFH.
2. As an alternative to the above allowances, CFM shall upon request of Airline:
 - a. Arrange to have Failed Engines and Modules repaired per the terms of Paragraph 1 above, at a facility designated by CFM.

B. New Parts Warranty

In addition to the warranty granted for new Engines and Modules, CFM warrants Parts and Expendable Parts as follows:

1. During the first ***** EFH for such Parts and Expendable Parts CFM will grant ***** Parts Credit Allowance or Labor Allowance for repair labor for Failed Parts.
2. CFM will grant a pro rata Parts Credit Allowance for Scrapped Parts decreasing from ***** at ***** EFH Part Time to ***** at the applicable hours designated in the applicable Engine Parts Table set forth in Attachment I to this Exhibit A.

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C. Ultimate Life Warranty

1. CFM warrants Ultimate Life limits on the following Parts:

a. *****

2. CFM will grant a pro rata Parts Credit Allowance decreasing from ***** when new to ***** at ***** EFH or ***** Engine Flight Cycles (“EFC”), whichever comes earlier. Credit will be granted only when such Parts are permanently removed from service by a U.S. and/or EASA imposed Ultimate Life Limitation of less than ***** EFH or ***** EFC. Credit will not be granted under this Ultimate Life Warranty for any individual Failure or other cause not related to the total usage capability of all such Parts in Airline service.

D. Campaign Change Warranty

1. A campaign change will be declared by CFM when a new Part or Expendable Part design introduction, Part or Expendable Part modification, Part or Expendable Part inspection, or premature replacement of an Engine or Module is required by a time compliance CFM Service Bulletin implementing an Airworthiness Directive. CFM will grant the following Parts Credit Allowances:

(i) ***** for Parts or Expendable Parts in inventory or removed from service when new or with ***** EFH or less total Part Time.

(ii) ***** for Parts or Expendable Parts in inventory or removed from service with over ***** EFH since new, regardless of warranty status.

2. Labor Allowance - CFM will grant ***** Labor Allowance for disassembly, reassembly, modification, testing, or Inspection of CFM-supplied Engines, Modules, Parts or Expendable Parts therefor when such action is required to comply with a mandatory time compliance CFM Service Bulletin implementing an Airworthiness Directive. A Labor Allowance will be granted by CFM for other CFM issued Service Bulletins if so specified in such Service Bulletins.

3. Life controlled Parts which are set forth in the Ultimate Life Warranty and which are retired by Ultimate Life limits including FAA and/or Airworthiness Directive, are excluded from Campaign Change Warranty.

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ATTACHMENT I

CFM56 WARRANTY PARTS LIST

ENGINE FLIGHT HOURS

| | <u>2000</u> | <u>3000</u> | <u>4000</u> | <u>6000</u> | <u>8000</u> | <u>12000</u> |
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ATTACHMENT B

ESCALATION FORMULA

CFM-LEAP-X1A

The base price for Products purchased hereunder shall be adjusted pursuant to the provisions of this Exhibit.

For the purpose of this adjustment:

Base price shall be the price(s) set forth in the applicable Letter Agreement.

The Composite Price Index (CPI) shall be calculated, to the second decimal place, using the following formula:

Each CPI shall be determined to the second decimal place. Calculation shall be to the third decimal digit and if the third decimal digit is five or more, the second decimal digit shall be raised to the next higher figure. If the third decimal digit is less than five, the second decimal figure shall remain as calculated.

The Base Composite Index (CPIb) shall be the CPI determined assuming a base period in *****.

Base prices shall be adjusted in accordance with the following formula:

The invoice price shall be the final price and will not be subject to further adjustments in the indices. In no event shall the invoice price be lower than the base price.

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The ratio ***** shall be calculated to the fourth decimal digit. If the fourth decimal digit is five or more, the third decimal digit shall be raised to the next higher figure, and if the fourth decimal digit is less than five, the third decimal figure shall remain as calculated. If the calculation of this ratio results in a number less than ***** , the ratio will be adjusted to ***** . The resulting three digit decimal shall be used to calculate ***** .

Values to be utilized in the event of unavailability. If at the time of delivery of Product, CFM is unable to determine the adjusted price because the applicable values to be used to determine the ***** have not been released by the Bureau of Labor Statistics, then:

- a) The Price Adjustment, to be used at the time of delivery of the Product, will be determined by utilizing the escalation provisions set forth above. The values released by the Bureau of Labor Statistics and available ***** prior to scheduled Product delivery month will be used to determine the ***** values for the applicable months (including those noted as preliminary by the Bureau of Labor Statistics) to calculate the Product Price Adjustment. If no value has been released for an applicable month, the provisions set forth in Paragraph b, below, will apply. If prior to delivery of a Product, the U.S. Department of Labor changes the base year for determination of the ***** values as defined above, such rebase values will be incorporated in the Price Adjustment calculation.
- b) If prior to delivery of a Product, U.S. Department of Labor substantially revises the methodology used for the determination of the values to be used to determine the ***** values (in contrast to benchmark adjustments or other corrections of previously released values), or for any reason has not released values needed to determine the applicable Price Adjustment, CFM will, prior to delivery of any such Product, select a substitute for such values from data published by the Bureau of Labor Statistics or other U.S. government entity or, if none is available, other similar data reported by non-governmental United States organizations, such substitute to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original values as they may have fluctuated during the applicable time period. Appropriate revisions of the formula will be made as required to reflect any substitute values. However, if within ***** from delivery of the Product, the Bureau of Labor Statistics should resume releasing values for the months needed to determine the Product Price Adjustment, such values will be used to determine any increase or decrease in the Product Price Adjustment from that determined at the time of delivery of such Product.
- c) In the event escalation provisions are made non-enforceable or otherwise rendered null and void by any agency of the United States Government, the parties agree, to the extent they may lawfully do so, to equitably adjust the base price of any affected Product to reflect an allowance for increase or decrease in labor compensation and material costs occurring since February of the base price year which is consistent with the applicable provisions of this Price Escalation formula.
- d) For the calculation herein, the values released by the Bureau of Labor Statistics and available to CFM at the end of the month prior to scheduled Product delivery month

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will be used to determine the ***** values for the applicable months (including those noted as preliminary by the Bureau of Labor Statistics) to calculate the Product Price Adjustment for the Product invoice at the time of delivery. The values will be considered final and no Product Price Adjustment will be made after Product delivery for any subsequent changes in published index values.

Note: Any rounding of a number, with respect to escalation of the Product Price, will be accomplished as follows: If the first digit of the portion to be dropped from the number is five or greater, the preceding digit will be raised to the next higher number.

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**AMENDED AND RESTATED
SIGNATORY AGREEMENT
(U.S. Transactions)**

**AMENDED AND RESTATED
SIGNATORY AGREEMENT
(U.S. Visa and MasterCard Transactions)**

This Amended and Restated Signatory Agreement (this "Signatory Agreement"), dated as of November 5, 2013, is by and among Frontier Airlines Holdings Inc., a company organized under the laws of the State of Delaware (hereafter "Holdings"), Frontier Airlines, Inc., a company organized under the laws of the State of Colorado ("Frontier" and together with Holdings, "Carrier"), and U.S. Bank National Association, a national banking association, ("Member"). Carrier and Member shall be collectively referred to as the "Parties" and individually each a "Party". Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to such terms in the MTOS, as defined in Section 1 below.

RECITALS

WHEREAS, Frontier, an air carrier engaged in the transportation of passengers by air, desires to make available to its customers a convenient means of purchasing air transportation, both on a current and time payment basis, through the use of Cards;

WHEREAS, Member is a member of Visa U.S.A. Inc. and MasterCard International (the "Applicable Card Associations") and is qualified to enter into contractual relationships with merchants such as Carrier who wish to honor Cards which bear the service marks of the Applicable Card Associations in the United States (the "Applicable Transactions"); and the Applicable Card Associations contemplate that Cards will be issued by financial institutions who are members in the respective systems and that such Cards will be honored by merchants who have signed agreements with member financial institutions;

WHEREAS, Frontier, Republic Airways Holdings Inc. ("Republic") and Member are parties to that certain Signatory Agreement (U.S. Visa and MasterCard Transactions) dated as of May 27, 2010 (as amended, the "Prior Agreement"); and

WHEREAS, in connection with the sale by Republic of its interests in Holdings, the parties hereto desire to amend and restate the Prior Agreement to substitute Holdings for Republic.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein, the mutual covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby covenant and agree to be bound as follows:

Section 1. Incorporation of MTOS. The Master Terms of Service attached hereto as Exhibit A (the "MTOS") and the Value Added Services Schedule, the Fee Schedule, and the Exposure Protection Schedule attached hereto as Schedules 1, 2, and 3 respectively (collectively, the "Schedules") are incorporated into and are a part of this Agreement and each Party acknowledges, affirms and agrees that it is bound by the terms of the MTOS. Each reference in the MTOS to "the Signatory Agreement" means this Signatory Agreement with Member as named in the preamble hereof. Each reference in this Signatory Agreement, the MTOS or the Schedules hereto to "the Agreement" or "this Agreement" mean this Signatory Agreement, the MTOS and the Schedules attached hereto, which form part of this Agreement and shall have effect as if set out in full in the body of this Agreement, collectively.

Section 2. Processing Services. Carrier hereby requests that Member process Applicable Transactions on behalf of Carrier and provide the services described in this Agreement, and Member agrees to process, or cause to be processed, the Applicable Transactions and provide such services, or cause them to be provided, in compliance with the terms and conditions of this Agreement, the Operating Regulations and applicable requirements of law.

Section 3. Commencement Date. Member shall commence processing Applicable Transactions under this Agreement on the Effective Date.

Section 4. Effective Date. This Agreement shall become effective upon (i) execution, and delivery to the other Parties, of this Signatory Agreement by each Party hereto and (ii) the delivery of a notice from Republic to Member indicating that the sale transaction by Republic of its interest in Holdings has closed. The date on which this Agreement becomes effective shall be the effective date (the "Effective Date"). If the notice identified in the first sentence of this paragraph is not delivered by February 1, 2014 this Agreement shall be null and void and the Prior Agreement shall continue.

Section 5. Applicable Country; Settlement Currency. The "Applicable Country" for this Agreement is the United States of America. All settlements with respect to Applicable Transactions shall be in U.S. dollars.

Section 6. Settlement Account. The Settlement Account for Applicable Transactions submitted under this Agreement shall be such account at a financial institution located in the United States of America as may be designated from time to time by Carrier.

Section 7. Exclusivity. During the term of this Agreement, Member retains the exclusive right to process all Applicable Transactions in the United States of America other than any onboard sales. Submission of Transactions and payment from any location must be handled in compliance with all applicable government laws, rules and regulations.

Section 8. Effect of Insolvency Proceeding. Notwithstanding anything contained in the MTOS to the contrary, upon and after the occurrence of an Insolvency Event, Member may, at its option, require as a condition to the processing of any Applicable Transactions submitted to it relating to sales made by Carrier prior to or after the institution of such proceedings, the entry of an order by the court having the jurisdiction of any such proceeding, authorizing Carrier to issue, and Member to process, Applicable Transactions for sales made by Carrier prior to or after the institution of such proceeding.

Section 9. Notices. All notices permitted or required to be sent pursuant to this Agreement shall be addressed as set forth below and sent in accordance with the MTOS:

TO CARRIER: Frontier Airlines Holdings Inc.
ATTENTION: 7001 Tower Road
Denver, CO 80249
Fax: _____

TO MEMBER: U.S. Bank National Association
800 Nicollet Mall
Minneapolis, MN 55402
ATTENTION: Risk Management
Fax: (612) 303-9204

Section 10. Term. This Agreement shall become effective as of the Effective Date pursuant to Section 4 of this Signatory Agreement and continue in effect, unless earlier terminated pursuant to Section 15 of the MTOS for an initial term of ***** from the Effective Date *****.

Section 11. Joint Obligations; Right to Deal with Holdings. Holdings and Frontier each unconditionally and absolutely guarantees full and prompt performance of all obligations of the other under this Agreement when due, whether according to the present terms or any change or changes in the terms, covenants and conditions. These guarantees are continuing guarantees of the payment thereof, are not limited to a guarantee of collection and shall remain in full force and effect until the termination and payment in full of the Obligations. Member may remit all amounts payable under the Agreement to Holdings which shall be solely responsible for any remittances to Frontier. Member may deal with Holdings and Frontier in all respects as if Holdings were the sole "Carrier" under the Agreement, including without limitation, the giving of all notices to Holdings required to be given by Member under the Agreement to Carrier, reliance upon all notices given by Holdings as being notices for both entities, the treatment and aggregation of all Reserved Funds, the Deposit and the Aggregate Protection without distinguishing between funds attributable to transactions of Holdings and those of Frontier, and the drawing of no distinction between the obligations of Holdings and Frontier hereunder.

Section 12. Surety Waivers. Each of Holdings and Frontier waives demand, notice, protest, notice of acceptance of this Agreement, notice of payments made, collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and any collateral provided by either Holdings or Frontier, each assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, comprising or adjusting of any thereof, all in such manner and at such time or times as Member may deem advisable. Member shall have no duty as to the collection or protection of any collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto. Each of Holdings and Frontier further waives any and all other suretyship defenses.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Section 13. Amendment and Restatement of the Prior Agreement. This Agreement amends and restates the Prior Agreement in its entirety. Any obligations outstanding under the Prior Agreement shall be deemed outstanding under this Agreement and any Deposit held under the Prior Agreement shall be considered part of the Deposit under this Agreement. Republic shall have no rights, duties, liabilities or obligations under this Agreement (all of such rights being assigned to, and all such duties, liabilities, and obligations being assumed by, Holdings pursuant to this Agreement) and Holdings represents and warrants to Member that it (or its equity owners) provided fair value to Republic in connection with the assumption of all of Republic's rights, duties, liabilities and obligations under the Prior Agreement. Republic is hereby released from all duties, liabilities and obligations under the Prior Agreement.

Section 14. Entirety. This Agreement (including the MTOS and the Schedules attached hereto) constitutes the entire understanding and agreement among the Parties with respect to the subject matter herein contained, and there are no other agreements, representations, warranties or understanding, oral or written, expressed or implied, that are not merged herein and superseded hereby. This Agreement shall not be amended, supplemented, modified or changed in any manner, except as provided in writing and signed by the Parties hereto.

Section 15. Governing Law. This Agreement and any matter arising from or in connection with it shall be governed by and construed in accordance with the internal laws of the State of Minnesota, without regard to its conflict of law principles.

Section 16. Waiver of Jury Trial . EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES TO THE EXTENT PERMITTED BY LAW ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 17. Counterparts; Facsimile; PDF. The Agreement and any and all related documents may be executed in any number of counterparts, each of which, when so executed, then delivered or transmitted by facsimile or by email in Portable Document Format ("PDF"), shall be deemed to be an original, and all of which taken together shall constitute but one and the same instrument. In particular, the Agreement and any and all related documents may be executed by facsimile or PDF, and signatures on a facsimile or PDF copy hereof shall be deemed authorized original signatures.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and attested to by their duly authorized officers as of the day and year written.

CARRIER:

FRONTIER AIRLINES HOLDINGS INC.

By (Print Name): Robert N. Ashcroft
Signature: /s/ Robert N. Ashcroft
Title: SVP Finance
Date: November 5, 2013

FRONTIER AIRLINES, INC.

By (Print Name): Robert N. Ashcroft
Signature: /s/ Robert N. Ashcroft
Title: SVP Finance
Date: November 5, 2013

MEMBER:

U.S. BANK NATIONAL ASSOCIATION

By (Print Name): John R. Follert
Signature: /s/ John R. Follert
Title: Its Authorized Representative
Date: November 5, 2013

[Signature Page to Signatory Agreement]

By signing below, Republic confirms Republic's assignment to Holdings of Republic's rights, duties, liabilities and obligations under this Agreement.

Acknowledged and Agreed:

REPUBLIC AIRWAYS HOLDINGS INC.

By (Print Name): Ethan J. Blank
Signature: /s/ Ethan J. Blank
Title: VP, General Counsel
Date: November 5, 2013

[Signature Page to Signatory Agreement]

Exhibit A
to Amended and Restated Signatory Agreement
(U.S. Visa and MasterCard Transactions)
dated as of November 5, 2013
by and among
Frontier Airlines Holdings Inc.,
Frontier Airlines, Inc., and
U.S. Bank National Association

Master Terms of Service

See attached.

MASTER TERMS OF SERVICE

TABLE OF CONTENTS

| | | |
|-------------|---|----|
| SECTION 1. | DEFINITIONS. | 1 |
| SECTION 2. | RULES AND REGULATIONS. | 7 |
| SECTION 3. | HONORING CARDS. | 8 |
| SECTION 4. | CARDHOLDER ACCOUNT INFORMATION; SECURITY PROGRAM COMPLIANCE. | 14 |
| SECTION 5. | RETURNED UNUSED TRAVEL COSTS; CREDIT ADJUSTMENT. | 15 |
| SECTION 6. | SUBMISSION OF ELECTRONIC SALES RECORDS AND ELECTRONIC CREDIT RECORDS. | 16 |
| SECTION 7. | ELECTRONIC TRANSMISSION. | 18 |
| SECTION 8. | CHARGEBACKS. | 19 |
| SECTION 9. | REPRESENTATIONS AND WARRANTIES. | 20 |
| SECTION 10. | SERVICE MARKS AND TRADEMARKS. | 22 |
| SECTION 11. | AUDIT. | 23 |
| SECTION 12. | DISPUTES WITH CARDHOLDERS. | 23 |
| SECTION 13. | ASSIGNMENT; DELEGATION OF DUTIES. | 23 |
| SECTION 14. | INDEMNIFICATION; LIMIT ON LIABILITY. | 24 |
| SECTION 15. | TERMINATION AND WAIVER. | 25 |
| SECTION 16. | NOTICES. | 26 |
| SECTION 17. | RULES AND REGULATIONS; APPLICABLE LAW. | 27 |
| SECTION 18. | REIMBURSEMENT BY CARRIER. | 27 |
| SECTION 19. | COST AND EXPENSES. | 28 |
| SECTION 20. | ASSISTANCE. | 28 |
| SECTION 21. | REPORTING. | 28 |
| SECTION 22. | GENERAL. | 30 |
| SECTION 23. | REMEDIES CUMULATIVE. | 30 |
| SECTION 24. | CONFIDENTIALITY. | 30 |
| SECTION 25. | FORCE MAJEURE. | 31 |
| SECTION 26. | JUDGMENT CURRENCY. | 32 |

Exhibits and Schedules

| | |
|------------|-------------------------------|
| Exhibit A | Payment Days |
| Schedule 1 | Value Added Services Schedule |
| Schedule 2 | Fee Schedule |
| Schedule 3 | Exposure Protection Schedule |

MASTER TERMS OF SERVICE

PREAMBLE

These Master Terms of Service (“MTOS”) are to the Amended and Restated Signatory Agreement, dated as of November 5, 2013 (the “Signatory Agreement”) by and among Frontier Airlines Holdings Inc., a company organized under the laws of the State of Delaware (hereafter “Holdings”), Frontier Airlines, Inc., a company organized under the laws of the State of Colorado (“Frontier” and together with Holdings, “Carrier”) and the applicable Member.

Carrier, a certified air carrier engaged in the transportation of passengers by air, desires to make available to its customers a convenient means of purchasing air transportation through the use of Cards. The MTOS and the other terms of the Agreement govern Carrier’s receipt of Card processing services.

SECTION 1. DEFINITIONS.

1.1 For the purpose of this Agreement, the terms below shall have the following meanings:

***** – *****, Inc. and its successors and assigns that hold the rights to the ***** technology.

Affiliate – With respect to any Party, any Person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with such Party. The term control (including the terms “controlled by” and “under common control with”) means the possession, directly, of the power to direct or cause the direction of the management and policies of the Person in question.

Agent – A business organization duly licensed (if so required) and authorized to perform functions of a travel agent who is not an employee of Carrier and who has been duly designated, appointed and authorized by Carrier to act as a travel agent on behalf of Carrier.

Agreement – The Signatory Agreement, the MTOS, and all schedules and exhibits attached thereto or attached to the MTOS. Each reference to “the Agreement” or “this Agreement” contained herein shall constitute a reference to, collectively, (a) the applicable Signatory Agreement, (b) each schedule or exhibit attached to such Signatory Agreement, and (c) the MTOS and each schedule or exhibit attached to the MTOS.

Applicable Country – Any country in which Transactions are being transacted pursuant to and as permitted by this Agreement, as identified in the Signatory Agreement.

Applicable Rate – The Applicable Rate (using a 365-day year) shall be determined in accordance with the following chart for each Settlement Currency:

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

U.S. Dollars
Canadian Dollars

Settlement Currency

Applicable Rate

Authorization – The process whereby Carrier requests permission for the Card to be used for a particular Transaction.

AVS – Address verification service.

Billing Settlement Processor – A bank settlement plan or similar entity that aggregates Transactions for such regions or Applicable Countries as the Parties may mutually agree and submits Transactions on behalf of Carrier.

Business Day – With respect to Transactions submitted to Member, any weekday, Monday through Friday, except when any such day is a legal holiday recognized by Member.

Card – (i) Any card (other than a Debit Card) bearing the service mark of a Credit Card Association or other evidence of an account, including an account number, issued under the auspices of a Credit Card Association, which Carrier expressly chooses to accept or accepts through the presentment of a Sales Record to Member for processing and (ii) any Debit Card.

Card Associations – The Credit Card Associations and the EFT Networks and any other card association that may in the future be designated by mutual agreement of Member and Carrier.

Card Issuer – Any bank or financial institution that is a member of a Card Association and issues a Card.

Cardholder – Any person authorized to use a Card by the Card Issuer.

Cardholder Account Information – As defined in Section 4.1.

Carrier – As defined in the Preamble.

Carrier Website – The website Carrier has established or may establish from time to time for the purpose of selling goods and services in the Applicable Countries.

Chargeback – Any (i) amount claimed from or not paid to Member for any reason stipulated in the applicable Operating Regulations, or (ii) refusal to pay or reversal of any payment by a Card Issuer in relation to a Transaction for any reason stipulated in the applicable Operating Regulations or (iii) amount claimed from Carrier by Member in relation to a Transaction as stipulated in the applicable Operating Regulations.

Commencement Date – As defined in the Signatory Agreement.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

CNP Transactions – A Transaction which is accepted and processed where the Cardholder is not present or the Card is not provided physically to Carrier at the time the Transaction occurs (for example, internet, mail order or telephone order).

Credit Card Associations – Visa U.S.A. Inc., Visa International, Inc., MasterCard International Incorporated and any other national card association that may in the future be designated by mutual agreement of the Member and Carrier.

Credit Record – A record, whether paper or electronic, approved by Member, which is used to evidence a refund or adjustment of a purchase made through the use of a Card, and which will be credited to a Cardholder account.

Debit Card – A card or device bearing the symbol(s) of one or more EFT Networks or Credit Card Associations, or other evidence of an account, issued under the auspices of a Card Association, which may be used to purchase goods and services from Carrier and to pay the amount due to Carrier by an electronic debit to the Cardholder's designated deposit account, and which Carrier expressly chooses to accept or accepts through the presentment of a Sales Record to Member for processing.

Deposit – The aggregate of (a) Reserved Funds and (b) any cash remitted and pledged by Carrier to Member or any other Secured Party pursuant to or in connection with this Agreement to secure the Obligations hereunder, and obligations under any Other Signatory Agreements that incorporate the MTOS (if so provided in the applicable Exposure Protection Schedule), and all additions to such aggregate made from time to time and all monies, securities, investments and instruments purchased therewith and all interest, profits or dividends accruing thereon and proceeds thereof. In the event that Transactions are settled in multiple currencies, Member may require separate Deposits in such currencies.

Effective Date – The date set forth as the "Effective Date" in the Signatory Agreement that is part of this Agreement.

EFT Networks – (i) Interlink Network, Inc., Maestro U.S.A., Inc., STAR Networks, Inc., NYCE Payments Network, LLC, PULSE Network LLC, ACCEL/Exchange Network, Alaska Option Services Corporation, Armed Forces Financial Network, Credit Union 24, Inc., NETS, Inc. and SHAZAM, Inc. and (ii) any other organization or association that hereinafter authorizes Member or its Affiliates to authorize, capture, and/or settle Transactions effected with Debit Cards, and any successor organization or association to any of the foregoing.

Electronic Credit Record – An electronic Credit Record.

Electronic Data Capture or "EDC" – Any means by which payment information (e.g. Electronic Sales Record or Electronic Credit Record) is transmitted electronically to Member for processing.

Electronic Record – An Electronic Credit Record or an Electronic Sales Record.

Electronic Sales Record – An electronic Sales Record.

Exposure Protection Schedule – The “Exposure Protection Schedule” attached to the Signatory Agreement that is part of this Agreement.

Fee Schedule – The “Fee Schedule” attached to the Signatory Agreement that is part of this Agreement.

Frontier – As defined in the Preamble.

Holdings – As defined in the Preamble.

Insolvency Event – (i) The commencement of any bankruptcy, insolvency, moratorium, liquidation, judicial reorganization proceeding, dissolution, arrangement, or proceeding under any creditors’ rights law or other similar proceeding by or against the applicable Party, (ii) any application for, consent by the Party, or acquiescence by the Party in, the appointment of any trustee, receiver, or other custodian for Carrier or a substantial part of its property, (iii) any appointment of a trustee, receiver or other custodian for the Party or a substantial part of its property, or (iv) any assignment by the Party for the benefit of creditors.

ISP – An internet service provider.

Internet PIN Pad – A secure program provided by Acculynk that displays and allows entry on an alphanumeric graphical PIN-pad which conforms with the applicable Operating Regulations and requirements established from time to time by Member, and through which a Cardholder may enter a PIN.

Judgment Currency – As defined in Section 27.

MasterCard – MasterCard International Incorporated.

Member – The financial institution (or, to the extent allowed by the applicable Operating Regulations, a subsidiary or an Affiliate of a financial institution) designated as Member in the Signatory Agreement.

MTOS – As defined in the Preamble.

Net Activity – For any day on which funds are to be remitted to Carrier under Section 6.2 hereof with respect to Transactions to be settled in the same currency, the net aggregate amount of (i) the aggregate amount of the Sales Records submitted to Member prior to such date of remittance of funds that are to be settled to Carrier in the same currency, plus (ii) adjustments in favor of Carrier in the same currency, minus (iii) the amount of any then outstanding Credit Records and Chargebacks to Carrier for which Member has not been reimbursed, minus (iv) the processing fees set out in the Fee Schedule, minus (v) any adjustments in favor of Member in the same currency, minus (vi) any other obligations of Carrier to Member arising under this Agreement, minus (vii) if applicable, any net addition to Reserved Funds on such date (or plus any net subtraction from Reserved Funds on such date).

Obligations – As defined in the Exposure Protection Schedule.

Operating Regulations – The operating regulations of a Card Association as amended or supplemented from time to time.

Other Signatory Agreements – As defined in the Exposure Protection Schedule.

Parties – As defined in the Signatory Agreement.

***** – A software-only service provided by ***** that enables the use of Debit Cards with its corresponding PIN to pay for purchases of Travel Costs from Carrier.

PCI – Payment Card Industry (PCI) Data Security Standard, including any amendments thereto or replacements thereof.

Person – Any natural person, corporation, partnership, limited partnership, limited liability company, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision or any other entity, whether acting in an individual, fiduciary or other capacity.

PIN – A Personal Identification Number.

POS Device – A Terminal or other point-of-sale device at a Carrier location that conforms with the requirements established from time to time by Member and the applicable Card Association.

Processing Date – Any date on which Member processes a Transaction using its merchant processing system.

Relevant Authorities – Any governmental or other agencies or any regulatory authorities with jurisdiction over, or otherwise material to, the business, assets, or operations of Carrier.

Reserved Funds – All funds paid by a Card Association on account of Sales Records submitted to Member by Carrier pursuant to this Agreement and held by Member pursuant to the provisions of the Exposure Protection Schedule.

Retained Documents – As defined in Section 7.2.

Sales Record – A record, whether paper or electronic, which is used to evidence Travel Costs purchased by a Cardholder through the use of a Card and which is processed by Member pursuant to the Agreement.

Secured Party – As defined in the Exposure Protection Schedule.

Settlement Account – A deposit account at a financial institution designated by Carrier as the account to be debited or credited, as applicable, for Net Activity.

Settlement File – The settlement file summarizing Travel Costs and Transactions submitted by Carrier by electronic transmission to Member in such form or format as the Parties may agree.

Signatory Agreement – As defined in the Preamble.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Terms and Conditions of Sale – As defined in Section 3.14(b).

Terminal – A point-of-transaction terminal that conforms with the requirements established from time to time by Member and the applicable Card Association capable of (i) reading the account number encoded on the magnetic stripe, (ii) comparing the last four digits of the encoded account number to the manually key-entered last four digits of the embossed account number, and (iii) transmitting the full, unaltered contents of the magnetic stripe in the Authorization message.

Third-Party Terminal – A terminal, other point-of-sale device, or software provided to Carrier by any entity other than Member or an authorized designee of Member.

Transaction – The purchase by, or refund to, a Cardholder, using a Card for any goods or services provided by Carrier pursuant to this Agreement in the Applicable Countries.

Transaction Date – The actual date on which the Cardholder purchases goods or services with a Card, or on which a Credit Record is issued from Carrier through use of a Card.

Travel Costs – Any one, or any combination of, the following items:

- (a) the purchase of a ticket for air travel for travel along any of Carrier's routes;
- (b) the purchase of a ticket for air travel over the lines of other carriers;
- (c) the payment of airport taxes, fees and surcharges in connection with the purchase of any item specified in this section;
- (d) the payment of excess baggage and other baggage charges;
- (e) the purchase of air freight and air cargo services offered by Carrier;
- (f) the purchase of small package delivery services offered by Carrier;
- (g) the purchase of travel services (including accommodation) on tours sold by or through Carrier in conjunction with the furnishing of air travel;
- (h) the purchase of air travel for pets on Carrier's flights;
- (i) the payment of dues associated with Carrier's airport or other club system;
- (j) the purchase of goods sold and delivered on, or in association with, Carrier's flights;

(k) the purchase of goods sold via direct mail catalog or by direct mail by Carrier; and

(l) the purchase of goods or services associated with the foregoing, including without limitation, sales of preferred seating and flight change fees.

Travel Costs shall also mean such other goods or services as Carrier and Member may agree to include in writing. Travel Costs shall not include charter services.

Value Added Services – Any product or service provided by a third party unaffiliated with Member to assist Carrier in processing Transactions, including internet payment gateways, integrated Terminals, global distribution systems, inventory management and accounting tools, loyalty programs, fraud prevention programs, and any other product or service that participates, directly or indirectly, in the flow of Transaction data.

Value Added Services Schedule – The Value Added Services Schedule attached to the Signatory Agreement.

1.2 In the Agreement unless the context otherwise requires:

(a) Any reference to a statute, statutory instrument, regulation or order shall be construed as a reference to such statute, statutory instrument, regulation or order as amended or re-enacted from time to time.

(b) The words “hereof,” “herein” and “hereunder” and words of similar impact when used in the Agreement shall refer to the Agreement as a whole and not to any particular provision of the Agreement. References to Sections, Exhibits, Schedules and like references are to the Agreement unless otherwise expressly provided. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation,” regardless of whether the phrase “without limitation” is included in the applicable provision. Unless the context in which used herein otherwise clearly requires “or” has the inclusive meaning represented by the phrase “and/or,” even if the phrase “and/or” is not included in the applicable provision. The singular includes the plural and vice versa, regardless of whether “(s)” is used with the applicable word or phrase. The terms “will,” “shall,” “must,” and “agree” have the same meaning and force.

SECTION 2. RULES AND REGULATIONS.

2.1 Carrier and Member each acknowledge that the respective systems of the Card Associations are governed by their respective Operating Regulations and that all Transactions hereunder are subject to such Operating Regulations, as applicable, as the same may be amended from time to time. To the extent there is a conflict between applicable Operating Regulations and the terms of this Agreement, the Operating Regulations shall control. To the extent there is a conflict between applicable law and applicable Operating Regulations, the applicable law shall control. For purposes of the foregoing, a conflict shall be deemed to exist only if (i) compliance with the terms of this Agreement is impossible without a breach of the applicable Operating Regulations or (ii) compliance with the applicable Operating Regulations is impossible without a breach of applicable law. Unless permitted by the applicable Operating Regulations, Carrier shall not establish minimum or maximum Transaction amounts as a condition for honoring Cards.

2.2 Carrier and Member each shall be responsible for any liability arising out of or related to its own failure to observe, perform or otherwise comply with the applicable provisions of the Operating Regulations. Carrier agrees that it shall be responsible for any fees, charges, fines, penalties or other assessments that Member is required to pay a Card Association as a consequence of Carrier's failure to comply with the applicable Operating Regulations. Member agrees that it shall be responsible for any fees, charges, fines, penalties or other assessments that Carrier is required to pay a Card Association as a consequence of Member's failure to comply with the applicable Operating Regulations.

SECTION 3. HONORING CARDS.

3.1(a) In the case of Transactions transacted in U.S. dollars under the Signatory Agreement between Carrier and Member, Carrier may choose to accept (i) only the consumer credit/business credit products of Visa and/or MasterCard; (ii) only the consumer debit/prepaid products of Visa and/or MasterCard; or (iii) both the consumer credit/business credit products and consumer debit/prepaid products of Visa and/or MasterCard. Carrier must indicate in writing its decision to accept a limited category of products at the time of entry into this Agreement. If Carrier chooses to accept only one of the categories of products but later submits a Transaction outside of the selected category, Member is not required to reject the Transaction and Carrier will be charged standard fees and expenses for that category of products. Further, if Carrier chooses a limited acceptance option, it must still honor all international cards presented for payment. If Carrier decides to implement a limited acceptance policy, it shall display appropriate signage to communicate that policy to Cardholders. Except as may be permitted by applicable local law and Operating Regulations, Carrier will not impose a surcharge for purchases made with the Card nor shall Carrier establish minimum or maximum transaction amounts as a condition for honoring Cards.

(b) Notwithstanding anything else contained in this Agreement, and upon written notification from Member that Member or its Affiliates agree to accept ***** Transactions, Carrier may submit for processing hereunder ***** Transactions, and Member agrees to process such transactions. Carrier understands and agrees that Member's ability to accept ***** Transactions under this Agreement is dependent upon Member or its Affiliates continuing to have agreements in place with ***** and the EFT Networks. Carrier acknowledges that even if Member agrees to accept ***** Transactions, Member may not be able to accept Transactions for Debit Cards on all the EFT Networks. Carrier may not submit any other PIN-based Debit Card Transactions under this Agreement other than ***** Transactions. If at any time Member can no longer process ***** Transactions because (i) Member or Member's Affiliates do not have the required enforceable contracts with ***** or the EFT Networks or (ii) ***** cannot or will not perform under its contracts with Member or Affiliates of Member, then Member shall notify Carrier thereof, and Carrier may not submit any ***** Transactions for processing after receipt of such notice. Member shall not be deemed in breach of the Agreement or otherwise have any liability to Carrier as a result of its inability to process ***** Transactions due to the lack of the required contracts with ***** or the EFT Networks or the inability of unwillingness of ***** to perform under such contracts.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(c) In submitting ***** Transactions to Member, Carrier agrees as follows:

- a. During the Transaction process, Carrier will employ an ***** PIN Pad with ***** technology to maintain the confidentiality of the Cardholder's Debit Card information and PIN.
- b. Carrier shall use ***** technology when initiating every ***** Transaction so as to prevent the unauthorized recording or disclosure of a Cardholder's PIN.
- c. Carrier shall require that each holder of a Debit Card enter his or her PIN on a ***** PIN Pad when initiating a ***** Transaction.

If Member has agreed to accept ***** Transactions pursuant to this Section 3.1, Carrier shall support ***** Transactions for purchases and refunds, but may not support purchases with cashback or balance inquiries. At the time of any ***** Transaction, Carrier shall provide each Cardholder a Transaction receipt containing, at a minimum, the following information:

- Amount of the Debit Card Transaction,
- Date of Transaction receipt issuance or date of departure,
- Truncated Debit Card number or another account number or code that uniquely identifies the Cardholder,
- Carrier's name, and
- Transaction reference number or authorization number.

Carrier may perform a refund Transaction for a ***** Transaction only if the original PIN-based Debit Card Transaction was performed through *****. When requested by any EFT Network, Carrier will immediately take action to: (i) eliminate any fraudulent or improper Transactions identified by the EFT Network, (ii) suspend processing of ***** Transactions until such fraudulent or improper Transactions are addressed, or (iii) entirely discontinue acceptance of ***** Transactions.

Carrier understands that ***** Transactions conducted with an ***** PIN Pad are high risk and there is a significant risk that a Cardholder's PIN may be tracked or improperly disclosed if ***** technology is not employed with the ***** PIN Pad. Carrier understands that Member does not provide such security technology and that it is solely Carrier's responsibility to employ such technology. Member acknowledges that ***** is a contractor of an Affiliate of Member and it shall be the obligation of Member to obtain ***** services through such Affiliate. Carrier indemnifies Member against any claims made by a holder of a Debit Card regarding the unauthorized disclosure of such Cardholder's PIN in any Transactions submitted to Member for processing, except to the extent caused by (a) the negligence, willful misconduct, grossly negligent acts or omission, or breach of this Agreement, Operating Regulations, or any applicable laws or regulations by Member, its Affiliates, *****, or an EFT Network or (b) any data breach of the data security systems of Member or its Affiliates. All ***** Transactions shall be included in the flight calendar under the Exposure Protection Schedule and otherwise included when

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determining ***** Exposure. Carrier shall be responsible for submitting to Member the flight data information for each ***** Transaction necessary to allow Member to include such Transactions in the ***** Exposure (as defined in the Exposure Protection Schedule) calculation.

Carrier and Member recognize that the Operating Regulations applicable to Chargebacks on ***** Transactions under the EFT Networks and applicable law may differ from the rules set forth in this Agreement and the Operating Regulations applicable to Transactions with the Credit Card Associations. Carrier and Member agree that any rules contained under this Agreement applicable to Chargebacks shall be deemed modified to the extent necessary to comply with conflicting Operating Regulations or applicable law.

3.2 Carrier shall use reasonable efforts to cause all Agents to permit Cardholders to charge Travel Costs only in accordance with the terms and conditions of the Agreement and in compliance with applicable Operating Regulations. Carrier shall use reasonable efforts to cause compliance by Agents with all of the terms and conditions of the Agreement to be performed by Carrier or Agents. Notwithstanding any such reasonable efforts by Carrier, Carrier shall be responsible for: (i) any failure by any Agent in performing the applicable provisions of the Agreement; and (ii) the settlement of Sales Records and Credit Records completed by Agents.

3.3 Before honoring a Card, Carrier shall do the following to determine whether the Card is valid: (a) where possible, examine the format of each Card presented in connection with a purchase for authenticity and confirm, by checking the effective date and the expiration date as stated on the face of the Card, that the Card has become effective and has not expired; and (b) obtain Authorization. Neither Carrier nor any Agent shall impose a requirement on Cardholders to provide any personal information such as a home or business telephone number, home or business address, driver's license number, or a photocopy of a driver's license as a condition for honoring Cards unless such information is required or permitted under specific circumstances cited in the Agreement. Notwithstanding the foregoing, with respect to Transactions that are not conducted face-to-face, Carrier may request from a Cardholder the information necessary to complete an address verification service request. Neither Carrier nor any Agent shall make a photocopy of a Card under any circumstances, nor shall a Cardholder be required to provide a photocopy of the Card as a condition for honoring the Card. Neither Carrier nor any Agent shall require a Cardholder, as a condition for honoring the Card, to sign a statement that in any way waives the Cardholder's rights to dispute the Transaction. Carrier may require passengers to present personal information, including a driver's license, passport, or other picture identification, for purposes of complying with Carrier's policy or applicable law.

3.4(a) Carrier or Agent shall obtain Authorization for the total amount of the Travel Costs before completing any Card sales Transaction (which in the case of Transactions involving paper submissions pursuant to Section 6.2(d) may require telephone Authorization). Such Authorization may be provided by any third party provider acceptable to Member. Authorization verifies that the Card number is valid, the Card has not been reported lost or stolen at the time of the Card sales Transaction, and confirms that the amount of credit or funds requested for the Card sales Transaction is available. Carrier or Agent will follow any reasonable instructions received during Authorization. Upon receipt of

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Authorization, Carrier or Agent may consummate only the Card sales Transaction authorized and must note the Authorization code on the Sales Record. For all ticket by mail, telephone or internet Card sales, Carrier must obtain the Card expiration date and forward that date as part of the Authorization.

(b) Authorization does not: (i) guarantee Carrier final payment for a Card sales Transaction; (ii) guarantee that the Card sales Transaction will not be disputed later by the Cardholder as any Card sales Transaction is subject to Chargeback; or (iii) protect Carrier in the event of a Chargeback regarding unauthorized Card sales Transactions or disputes involving the quality of goods or services. Authorization will not waive any provision of the Agreement or otherwise validate a fraudulent sales Transaction or a sales Transaction involving the use of an expired Card.

(c) In a Card sales Transaction in which a Card is presented electronically, if Carrier's Terminal is unable to read the magnetic stripe on the Card, Carrier must key-enter the Transaction into the POS Device for processing and obtain: (i) a physical imprint of the Card using a manual imprinter; and (ii) the Cardholder's signature on the imprinted Sales Record.

3.5 Neither Carrier nor any Agent shall make any Card sale to any customer in any of the following circumstances (with the exception of ticket by mail, internet or telephone pursuant to Section 3.8 of the Agreement and ticket by automated machine pursuant to Section 3.9 or purchased through other CNP Transactions): (a) a Card is not presented at the time of sale; (b) the signature on the Sales Record does not appear to correspond to the signature appearing in the signature panel on the reverse side of the Card, or the Cardholder does not resemble the person depicted in any picture which appears on the Card; (c) the signature panel on the Card is blank and is not signed in accordance with the procedures specified in Section 3.6; and (d) no Authorization is received. Any Carrier or Agent completing a Transaction under the conditions in this Section 3.5 shall be responsible for such Sales Record or Credit Record regardless of any Authorization.

3.6 If the signature panel of the Card is blank, in addition to requesting Authorization, Carrier or Agent must: (a) review positive identification to determine that the user is the Cardholder; (b) indicate such positive identification (including any serial number and expiration date) on the Sales Record; and (c) require that the Cardholder sign the signature panel of the Card prior to completing the Transaction. If a Cardholder presents a Card that bears an embossed "valid from" date and the Transaction Date is prior to the "valid from" date, Carrier or Agent shall not complete the Transaction. A card embossed with a "valid from" date in month/year format shall be considered valid on the first day of the embossed month and year. A card embossed with a "valid from" date in month/day/year format is considered valid on the embossed date

3.7(a) Each Card sale shall be evidenced by a Sales Record. Each Sales Record shall be imprinted with the Card unless: (i) the Sales Record results from a Transaction involving Terminals which produce electronic Transaction records; (ii) the Transaction is a CNP Transaction; (iii) an imprinter is not available; or (iv) if for any other reason the Sales Record cannot be imprinted with a Card (if Authorization is obtained), including Transactions by mail, telephone or automated machine. If an imprinter is not available, the information on the Card and merchant plate shall be reproduced legibly on the Sales Record in sufficient detail to identify the parties to such sale. Such information shall include at least the date of sale, amount, Cardholder's name and account number and Carrier's name and place of business.

(b) Carrier shall include all items of Travel Costs purchased in a single Transaction in the total amount on a single Sales Record or Transaction record except for individual tickets issued to each passenger, when required by Carrier policy.

(c) Each Sales Record shall include on its face the items needed to complete the Settlement File required by the Member. Each Sales Record shall be signed by the Cardholder (except where the sale is made pursuant to CNP Transaction or automated machine transaction), which signature shall appear to be the same as the signature on the Card presented, as determined by Carrier or Agent. The Cardholder shall not be required to sign a Sales Record until the final Transaction amount is known and indicated in the "Total" column.

(d) Carrier shall not effect a Transaction for only part of the amount due on a single Sales Record except when the balance of the amount due is paid by the Cardholder at the time of sale in cash, by check, with another card or Card, or any combination thereof.

(e) If Carrier or Agent honors the Card, Carrier or Agent honoring the Card will deliver to the customer a true and completed copy of the Sales Record. The Card account number must be truncated on all Cardholder-activated copies of Sales Records. Truncated digits should be replaced with a fill character such as "x," "*", or "#," and not with blank spaces or numeric characters. All POS Devices must suppress all but the last four digits of the Card account number and the entire expiration date on the Cardholder's copy of the Electronic Sales Records generated from POS Devices (including Cardholder activated).

3.8 Carrier or Agent may enter into Transactions in accordance with Carrier's or such Agent's ticket by CNP Transaction program. In each such case, Carrier or Agent will complete the Sales Record (in accordance with Section 3.7) and include on the Sales Record the effective date and expiration date of the Card as obtained from the Cardholder together with words to reflect "mail order" or the letters "MO" or "telephone order" or the letters "TO," or "internet order" or the letters "IO," as appropriate. Carrier must obtain an Authorization code for all such Transactions. If a Carrier or Agent completes a Transaction without imprinting the Card or using a Terminal, Carrier shall be deemed to warrant the true identity of the Cardholder as the authorized holder of such Card unless Carrier or Agent has obtained independent evidence of the Cardholder's true identity and has noted such evidence on the applicable Sales Record.

3.9 In the case of sales of tickets by automated machine, such Transaction records must include at least the following information: (i) the account number; (ii) Carrier or Agent's name; (iii) the automated machine's location code or town, city, county, state or province; (iv) the amount of the Transaction in the applicable currency; and (v) the Transaction Date.

3.10(a) Carrier or Agent may use POS Devices or other data capture services acceptable to Member to obtain Authorization and to capture Electronic Sales Record data to submit to a Card Association by reading data encoded on either tracks 1 or 2 on the magnetic stripe of Cards in accordance with applicable Operating Regulations. POS Devices are prohibited from printing or displaying more information than that which is permitted by the applicable Operating Regulations and applicable laws and regulations.

(b) Whenever Carrier has knowledge that the embossed account number is not the same as the encoded account number, Carrier is required to: (i) decline the Transaction; (ii) attempt to retain the Card in accordance with Section 3.12 by reasonable and peaceful means; (iii) note the physical description of the Cardholder; (iv) notify Member; and (v) forward any recovered Card in accordance with the procedures specified in Section 3.13.

(c) When the embossed account number is the same as the encoded account number, Carrier must follow normal Authorization procedures as described in this Section 3.

3.11 Neither Carrier nor any Agent shall make a cash disbursement to any Cardholder with respect to a Transaction.

3.12 Carrier or Agent shall use commercially reasonable efforts to retain a Card by reasonable and peaceful means if: (a) Carrier is requested to do so in an Authorization response message; (b) if the four printed digits above the embossed account number on a Card do not match the first four embossed digits; or (c) if Carrier has reasonable grounds to believe a Card is counterfeit, fraudulent or stolen.

3.13 In any case in which Carrier recovers a Card, Carrier shall send such Card to the address stated below:

Bank Card Center
Attn: Card Recovery
P. O. Box 6318
Fargo, ND 58125-6318

3.14 The following provisions govern CNP Transactions:

(a) Carrier acknowledges that in order to accept and process CNP Transactions, Carrier must (i) implement and adhere to security measures designed to ensure secure transmission of the data provided by the Cardholder in purchasing Travel Costs and effecting payment over the internet as required by the applicable Operating Regulations and applicable requirements of law; (ii) where possible, verify the address of the Cardholder via AVS; (iii) at any time when Carrier participates in Verified by Visa or MasterCard Secure Code requirements, Carrier shall provide to Member the data elements included in such requirements; and (iv) ensure that, to the extent that the Carrier Website is hosted by an ISP, the ISP meets the minimum security measures and technology requirements.

(b) Carrier shall at all times during the term of this Agreement, display on the Carrier Website clear terms and conditions and procedures (the "Terms and Conditions of Sale"). The Terms and Conditions of Sale shall give a complete and accurate description of the Travel Costs offered by Carrier. Carrier Website must include clear details of Carrier's return policy, customer service, contact details (including mail/email/phone/fax), currency accepted, delivery policy and country of Carrier's domicile for every nexus and operation of Carrier. Carrier shall also comply with all and any requirements or guidelines in respect of internet usage issued from time to time by all relevant Card Associations, together with the requirements of applicable laws and regulations.

(c) The Carrier Website will clearly inform the Cardholder that the Cardholder is committing to payment before he or she selects the “Pay Now” button. The Carrier Website will afford the Cardholder an unambiguous option to cancel the payment instruction at this stage.

(d) Carrier acknowledges that in certain jurisdictions it may be unlawful for Carrier to sell the Travel Costs and that Member cannot accept any liability for the consequences of Carrier trading in such jurisdictions.

(e) Carrier is prohibited from entering Cardholder details into a Terminal manually where those details have been provided to Carrier via the internet.

(f) Carrier shall promptly inform Member of every security breach, suspected fraudulent card(s) and suspicious activity on Carrier’s security system or through Carrier Website that may relate to Transactions.

(g) Member shall not in any way be liable for any claim in connection with any representations contained in the Carrier Website, webpage(s), advertisement(s) or printed matter relating to Carrier’s products or services.

(h) Carrier hereby acknowledges that CNP Transactions are in all cases at Carrier’s own risk. Carrier is fully liable for all Chargebacks, fines, assessments, penalties and losses related to CNP Transactions even where Carrier has complied with this Agreement and where the Transaction in question has been authorized. All communication costs related to CNP Transactions are Carrier’s responsibility. Carrier acknowledges that Member does not manage the CNP payment gateway or the telecommunication links and that it is Carrier’s responsibility to manage that link.

SECTION 4. **CARDHOLDER ACCOUNT INFORMATION; SECURITY PROGRAM COMPLIANCE.**

4.1 The Parties and each Agent shall treat all information relating to any Card, including Cardholder name and identification information, PIN (if applicable), account number information in any form, imprinted Sales Records, carbon copies of imprinted Sales Records, mailing lists, tapes, or other media, obtained by reason of any Transaction or otherwise (“Cardholder Account Information”), as confidential information and shall protect such materials from disclosure to any third person, except as expressly permitted in this Agreement. The Parties shall at all times only store, process and use Cardholder information in accordance with the requirements of any applicable data processing laws and Operating Regulations; provided, that nothing in the Agreement shall restrict Carrier’s storage or use of customer information gathered by it in the ordinary course of its business. The Parties shall not, without the consent of the Cardholder, sell, purchase, provide or exchange Cardholder Account Information to or with any third person, other than

(a) Carrier’s agents, employees and representatives, network providers or Card processors for the purpose of assisting Carrier in completing the Transaction;

(b) Member's employees and representatives and agents for the purpose of performing under this Agreement and in compliance with the applicable Operating Regulations and requirements of law;

(c) the applicable Card Association or Card Issuer in compliance with this Agreement and the applicable Operating Regulations; or

(d) in accordance with applicable law.

4.2 All Value Added Services being provided to Carrier are set forth on the Value Added Services Schedule attached to the Signatory Agreement, and Carrier will disclose in writing to Member any new Value Added Services to be provided to Carrier after the Effective Date prior to using the same. All Value Added Services shall comply with all applicable requirements of law and the Operating Regulations, including PCI. Carrier will comply with the requirements of PCI and any modifications to, or replacements of PCI that may occur from time to time, be liable for the acts and omissions of each third party offering such Value Added Services and will be responsible for ensuring compliance by the third party offering such Value Added Services with all applicable requirements of law and Operating Regulations, including PCI. Carrier will indemnify and hold harmless Member from and against any loss, cost, or expense incurred in connection with or by reason of Carrier's use of any Value Added Services. Member will not be responsible for the Value Added Services not provided by it.

4.3 If Carrier uses Value Added Services for the purposes of data capture or authorization, Carrier agrees: (a) that the third party providing such services will be its agent in the delivery of Transactions to Member via a data processing system or network similar to Member's; and (b) to assume full responsibility and liability for any failure of that third party to comply with applicable requirements of law and the Operating Regulations or this Agreement. Member will not be responsible for any losses or additional fees incurred by Carrier as a result of any error by a third party agent or by a malfunction in a Third Party Terminal.

4.4 Member will establish and maintain appropriate administrative, technical and physical safeguards to protect the security, confidentiality and integrity of the Cardholder Account Information. These safeguards will be designed to protect the security, confidentiality and integrity of the Cardholder Account Information, ensure against any anticipated threats or hazards to its security and integrity, and protect against unauthorized access to or use of such information or associated records which could result in substantial harm or inconvenience to any Cardholder. Without limiting the foregoing, Member shall maintain adequate back-up systems and disaster recovery systems to reasonably protect Cardholder Account Information or any similar data maintained by Member and to allow Member to continue to fulfill its obligations hereunder in the event of any natural disaster or other similar event.

SECTION 5. RETURNED UNUSED TRAVEL COSTS; CREDIT ADJUSTMENT.

5.1 Carrier will maintain a fair and uniform policy for the return or exchange of tickets or other Travel Costs for credit adjustments. On the date Carrier accepts the return of unused tickets or other Travel Costs or otherwise allows an adjustment to the Travel Costs which were the subject of a previous Card sale, Carrier will date and otherwise properly complete a Credit Record and submit it to Member for processing hereunder in accordance with the timeframes required by the applicable Operating Regulations and law.

5.2 Carrier will make no cash refunds in connection with such credit adjustments, except to the extent it may be required to effect a cash refund pursuant to the involuntary refund requirements of applicable laws, rules, regulations, or tariffs.

5.3 If a Cardholder disputes the receipt of the proper amount of the cash refund, Carrier shall, within the terms established in Section 8 for Chargebacks, furnish Member with such documentary evidence of such refund.

5.4 The submission of a Credit Record will not impair the right of Chargeback of Member against Carrier in an amount not to exceed the excess of (a) the amount of the Sales Record over, (b) the amount of the Credit Record submitted by Carrier.

5.5 Carrier shall not accept monies from a Cardholder for the purpose of preparing and depositing a credit voucher that will effect a deposit to the Cardholder's account. Carrier shall not process a credit voucher without having completed a previous purchase Transaction with the same Cardholder.

SECTION 6. SUBMISSION OF ELECTRONIC SALES RECORDS AND ELECTRONIC CREDIT RECORDS.

6.1 Carrier shall establish and maintain one Settlement Account for each currency permitted pursuant to this Agreement. Each Settlement Account shall be maintained in an office of the financial institution designated by Carrier which is acceptable to Member, and shall be subject to Member's customary practices and procedures applicable to accounts of that nature and shall be subject to the terms of this Agreement. Carrier shall provide to Member all information necessary to facilitate remittance of funds to each Settlement Account. All settlements with respect to Transactions submitted in the currency of a given Applicable Country shall be denominated in the lawful currency or currencies specified in the Signatory Agreement that is part of this Agreement.

6.2(a) Neither Carrier nor Agent may present for processing or entry to any Card Association, directly or indirectly, any Sales Record or Credit Record which was not originated as a result of a Transaction between the Cardholder and Carrier.

(b) Neither Carrier nor Agent may deposit for entry to any Card Association, directly or indirectly, any Sales Record or Credit Record that it knows or reasonably should have known under the circumstances to be (i) fraudulent or (ii) not authorized by the Cardholder. With respect to this requirement, Carrier or an Agent shall be responsible for the actions of their respective employees and agents while acting in their employ or as agents.

(c) Except as set forth in the last sentence of this Section 6.2(c), neither Carrier nor Agent may present for processing or entry to any Card Association any Sales Record or Credit Record representing a Transaction all or part of which had been previously charged back to Member and subsequently returned to Carrier. Carrier may, at its option, pursue payment from the customer outside the Card Association system. Should Carrier exercise this option and the Cardholder acknowledges the debt, and chooses to pay the amount in full using its Card, Carrier may present a Sales Record in such amount to Member for processing.

(d) Carrier or Agent shall submit to Member for processing each Sales Record in accordance with the timeframes required by the applicable Operating Regulations. The method of billing for all Electronic Sales Records and Electronic Credit Records processed through any Billing Settlement Processor must be by electronic transmission and shall include itinerary records consisting of departure dates. If Carrier is unable to submit Sales Records and Credit Records originating at Carrier's sales locations, including airport locations, ticket-by-mail centers, and other sales locations, by means of a summary electronically transmitted as provided in Sections 6.5 and 7.1, Carrier may submit such Sales Records and Credit Records to Member by means of a paper summary and detail thereof to Member's designated processing center, or by means of a Terminal that generates an electronic transmission to Member's designated Terminal processor.

(e) Member will deposit, or cause to be deposited, on each Business Day, via federal wire transfer, in the case of U.S. dollar Transactions, and SWIFT, in the case of Canadian dollar Transactions, into the applicable Settlement Account for each applicable currency, an amount equal to the amount of Net Activity relating to such currency for each Business Day, subject to Member's receipt of the incoming transmission of Sales Records and Credit Records by the time and on the day specified in Exhibit A.

(f) At any time that the aggregate amount of Net Activity results in an amount due Member, the aggregate amount due may be deducted, recouped or set off from amounts subsequently payable to Carrier under this Agreement on account of Sales Records irrespective of the currency in which payment to Carrier is to be made; provided, that, Member may, at its option (i) require an immediate wire transfer from Carrier of the amount due, or (ii) apply, set off against or recoup from any Deposit amount maintained pursuant to this Agreement the amount due from Carrier under this Agreement. Carrier will, upon demand by Member, pay interest on the amount due from Carrier under this Agreement for the period such amount remains unpaid after the applicable due date, calculated at a per annum rate equal to the Applicable Rate. Carrier acknowledges that this Agreement is a "net payment agreement" and that the right of Member to net out obligations due from Carrier under this Agreement from amounts payable to Carrier hereunder (including from or as represented by the Deposit amount) is a right of recoupment. Carrier further acknowledges that Member has entered into the Agreement in reliance upon such right.

(g) In the event that Carrier is party to more than one Signatory Agreement that incorporates the MTOS, amounts owed by Carrier under a Signatory Agreement may be recovered by Member under such Signatory Agreement from amounts due to Carrier under any Other Signatory Agreement, including amounts attributable to any Deposit. Carrier authorizes each Member under each Signatory Agreement to remit any amounts payable to Carrier under such Signatory Agreement to any Member under any Other Signatory Agreement to pay Carrier's obligations to Member thereunder.

(h) Amounts deposited in a Settlement Account or otherwise credited to Carrier (including, without limitation, amounts credited against Carrier's obligations to Member for fees, costs and expenses hereunder) in respect of any Sales Record pursuant to this Agreement and Carrier's right to payment of Reserved Funds shall be provisional until the payment made to Member by the Card Association in respect of such Sales Record shall become final (i.e., all rights of Chargeback or other rights of the Cardholder or Card issuer to obtain reimbursement of such payment from Member shall have expired).

6.3 Processing fees shall be as set forth in the Fee Schedule attached to the Signatory Agreement that is part of this Agreement. Any adjustments made by the Card Associations (or by any third-party that provides authorization services) to any fees or assessments included on the Fee Schedule shall be passed through to Carrier without markup by Member. Except as provided for in the preceding sentence, the rates and fees set forth on the Fee Schedule may not be adjusted without the written consent of Carrier.

6.4 Member will provide Carrier with Transaction reports each Business Day that correspond to Net Activity for such Business Day and that will summarize sales, returns (refunds), Chargebacks, processing fees, and adjustments with adequate detail to allow Carrier to perform account reconciliation.

6.5 Carrier shall cause Agents to submit Electronic Sales Records and Electronic Credit Records to Member in the form of the Settlement File by electronic transmission as provided in Sections 6.2(d) and 7.1 through Carrier's accounting office or the appropriate processing center of the area or Billing Settlement Processor of which Carrier is a member. Carrier or the appropriate processing center, as the case may be, shall submit the Electronic Sales Records and Electronic Credit Records to Member in accordance with the terms of the Agreement.

6.6 If Carrier utilizes Electronic Data Capture services pursuant to this Section 6.6 to transmit Electronic Sales Records and Electronic Credit Records for Transactions through a Terminal, Carrier agrees to utilize such EDC services in accordance with applicable Operating Regulations. Carrier may designate a third person as its agent to deliver to Member or directly to Card Associations Transactions captured at the point of sale by such agent. If Carrier elects to designate such an agent, Carrier must provide Member prior written notice of such election. Carrier understands and agrees that Member is responsible to make payment to Carrier for only those Transaction amounts delivered by such agent to the Card Associations, less amounts withheld by Member pursuant to the Agreement, and Carrier is responsible for any failure by such agent to comply with any applicable Operating Regulations, including any such failure that results in a Chargeback.

SECTION 7. ELECTRONIC TRANSMISSION.

7.1(a) When Electronic Sales Records and Electronic Credit Records are submitted to Member electronically, other than Electronic Sales Records and Electronic Credit Records originating from Terminals, as provided in Section 6.6, and processed by Member's Terminal processor, such Electronic Sales Records and Electronic Credit Records shall be submitted to Member by means of a summary of all Travel Costs by electronic transmission compatible with the computer system of Member and shall comply with Section 6.2 of the Agreement. Each such electronic transmission shall contain, at a minimum, the information required for each Electronic Sales Record by Section 3.7 and shall be made in the form of the Settlement File or any other format acceptable to Member in its sole discretion, provided, however, that (i) Carrier will not change the format of such electronic submissions

without first obtaining Member's consent and (ii) if Carrier requests a change in format with respect to such electronic submissions, Member may test such electronic submissions (in the requested format) prior to consenting to such change in format, and such testing by Member shall not constitute consent to such format change and shall not in any way limit Member's right to withhold consent with respect to such format change.

(b) If an electronic transmission of Travel Costs does not meet the requirements of the approved format, Member shall use reasonable efforts to advise Carrier within eight hours of receipt of same.

(c) Any acceptance by Member of an electronic transmission of Travel Costs which does not comply with the appropriate format or, if in the appropriate format, does not contain the information in respect to each Travel Cost summarized therein required by the terms of the Agreement, shall not constitute a waiver of, or preclude Member from exercising, the right of Chargeback.

7.2 Carrier shall retain, or cause to be retained, each original Sales Record and Credit Record and any other documentation necessary for Member to satisfy applicable Operating Regulations ("Retained Documents") relating to those Transactions transmitted to Member directly by Carrier, in each case for at least ***** from the date each such Retained Document is submitted to Member for processing. Promptly upon Carrier's receipt of Member's request for the same, but in no event later than ***** following Carrier's receipt of such request, Carrier shall deliver to Member a copy, or the original if specifically requested by Member (provided, that Carrier shall have no obligation to provide an original document in any case in which the Transaction did not result in any tangible documentation (*e.g.*, a CNP Transaction) or if Carrier has destroyed such original after creating a microfiche or other acceptable copy thereof as set forth below), of the requested document.

Notwithstanding the foregoing, either Carrier or Member may elect to hold in its custody Retained Documents for no more than ***** provided such Party retains a microfilmed or microfiched (or other mutually acceptable medium) copy of such documents for at least ***** from the date on which each such document is submitted to Member for processing.

SECTION 8. CHARGEBACKS.

8.1 Member is not obligated to accept any Sales Record which does not comply in every respect with the terms and conditions of this Agreement, or which does not comply in all respects with the applicable Operating Regulations.

8.2 Carrier agrees to pay Member the amount of each Chargeback and, in the case of amounts that have not been paid to Carrier, acknowledges Carrier has no right to receive amounts attributable to Chargebacks. Member may deduct and retain any amount due to Member from Carrier on account of Chargebacks from amounts otherwise payable to Carrier under this Agreement. The provisions of Section 6.2 with respect to payment of Carrier's obligations to Member will apply in the event the amount of Net Activity results in an amount due Member.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

8.3 So long as a Chargeback claim is in the process of dispute resolution pursuant to the applicable Operating Regulations, Carrier shall not make any other claim or take any proceedings against the Cardholder in relation to the related Transaction or the underlying contract of sale or service. For clarity, the foregoing shall not preclude Carrier from continuing to work toward a consensual resolution with any Cardholder of the dispute that is the basis for the Chargeback.

8.4 In connection with the processing of Chargeback claims, Member shall be entitled to rely and act on any agreements, requests, instructions, permissions, approvals, demands or other communications given by Carrier (whether orally, via email or in writing) and Member shall not be liable to Carrier for any loss or damage incurred or suffered by it as a result of such action.

SECTION 9. REPRESENTATIONS AND WARRANTIES.

9.1 Carrier represents and warrants to Member that:

(a) Carrier has full and complete power and authority to enter into and perform under the Agreement and has obtained, and there remain in effect, all necessary licenses, resolutions and filings which are necessary for Carrier to perform its obligations under the Agreement.

(b) Carrier's sales Transactions and credit refund procedures comply in all material respects with all applicable laws and regulations of any governmental authority which are pertinent to such Card sales or refunds.

(c) Carrier's execution and performance of the Agreement will not violate any provision of Carrier's organizational or charter documents, or any indenture, contract, agreement or instrument to which it is a party or by which it is bound and the Agreement constitutes the legal, valid and binding obligation of Carrier, enforceable in accordance with its terms.

(d) Carrier is duly organized and in good standing under laws of the jurisdiction specified in the first paragraph of the Signatory Agreement that is part of the Agreement and is qualified to do business in each jurisdiction where the nature of its activities or the character of its properties makes such qualification necessary or desirable and the failure to so qualify would have a material adverse affect on its assets or operations.

(e) Carrier's and its subsidiaries' (if any) audited, consolidated financial statements and its unaudited, consolidated financial statements, as heretofore furnished to Member, have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with those of the preceding year, and fairly present the financial condition of Carrier as of such date and the result of its operations and the changes in financial position for the period then ended. There have been no material adverse changes in the condition or operations, financial or otherwise, of Carrier since the date of the financial statements furnished to Member prior to the execution of this Agreement, except as previously disclosed to Member in writing and excludes changes from general economic, regulatory, or political conditions or changes, financial market fluctuations, and general or seasonal changes in the air transportation industry. Neither the financial statements described herein nor any other certificate, written statement, budget, exhibit or report, including written information and reports relating to Card sales for Travel Costs, furnished by Carrier in

connection with or pursuant to the Agreement contains any untrue statement of a material fact or omits to state any material fact necessary in order to make statements contained therein not misleading. Certificates or written statements furnished by Carrier to Member consisting of projections or forecasts of future results or events have been prepared in good faith and based on good faith estimates and assumptions of the management of Carrier and Carrier has no reason to believe that such projections or forecasts are not reasonable. To the best knowledge of Carrier, after due inquiry by a responsible officer of Carrier, all factual information hereafter furnished to Member by Carrier in writing (other than factual information provided by the Cardholders) will be true and accurate in all material respects on the date as of which such information is dated or certified and no such information will contain any material misstatement of fact or will omit to state a material fact or any fact necessary to make the statements contained therein not misleading.

(f) There is no action, suit or proceeding at law or equity, or before or by any town, city, county, state, federal, provincial or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, pending or to the knowledge of Carrier, threatened against Carrier or any of its property which, if determined adversely to Carrier could materially adversely affect the present or prospective financial condition of Carrier or affect its ability to perform hereunder and Carrier is not in default with respect to any final judgment, writ, injunction, decree, rule or regulation of any court or town, city, county, state, federal or provincial governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign where the effect of such default could materially adversely affect the present or prospective financial condition of Carrier.

(g) Carrier has not failed to comply in material respects with its agreements with any Relevant Authorities or other Billing Settlement Processor, which failure would have a material adverse effect on the ability of Carrier to perform normal flight operations and otherwise comply with the terms of this Agreement.

(h) Any Transactions submitted under this Agreement shall not relate to the provision of services or goods to a country where there may be, or are, any restrictions, regulations, sanctions or laws prohibiting or restricting the provision of any such services or goods.

(i) No consideration other than as set out in this Agreement has been provided by Carrier in return for entering into this Agreement.

The foregoing representations and warranties shall be deemed to be made each time Carrier submits a Sales Record or Credit Record to Member for processing.

9.2 Carrier further represents and warrants to Member each time Carrier submits a Sales Record or Credit Record to Member for processing that (a) all Transactions submitted for processing hereunder are bona fide, (b) no Transaction involves the use of a Card for any purpose other than the purchase of goods or services in the ordinary course of business from Carrier, and (c) no Transaction involves: (i) a Cardholder obtaining cash from Carrier or (ii) except as specifically provided for herein, Carrier accepting a Card to collect or refinance an existing debt or previous Card charges. If at any time any of the representations set forth in this Section 9.2 is found to be inaccurate as applied to any Transaction (or series of Transactions), then Carrier shall (x) be responsible for the amount of the resulting Chargeback, and (y) have the right promptly to establish a remedial plan reasonably acceptable to Member the purpose of which shall be to cure the basis for such inaccuracy.

9.3 Member represents and warrants to Carrier that:

(a) It has full and complete power and authority to enter into and perform under this Agreement and has obtained, and there remain in effect, all necessary licenses, resolutions and filings which are necessary for it to perform its obligations under this Agreement.

(b) Its processing practices and procedures comply in all material respects with all applicable laws and regulations of any governmental authority which are pertinent to such practices and procedures.

(c) Its execution and performance of this Agreement will not violate any provision of its organizational or charter documents, or any indenture, contract, agreement or instrument to which it is a party or by which it is bound and this Agreement constitutes its legal, valid and binding obligation of Member, enforceable in accordance with the terms of this Agreement.

(d) It is duly organized and in good standing under laws of the jurisdiction of its organization and is qualified to do business in each jurisdiction where the nature of its activities or the character of its properties makes such qualification necessary or desirable and the failure to so qualify would have a material adverse effect on its assets or operations.

SECTION 10. SERVICE MARKS AND TRADEMARKS.

10.1 Except for mere reference to the company name of Carrier in presentations to other merchants for the provision of processing services by Member, Member shall not display or show the trademarks, service marks, logos, or company names of Carrier in promotion, advertising, press releases, or otherwise without first having obtained Carrier's written consent.

10.2 Carrier may indicate in any advertisement, display or notice that the services of a specific Card Association are available. If Carrier has elected to not honor specific Cards pursuant to Section 3.1 hereof, Carrier may use Card Association trademarks and service marks on promotional, printed, or broadcast materials for the sole purpose of indicating which Cards are accepted by Carrier. Notwithstanding anything in the Agreement to the contrary, any use of Card Association trademarks and service marks by Carrier must be in compliance with the applicable Operating Regulations. Carrier's promotional materials shall not indicate, directly or indirectly, that any Card Association or Member endorses or guarantees any of Carrier's goods or services.

10.3 Carrier and Member acknowledge that no Party hereto will acquire any right, title or interest in or to any other Party's trademarks, service marks, logos or company names and such properties shall remain the exclusive property of the respective parties or their Affiliates. Upon termination of the Agreement, the Parties hereto will discontinue all reference to or display of the other Party's trademarks, service marks, logos and company names.

SECTION 11. AUDIT.

11.1 In the event of reasonable suspicion that Carrier or any of its officers, employees or agents are involved in any fraudulent or unlawful activity connected with this Agreement, Member shall have the right, on not less than ***** notice, to inspect Carrier's Transaction records relating to this Agreement, in connection with which Carrier authorizes Member and its authorized agent(s) to examine or audit such records.

11.2 During the term hereof and for ***** thereafter, Carrier and Member shall have the right at reasonable times and upon reasonable notice to audit, copy or make extracts of the records of the other pertaining to the transactions between or among them under the Agreement to determine the accuracy of the amounts which have been or are to be paid, refunded or credited by one party to the other in accordance with the provisions hereof.

11.3 Carrier shall obtain an audit from a third party acceptable to Member of the physical security, information security and operational facets of Carrier's business and provide to Member and, if applicable, the requesting Card Association, a copy of the audit report resulting therefrom (a) upon Member's request, or upon the request of a Card Association, promptly following any security breach on Carrier's system at Carrier's expense, (b) at any time upon request of a Card Association at Carrier's expense and (c) if no security breach has occurred on Carrier's system, upon request of Member, at Member's expense; provided that, with respect to this clause (c), such an audit may not be required more than ***** per calendar year.

SECTION 12. DISPUTES WITH CARDHOLDERS.

12.1 Carrier will handle all claims or complaints by a Cardholder with regard to Travel Costs or Transactions.

12.2 Any dispute between Carrier and a Cardholder arising out of the contract of air carrier shall be subject to settlement, in Carrier's discretion, directly by Carrier without liability, cost, or loss to Member.

SECTION 13. ASSIGNMENT; DELEGATION OF DUTIES. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. Consent of Carrier shall not be required as to an assignment by Member to any Affiliate or parent of Member, so long as such Affiliate or parent has equivalent resources and experience in merchant acquiring/processing as Member (which shall be deemed to be the case if such Affiliate acquires the assets and personnel of Member that constituted Member's acquiring processing business immediately prior to such assignment). No party hereto shall make any other assignments of this Agreement without the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld. Member, in its sole discretion, with prior notice to Carrier, may designate and authorize any Affiliate(s) of Member to take any action required or allowed by Member or to undertake any duties or fulfill any of its obligations hereunder, and in such case such Affiliate(s) shall be entitled to the rights and benefits of Member hereunder. Notwithstanding any such designation and authorization, Member shall remain liable for any breach or failure to perform hereunder by any such Affiliate(s) of Member hereunder.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

SECTION 14. INDEMNIFICATION; LIMIT ON LIABILITY.

14.1 Carrier shall indemnify and hold Member harmless from and against any and all claims, losses, liability, costs, damages, and expenses on account of or arising out of claims, complaints, disputes, settlement, litigation, arbitration, governmental inquiry or other proceeding pertaining or alleged to pertain thereto and instituted by (a) a Cardholder with regard to Travel Costs or Transactions, and any and all disputes between Carrier and any Cardholder arising out of the common carrier passenger relationship, except to the extent resulting from the negligence, willful misconduct, or breach or violation of this Agreement, applicable Operating Regulations, or any applicable laws or regulations by Member or any of its Affiliates, or (b) any Person to the extent resulting from any willful misconduct or grossly negligent acts or omissions of Carrier or its Affiliates, or any breach by Carrier or any of its Affiliates of any provision of any of the Agreement, the applicable Operating Regulations or any applicable laws and regulations.

14.2 Member will promptly notify Carrier of any third party claim that may entitle Member to indemnification (whether pursuant to this Section 14 or another provision of this Agreement) and allow Carrier the right to assume the defense of any such claim; provided, that, (a) legal advisors retained by Carrier shall be reasonably acceptable to Member, and (b) a delay in delivery of such notice to Carrier shall not limit Carrier's indemnification obligations hereunder. Member will not settle any such claim without Carrier's written consent. In the event that Carrier does not assume the defense of any such claim, Carrier must assist in the collection of information, preparation, negotiation and the defense of any such claim. Nothing herein shall limit Member's right of Chargeback as defined in Section 8 of the Agreement.

14.3 Member shall indemnify and hold Carrier harmless from and against any and all claims, losses, liability, costs, damages and expenses of any Person on account of or arising out of any claims, complaints, disputes, settlement, litigation, arbitration, governmental inquiry or other proceeding instituted by such Person and alleging or arising from (a) the willful misconduct or grossly negligent acts or omissions of Member or any of its Affiliates, or (b) any breach by Member or any of its Affiliates of any provision of any of the Agreement, the applicable Operating Regulations or any applicable laws and regulations, or (c) any breach of the data security systems of Member or its Affiliates pertaining to, or any other unintentional release of, Cardholder Account Information. Carrier will promptly notify Member of any third-party claim that may entitle Carrier to indemnification (whether pursuant to this Section 14 or another provision of this Agreement) and allow Member the right to assume the defense of any such claim; provided, that, (i) legal advisors retained by Member shall be reasonably acceptable to Carrier, and (ii) a delay in delivery of such notice to Member shall not limit Member's indemnification obligations hereunder. Carrier will not settle any such claim without Member's written consent. In the event that Member does not assume the defense of any such claim, Member must assist in the collection of information, preparation, negotiation and the defense of any such claim.

14.4 Any other provisions contained herein to the contrary notwithstanding, it is hereby agreed that the indemnity provisions set forth in this Section 14 shall survive termination of the Agreement and remain in effect with respect to any occurrence or claim arising out of or in connection with the Agreement.

14.5 In no event will Member be liable for any indirect or consequential loss or damage (howsoever arising) even if such loss was reasonably foreseeable. In no event will Carrier be liable for any indirect or consequential loss or damage, howsoever arising, even if such loss was reasonably foreseeable. Any right of Member to obtain lost profits shall be limited to an amount no greater than the sum of ***** multiplied by the number of months remaining on the term of the Agreement. The foregoing damages limitation shall not apply with respect to any third-party claims otherwise subject to indemnification hereunder or from any damages resulting from a Party's breach of its obligations under Section 4 or Section 24.

14.6 Any exchange rate losses due to a refund or Chargeback being processed shall be borne by Carrier.

SECTION 15. **TERMINATION AND WAIVER.**

15.1 [Intentionally Omitted]

15.2 Carrier may terminate the Agreement (a) without notice to Member upon (i) the occurrence of any Insolvency Event with respect to Member, or (ii) Member's commitment of or participation in any material systematic, systemic or recurring fraudulent activity related to Member's credit and debit card processing business which is directed or approved by senior management of Member, or (b) on ***** written notice to Member if (i) Member shall commit a material default under the Agreement and shall fail or refuse to remedy such material default within ***** after receipt of written notice specifying the nature of such default, or to commence to remedy such material default within such period if the same is curable but cannot reasonably be remedied within such period, or shall fail to complete within ***** after receipt of such written notice any remedy commenced during the original ***** notice period, or (ii) any representation or warranty made by Member proves to be incorrect when made in any material respect, and Member fails or refuses to remedy such default within ***** after receipt of written notice specifying the nature of such default, or to commence to remedy such material default within such period if the same is curable but cannot reasonably be remedied within such period, or shall fail to complete within ***** after receipt of such written notice any remedy commenced during the original ***** notice period.

15.3 Member may terminate the Agreement without notice to Carrier upon (a) the occurrence of any Insolvency Event with respect to Carrier, (b) Carrier's commitment of or participation in any material systematic, systemic or recurring fraudulent activity which is directed or approved by senior management of Carrier or (c) Carrier violates Member's rights of exclusivity pursuant to the Signatory Agreement that is part of this Agreement.

15.4 Member may terminate the Agreement on ***** written notice to Carrier based upon (a) the imposition, or an attempted imposition, of a lien in favor of any person other than Member, whether voluntary or involuntary, on the Deposit or any portion thereof or any property of Carrier subject to the lien or security interest of Member pursuant to this Agreement, or the imposition of any freeze on any property of Carrier subject to the lien or security interest of Member or any other Secured Party; (b) the imposition of any material restriction on or material impairment of any of Member's rights under the Agreement, including any restriction of the rights with respect to the Deposit provided pursuant to the Exposure Protection Schedule; (c) failure by Carrier to pay any of the Obligations when due or to remit funds to Member when required pursuant to the Agreement; (d) failure by Carrier to provide any of the financial statements and reports described in Section 21; or (e) failure by Carrier to provide to Member the data necessary to calculate Gross Exposure under the Exposure Protection Schedule; provided, that, Member shall not terminate the Agreement pursuant to this Section 15.4 if Carrier cures such default within the ***** day notice period specified in this Section 15.4.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

15.5 Member may terminate the Agreement on ***** written notice to Carrier if:

(a) Carrier (i) fails to maintain all licenses, permits and certificates necessary for it to conduct flight operations or (ii) materially breaches any requirement of any applicable Operating Regulations, and Carrier fails or refuses to remedy any of the foregoing defaults within ***** after receipt of written notice specifying the nature of such default, or to commence to remedy such default within such period if the same is curable but cannot reasonably be remedied within such period, or shall fail to complete within ***** after receipt of such written notice any remedy commenced during the original ***** notice period; or

(b) any representation or warranty made by Carrier proves to be incorrect when made in any material respect, and Carrier fails or refuses to remedy such default within ***** after receipt of written notice specifying the nature of such default, or to commence to remedy such material default within such period if the same is curable but cannot reasonably be remedied within such period, or shall fail to complete within ***** after receipt of such written notice any remedy commenced during the original ***** notice period.

(c) Carrier shall commit any other material default under the Agreement and shall fail or refuse to remedy such material default within ***** after receipt of written notice specifying the nature of such default, or to commence to remedy such material default within such period if the same is curable but cannot reasonably be remedied within such period, or shall fail to complete within ***** after receipt of such written notice any remedy commenced during the original ***** notice period.

In the case of any material default described in this Section 15 with respect to which Carrier fails to provide notice in accordance with Section 21.3, any period for remedy under Section 15.5 shall begin on the date that such notice should have been provided by Carrier to Member.

15.6 No termination of the Agreement (whether under this Section 15 or any other provision of the Agreement) shall affect the rights or obligations of any party which may have arisen or accrued prior to such termination, including without limitation claims of Member for Chargebacks related to Transactions that occurred prior to any termination.

15.7 No waiver of any provision hereunder shall be binding unless such waiver shall be in writing and signed by the party alleged to have waived such provisions.

SECTION 16. **NOTICES.** All notices permitted or required by the Agreement shall be in writing (regardless of whether the applicable provision expressly requires a writing), served by personal delivery (including any courier service), certified or registered mail, or facsimile transmission at the address or facsimile number of the parties set out in the Signatory Agreement or as otherwise notified in writing by any party to the other for such purpose, and shall be deemed to be effectively served, delivered, given, and received on such party if served by personal delivery on the day of delivery or rejection (including any courier service), if served by certified or registered mail on the day of delivery or rejection as evidenced by the return receipt, or if served by facsimile transmission on the date of confirmation of transmission.

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SECTION 17. RULES AND REGULATIONS; APPLICABLE LAW. Each of the Parties acknowledges that the respective systems of the Card Associations are governed by their respective Operating Regulations and that all transactions hereunder are subject to such Operating Regulations and that each Party is obligated to comply with the Operating Regulations applicable to it. Carrier further acknowledges that Member has entered into the Agreement in reliance upon the applicability of the Operating Regulations of applicable Card Associations to the transactions hereunder and Carrier's performance thereunder. Each Party shall comply in all material respects with all applicable laws and regulations.

SECTION 18. REIMBURSEMENT BY CARRIER.

18.1 Carrier will reimburse Member for any fees, charges, fines, assessments, penalties, and Chargebacks that Member may be required to pay a Card Association with respect to the actions or inactions of Carrier in connection with the Agreement or that Member may incur with regard to any Transaction(s) processed pursuant to the Agreement or arising out of any failure of Carrier to perform in compliance with applicable Operating Regulations, applicable laws and regulations, or the requirements of PCI or any act or omission by any third party service provider to Carrier or any other party to a contract with Carrier; provided, that, Carrier shall have no obligation for any such amount incurred that is attributable to Member's failure to comply with the Operating Regulations or this Agreement provided that such failure to comply is not caused by Carrier. Without limiting the generality of the foregoing, Carrier will reimburse Member for Transactions required to be paid by Member by virtue of applicable Operating Regulations as such Operating Regulations may be applied by the applicable Card Associations. Any losses suffered by Member on account of delay by Member in processing Chargebacks subsequent to cessation or substantial curtailment of flight operations of Carrier shall be reimbursed by Carrier to the extent such delay results from materially increased volume of disputes stemming from such cessation or curtailment.

18.2 Member shall have the right to deduct, set off against, or recoup from the amount of any reimbursement hereunder from any payment otherwise due to Carrier under this Agreement. If Member is unable to so collect such amount, Carrier shall pay Member the full amount or any uncollected part thereof within ***** after receipt of an invoice from Member. Member, at its option, may apply, set off against or recoup from the Deposit amount (if any) such amount necessary to satisfy Carrier's obligations hereunder. In the case of any payment by Member made to a third party for which Carrier reimbursed Member, Carrier may choose to recover the amount involved or otherwise resolve the cause of the reimbursement in its sole discretion; provided, that, Member shall have no obligation to recover such amount or take any other actions relating thereto. Without limiting the foregoing, Carrier acknowledges that Reserved Funds are funds provisionally credited to Member pursuant to the applicable Operating Regulations, subject to Chargeback as provided therein, and that pursuant to the Exposure Protection Schedule such funds will not be credited (provisionally or otherwise) to Carrier but will be held by Member subject to subsequent credit as provided in the Exposure Protection Schedule and are subject to Chargeback in accordance with the applicable Operating Regulations.

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SECTION 19. COST AND EXPENSES. Carrier shall reimburse Member for all costs and expenses, including reasonable attorneys' fees and expenses of outside counsel to Member, paid or incurred by Member in connection with the enforcement or preservation of Member's rights hereunder. Member shall reimburse Carrier for all costs and expenses, including reasonable attorneys' fees and expenses of outside counsel to Carrier, paid or incurred by Carrier in connection with the enforcement of Carrier's rights hereunder. All costs and expenses to be paid under this Section 19 shall be payable on demand and, in the case of Member, are secured by the Deposit and all collateral pledged to Member hereunder. Member, at its option, may deduct the amounts owed to it from any amount otherwise due Carrier from Member or apply, set off against or recoup from the Deposit such amount necessary to satisfy Carrier's obligations hereunder. This Section 19 shall survive termination of the Agreement.

SECTION 20. ASSISTANCE.

20.1 No Party to this Agreement shall unreasonably withhold any documentation required by another Party to the Agreement in connection with the defense of any claim asserted in connection with the Agreement.

20.2 Subject to compliance with any applicable privacy and data security and processing laws, Member may provide Cardholder's name and address in accordance with the provisions of Section 4.1 for each Chargeback when it is included in the Cardholder's documentation received by Member.

SECTION 21. REPORTING. Until any obligation of Member to perform hereunder shall have expired or been terminated and all obligations of Carrier to Member hereunder shall have been satisfied, Carrier shall furnish to Member the following reports, notices and financial statements, which shall be in English and shall be stated in United States dollars unless an alternative currency is indicated in the Signatory Agreement that is part of the Agreement.

21.1 Promptly after filing with the Securities and Exchange Commission in accordance with the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, but in any event within ***** after the end of each fiscal year of Carrier, Carrier shall provide copies of its the consolidated financial statements of Carrier and its subsidiaries, for the immediately preceding fiscal year, consisting of at least statements of income, cash flow and changes in stockholders' equity, and a consolidated balance sheet as at the end of such year, stating Carrier's unrestricted cash (including cash equivalents) balance, certified without qualification by independent certified public accountants of recognized standing selected by Carrier and reasonably acceptable to Member (and commencing with the first year immediately following the Effective Date, setting forth in each case in comparative form corresponding figures from the previous annual audit).

21.2 Promptly after filing with the Securities and Exchange Commission in accordance with the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, but in any event within ***** after the end of each fiscal quarter, Carrier shall provide copies of its consolidated statements of income, cash flow and changes in stockholders' equity for Carrier and its subsidiaries, if any, for such quarter and for the period from the beginning of such fiscal year to the end of such quarter, and a consolidated balance sheet of Carrier and its subsidiaries, if any, as at the end of such quarter,

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stating Carrier's unrestricted cash (including cash equivalents) balance, accompanied by consolidating statements for such period (and commencing with the first year immediately following the Effective Date, setting forth in comparative form figures for the corresponding period for the preceding fiscal year) and a certificate signed by the chief financial officer of Carrier (a) stating that such financial statements present fairly the financial condition of Carrier and its subsidiaries and that the same have been prepared in accordance with generally accepted accounting principles and (b) certifying as to Carrier's compliance with all statutes and regulations applicable to Carrier, respectively, except noncompliance that could not reasonably be expected to have a material adverse effect on the financial condition or business operations of Carrier.

21.3 Within ***** of an officer of Carrier becoming aware of any material default by Carrier under the Agreement, a notice from Carrier describing the nature thereof and what action Carrier proposes to take with respect thereto.

21.4 Within ***** of an officer of Carrier becoming aware of the same, notice of any pending or threatened action, suit or proceeding at law or equity, or before or by any town, city, county, state, provincial or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, against Carrier or any of its property which, if determined adversely to Carrier could materially adversely affect the present or prospective financial condition of Carrier or affect its ability to perform hereunder. Carrier shall have no obligation to provide any such notice in respect of any threatened action, suit or proceeding unless Carrier reasonably concludes that such threat is credible and reasonably likely to succeed.

21.5 Subject only to applicable confidentiality requirements or requirements of applicable law, within ***** after any (a) modification of any agreement that is relevant to Carrier's performance under this Agreement with any Relevant Authorities or a Billing Settlement Processor that could materially adversely affect the present or prospective financial condition of Carrier or impair its ability to perform hereunder, or (b) receipt by Carrier of notice from any Relevant Authorities or a Billing Settlement Processor of such Relevant Authorities' or Billing Settlement Processor's intention to terminate, suspend or modify, any agreement with Carrier, or the actual termination or suspension of any such agreement, but only to the extent that such termination, suspension or modification could materially adversely affect Carrier's ability to perform hereunder, a notice from Carrier of such termination, modification or receipt of notice and such information with respect to the same as Member may reasonably request. Such notice shall be provided whether Carrier is a party to an agreement with any Relevant Authorities or a Billing Settlement Processor on the Effective Date or thereafter becomes party to an agreement with any Relevant Authorities or a Billing Settlement Processor.

21.6 Upon the occurrence of an Insolvency Event, Carrier shall include Member on the initial list and matrix of creditors Carrier files with any bankruptcy authority whether or not a claim may exist at the time of filing.

21.7 Subject only to any applicable confidentiality restrictions, promptly upon the failure to pay, whether by acceleration or otherwise, any payment obligation of Carrier pursuant to any aircraft lease, notice of such failure and information concerning the amount of the obligation and the actual or likely consequences of such failure.

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21.8 Within ***** after the merger or consolidation of Carrier, or entry by Carrier into any analogous reorganization or transaction, with any other corporation, company or other entity or the sale, transfer, lease or other conveyance of all or any substantial part of Carrier's assets, (i) notice of such event, (ii) a description of the parties involved and (iii) subject only to any applicable confidentiality restrictions, the structure of the reorganization or transaction.

21.9 Promptly upon a responsible officer of Carrier becoming aware (or at the time a responsible officer of Carrier should reasonably have become aware) of any material adverse change in the condition or operations, financial or otherwise (excluding changes from general economic, regulatory, or political conditions or changes, financial market fluctuations, and general or seasonal changes in the air transportation industry), of Carrier (such determination being in the reasonably opinion of such officer), notice of such material adverse change.

21.10 Such other information with respect to the financial condition and operations of Carrier as Member may reasonably request.

SECTION 22. **GENERAL.**

22.1 No failure or delay on the part of Member or Carrier in exercising any power or right under the Agreement shall operate as a waiver of such power or right.

22.2 Section headings are included herein for convenience of reference only and shall not constitute a part of the Agreement for any other purpose.

22.3 Nothing in the Agreement or in the course of conduct between the parties shall be construed as creating a principal and agent partnership or joint venture relationship between the parties hereto.

SECTION 23. **REMEDIES CUMULATIVE.** All remedies, rights, powers, and privileges, either under the Agreement or by law or otherwise afforded to a Party, shall be cumulative and not exclusive of any other such remedies, rights, powers and privileges. Each Party may exercise all such remedies in any order of priority.

SECTION 24. **CONFIDENTIALITY.**

24.1 Carrier shall use reasonable efforts to ensure that the Agreement and information about Member and its operations, affairs and financial condition, not generally disclosed to the public or to trade and other creditors, which is furnished to Carrier pursuant to the provisions hereof is used only for the purposes of the Agreement and any other relationship between Member and Carrier and shall not be divulged to any person other than Carrier, its Affiliates and their respective officers, directors, employees and agents, except (a) to their attorneys and accountants in connection with the Agreement, (b) for due diligence purposes in connection with significant transactions or dealings involving Carrier and which are outside the ordinary course of Carrier's business, including investments, acquisitions or financing, to other potential parties to such dealings or transactions or their professional advisors, subject to confidentiality agreements no less protective than these confidentiality provisions and redaction of such information as Member may deem proprietary, (c) in connection with the enforcement of the rights of Carrier hereunder or otherwise in connection

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with applicable litigation, and (d) as may otherwise be required by any court or law enforcement or regulatory authority having jurisdiction over Carrier or by any applicable law, rule, regulation or judicial process, the opinion of Carrier's legal advisors concerning the making of such disclosure to be binding on the parties hereto; provided, that, in the event that Carrier determines that it is required to disclose any such information whether pursuant to a judicial order or to applicable law, Carrier agrees, to the extent legally permissible, to provide Member with ***** prior written notice (or such shorter prior notice as shall be reasonable and practicable in the circumstances) of such determination and the basis for such determination prior to making disclosure so that Member may consider whether to seek an appropriate protective order or to waive compliance with the requirements of this Section 24. Carrier shall not incur any liability to Member by reason of any disclosure permitted by this Section 24.

24.2 Member shall use reasonable efforts to ensure that the Agreement and information about Carrier and its operations, affairs and financial condition, not generally disclosed to the public or to trade and other creditors, which is furnished to Member pursuant to the provisions hereof is used only for the purposes of the Agreement and any other relationship between Member and Carrier and shall not be divulged to any person other than Member, its Affiliates and its officers, directors, employees and agents, except (i) to its attorneys and accountants in connection with the Agreement, (ii) for due diligence purposes in connection with significant transactions or dealings involving Member and which are outside the ordinary course of Member's business, including investments, acquisitions or financing, to other potential parties to such dealings or transactions or their professional advisors, subject to confidentiality agreements no less protective than these confidentiality provisions and redaction of such information as Carrier may deem proprietary, (iii) in connection with the enforcement of the rights of Member hereunder or otherwise in connection with applicable litigation, and (iv) as may otherwise be required by any court or law enforcement or regulatory authority having jurisdiction over Member or by any applicable law, rule, regulation or judicial process, the opinion of legal advisors to Member concerning the making of such disclosure to be binding on the parties hereto; provided, that in the event that Member determines that it is required to disclose any such information whether pursuant to a judicial order or to applicable law, Member, to the extent legally permissible, agrees to provide Carrier with ***** prior written notice (or such shorter prior notice as shall be reasonable and practicable in the circumstances) of such determination and the basis for such determination prior to making disclosure so that Carrier may consider whether to seek an appropriate protective order or to waive compliance with the requirements of this Section 24. Member shall not incur any liability to Carrier by reason of any disclosure permitted by this Section 24.

24.3 Carrier hereby authorizes Member to disclose to the Card Associations Carrier's name and address and any and all other information as may be required pursuant to any applicable Operating Regulations, and to list Carrier as one of its customers.

SECTION 25. FORCE MAJEURE.

25.1 Any delay in the performance by any party hereto of its obligations (except for payment of monies when due) shall be excused during the period and to the extent that such performance is rendered impossible or impracticable due to any one or more of the following: acts of God, fires or other casualty, flood or weather condition, earthquakes, acts of a public

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enemy, acts of war, terrorism, insurrection, riots or civil commotion, explosions, strikes, boycotts, unavailability of parts, equipment or materials through normal supply sources, the failure of any utility to supply its services for reasons beyond the control of the party whose performance is to be excused, or other cause or causes beyond such party's reasonable control.

25.2 If any Party is affected by a force majeure event, it shall immediately notify in writing the other Parties of the nature and extent of the circumstances and the Parties shall discuss and agree on the action to be taken.

SECTION 26. **JUDGMENT CURRENCY.** Carrier agrees that any judgment concerning this Agreement granted in favor of Member shall be paid in the currency such judgment is rendered in (the "Judgment Currency"). If Carrier fails to pay a judgment as described in the preceding sentence, Carrier agrees to indemnify Member against any loss incurred by Member as a result of the rate of exchange at which any amount recovered against Carrier (by way of recoupment, setoff or otherwise) is converted to the Judgment Currency. The foregoing indemnity shall constitute a separate and independent obligation of Carrier and shall apply irrespective of any indulgence granted to Carrier from time to time and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

**Exhibit A
to Master Terms of Service
to Signatory Agreement
by and among
Frontier Airlines Holdings Inc.
Frontier Airlines, Inc., and
U.S. Bank National Association**

Payment Schedule

Days that United States government offices and agencies are not open (weekends and federal holidays) will affect settlement times.

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Schedule 1
to Amended and Restated Signatory Agreement
(U.S. Visa and MasterCard Transactions)
dated as of November 5, 2013
by and among
Frontier Airlines Holdings Inc.,
Frontier Airlines, Inc., and
U.S. Bank National Association

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Schedule 2
to Amended and Restated Signatory Agreement
(U.S. Visa and MasterCard Transactions)
dated as of November 5, 2013
by and among
Frontier Airlines Holdings Inc.,
Frontier Airlines, Inc., and
U.S. Bank National Association

Fee Schedule

See attached.

(U.S. Transactions)

FEE SCHEDULE

This schedule is the Fee Schedule to the Amended and Restated Signatory Agreement, dated as of November 5, 2013 (the "Signatory Agreement"). References to "the Agreement" and "this Agreement" shall mean the Signatory Agreement, together with the Master Terms of Service incorporated therein (the "MTOS") and all Schedules, Exhibits and other attachments to the Signatory Agreement and the MTOS.

Carrier agrees to pay Member charges for transactions according to the following processing fee schedule. Member will edit all submissions and qualify Carrier for the best available Card Association interchange rate based on the date provided by Carrier, subject to submission of Sales Records in the format required by the Agreement. All dollar references shall be deemed to be to the applicable settlement currency identified in the Agreement. All terms not otherwise defined herein that are capitalized and used herein shall have the meanings given to them in the Agreement.

- A. Other than with respect to ***** Transactions, interchange percentage and per item fees shall be calculated on ***** Card Sales and ***** Card Transactions, respectively, and shall be in the percentages and amounts published by the applicable Card Associations from time to time. *****
- B. Other than with respect to ***** Transactions, Card Association assessments shall be calculated on ***** Card Sales and/or ***** Card Transactions in the amounts published by the applicable Card Associations from time to time.
- C. Other than with respect to ***** Transactions, in addition to the amounts due under Sections A and B above, Carrier shall pay Member a fee of (i) ***** on Gross Card Sales submitted by Carrier in an applicable period and (ii) ***** per item on Gross Card Transactions during such period.
- D. Subject to Section I below, a fee for all ***** Transactions is currently set at ***** of all ***** Transaction Sales during the applicable period. ***** Subject to Section I below, in addition, Carrier shall be charged a ***** per item fee based upon ***** Transactions. *****
- E. If paper Sales Records or Credit Records are submitted to Member for processing, an additional ***** per item fee will be assessed.
- F. Voice authorizations shall be passed through to Carrier at ***** per item or via "Automated Response Unit (ARU)" at ***** per item via an operator and ***** per item for address verification service ("AVS").
- G. Card Authorization and data capture costs will be passed through to Carrier at Member's cost. The cost of Authorizations will depend upon the method used for obtaining Authorizations.
- H. Member will assess a ***** handling fee for each and every Chargeback received by Member during any ***** period in which there is at least a ***** ratio of Chargebacks received by Member to net sales volume. Carrier acknowledges and agrees that such fees constitute reasonable compensation to

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Member for the services provided Member in connection with the handling of Chargebacks, taking into account, among other things, the costs and expenses, whether direct or indirect, and whether out-of-pocket or attributable to an increased administrative burden, incurred or suffered by Member as a result of such Chargeback activity. As an accommodation to Carrier, Member will charge the handling fee specified herein only when the ratio of Chargebacks to net sales volume equals or exceeds ***** during any applicable period.

- I. The rates, fees and assessments specified above (other than the fee set forth in (C)) also will be adjusted from time to time to reflect and correspond to increases or decreases in applicable rates, fees and assessments established and levied by the Card Associations or by third-party vendors that provide Authorization services.

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Schedule 3
to Amended and Restated Signatory Agreement
(U.S. Visa and MasterCard Transactions)
dated as of November 5, 2013
by and among
Frontier Airlines Holdings Inc.,
Frontier Airlines, Inc., and
U.S. Bank National Association

Exposure Protection Schedule

See attached.

(U.S. Transactions)

EXPOSURE PROTECTION SCHEDULE

EXPOSURE PROTECTION SCHEDULE

This Exposure Protection Schedule is to the Amended and Restated Signatory Agreement, dated as of November 5, 2013 (the "Signatory Agreement"). References to "the Agreement" and "this Agreement" shall mean the Signatory Agreement, together with the Master Terms of Service incorporated therein (the "MTOS") and all Schedules, Exhibits and other attachments to the Signatory Agreement and the MTOS.

1. Certain Definitions.

All terms not otherwise defined herein that are capitalized and used herein shall have the meanings given to them in the Agreement. References to Sections in "this Agreement" or "the Agreement" mean any such Section in the MTOS. As used in this Exposure Protection Schedule, the following terms shall have the meanings indicated:

Aggregate Protection – The sum of (i) the Deposit, (ii) the amount remaining to be drawn upon any valid and outstanding Letter of Credit, and (iii) the proceeds of any previous draw on a Letter of Credit held by Member and not applied to any Obligations or credited to the Deposit.

Carrier's Rights – Any and all rights that Carrier has or may at any time acquire in any Sales Records, any Deposit amount or any right to payment under the Agreement.

Deposit – The aggregate of (a) Reserved Funds and (b) any cash remitted and pledged by Carrier to Member pursuant to or in connection with the Agreement to secure the Obligations hereunder, and all additions to such aggregate made from time to time and all monies, securities, investments and instruments purchased therewith and all interest, profits and/or dividends accruing thereon and proceeds thereof. Separate Deposits may be maintained in the event there are multiple currencies, in such currencies.

Existing Flight Calendar – As defined in Section 8 of this Exposure Protection Schedule.

Gross Exposure – As defined in Section 8 of this Exposure Protection Schedule.

Letter of Credit – One or more valid and outstanding irrevocable standby letters of credit that are (i) issued for the benefit of Member, (ii) in form and substance acceptable to Member, as determined by Member in its reasonable discretion, and (iii) issued by a financial institution acceptable to Member, as determined by Member in its reasonable discretion (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions.

Lien – Any mortgage, pledge, security interest, encumbrance, lien, hypothecation or charge of any kind (including any agreement to provide any of the foregoing), any conditional sale or other title retention agreement or any lease in the nature thereof, or any filing or agreement to file a financing statement as debtor on any property leased to any Person under a lease which is not in the nature of a conditional sale or title retention agreement.

Material Adverse Occurrence – Any occurrence of any nature whatsoever (including, without limitation, any adverse determination in any litigation, arbitration or governmental investigation or proceeding), which, in the reasonable determination of Member, materially adversely effects the then present financial condition of Carrier or the prospective financial condition of Carrier, or materially impairs the ability of Carrier to perform its obligations under the Agreement.

Methodology – As defined in Section 3 of this Exposure Protection Schedule.

Obligations – All of Carrier’s obligations under the Agreement and the Other Signatory Agreements, whether now existing or hereafter arising (including any of the foregoing obligations that arise prior to or after any Insolvency Event and any obligations arising pursuant to this Exposure Protection Schedule).

Other Signatory Agreement – Any agreement (other than the Agreement), executed by at least Carrier and Member or one of its affiliates, which substantially incorporates the MTOS.

Required Amount – The amount of the Aggregate Protection to be maintained under this Agreement which shall be equal to *****;

Secured Parties – Any of (i) Member and (ii) such entity having the same designation or acting in the same capacity under any Other Signatory Agreement.

2. **Exposure Protection**

- (a) Upon commencement of the Agreement, Member may retain and hold all funds paid to Member by a Card Association on account of Sales Records submitted by Carrier to Member as Reserved Funds until the amount of the Aggregate Protection equals the Required Amount, as determined in accordance with Sections 3 and 8 of this Exposure Protection Schedule. In lieu of retaining Reserved Funds, or in addition to retaining and holding Reserved Funds, Member, in its sole discretion, may demand that Carrier, and Carrier shall upon such demand, remit to Member within ***** of Member’s demand immediately available funds to hold as the Deposit in an amount that when added to amounts (if any) retained and held by or on behalf of Member as the Deposit causes the amount of the Aggregate Protection to equal the Required Amount. The Deposit amount shall be subject to adjustment as provided in Section 3 of this Exposure Protection Schedule. Member will hold the Deposit as security for the due and punctual payment of and performance by Carrier of the Obligations.
- (b) Carrier grants to each of Member and all other Secured Parties a Lien on the Deposit and all other Carrier’s Rights to secure the payment and performance by Carrier of all Obligations. Each Secured Party shall act as agent for itself and all other Secured Parties to the extent that any Secured Party control or possesses the Deposit and other Aggregate Protection or is named as a Secured Party on any filing, registration or recording. Carrier hereby acknowledges that notwithstanding the foregoing grant of a Lien, Reserved Funds represent only a future right to payment owed to Carrier under the Agreement, payment

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- (c) of which is subject to the terms and conditions of the Agreement and to Carrier's complete and irrevocable fulfillment of its obligations and duties under the Agreement and do not constitute funds of Carrier.
- (d) Carrier further agrees that during the term of the Agreement, Carrier shall not grant, or attempt to grant, to any other Person or suffer to exist in favor of any other Person any Lien or other interest in Carrier's Rights (if any) or in any proceeds thereof unless any such Lien or other interest and the priority thereof are subject to a subordination agreement in favor of Member and all other Secured Parties and satisfactory to Member.
- (e) Carrier hereby acknowledges that Member disputes the existence of any interest of Carrier in any rights to payment from Cardholders or Card Issuers arising out of the Sales Records and further acknowledges that to the extent it may have an interest therein, such interest is subordinate to the interests of the Secured Parties and of any of their respective subrogees.
- (f) Carrier will do all acts and things, and will execute, endorse, deliver, file, register or record all instruments, statements, declarations or agreements (including pledges, assignments, security agreements, financing statements, continuation statements, etc.) reasonably requested by Member, in form reasonably satisfactory to Member, to establish, perfect, maintain and continue the perfection and priority of the security interest of the Secured Parties in all Carrier's Rights and in all proceeds of the foregoing. Carrier will pay the reasonable costs and expenses of all filings and recordings, including taxes thereon or fees with respect thereto and all searches reasonably necessary or deemed necessary by Member, to establish and determine the validity and the priority of such security granted in favor of Member. Carrier hereby irrevocably appoints Member (and all persons, officers, employees or agents designated by Member), its agent and attorney-in-fact to do all such acts and things contemplated by this paragraph in the name of Carrier. Without limiting the foregoing, Carrier hereby authorizes Member to file one or more financing statements or continuation statements in respect hereof, and amendments thereto, relating to any part of the collateral described herein without the signature of Carrier. A carbon, photographic or other reproduction of the Agreement or of a financing statement shall be sufficient as a financing statement and may be filed in lieu of the original in any or all jurisdictions which accept such reproductions.

3. Adjustments to Deposit

- (a) Member will use the Methodology described in Section 8 of this Exposure Protection Schedule (the "Methodology") to calculate Gross Exposure each Business Day. Carrier acknowledges that Member has explained to it and it understands Member's Methodology for determining Gross Exposure and the amount of the Aggregate Protection and hereby agrees to be bound by such Methodology and the determinations made by Member as a result thereof; *provided, however*, that Carrier may, in good faith, dispute any determination made by Member by delivery of notice thereof to Member, and the parties shall use commercially reasonable efforts to resolve the dispute as expeditiously as possible. Among other things, Carrier understands that Gross

- (b) Exposure includes the value of Travel Costs for goods or services sold to Cardholders who used their Cards to purchase such goods or services with respect to which Carrier has not yet provided such goods or services. Member and Carrier may change the Methodology by mutual written agreement.
- (c) The amount of the Deposit shall be increased or decreased each Business Day, as appropriate, based on the Methodology so that the amount of the Aggregate Protection will at all times equal the Required Amount. Any necessary increases to the Deposit may be made, at Member's sole discretion, by Member withholding as Reserved Funds an amount up to ***** of amounts otherwise payable to Carrier under Section 6.2 of the MTOS until the amount of the Aggregate Protection is at least equal to the Required Amount; provided, that if there are insufficient funds available from the daily settlement to fully fund the Deposit in the Required Amount, then Carrier shall send such additional funds by federal wire transfer, to an account designated by Member, on the first (1st) Business Day after Carrier's receipt of notice from Member that an increase is required and the amount thereof. If the Member agrees to permit increases to the amount of the Deposit by wire transfer and the funds required to increase the amount of the Deposit so that the Aggregate Protection is equal to the Required Amount are not transferred to Member as required by this Section 3, Member may immediately withhold on a daily basis as Reserved Funds an amount up to ***** of amounts otherwise payable to Carrier under Section 6.2 of the MTOS until the amount of the Aggregate Protection at least equals the Required Amount. Member shall remit to Carrier from the Deposit the amount necessary to reduce the amount of the Aggregate Protection to equal the Required Amount on each Business Day in accordance with Section 6.2 of the MTOS.
- (d) The amount of the Deposit to be maintained hereunder may be reduced in accordance with Section 9 of this Exposure Protection Schedule pursuant to which Member accepts Letter of Credit in lieu of all or a portion of the Deposit so long as the Aggregate Protection equals the Required Amount.
- (e) Although Member has the right at all times to require that the amount of the Aggregate Protection equal the Required Amount, Member may, from time to time, in its sole discretion make remittances to Carrier or release portions of any Letter of Credit such that the Aggregate Protection is less than the Required Amount. The duration of any such reduction is within the sole discretion of Member. At any time that the amount of the Aggregate Protection is less than the Required Amount Member, in its sole discretion, may again require that the amount of the Aggregate Protection equal the Required Amount. Any required increase may be made as provided in Section 3(b) of this Exposure Protection Schedule as determined by Member. Any reductions in the amount of the Aggregate Protection as described in this paragraph shall not be deemed a course of dealing nor give rise to any rights by Carrier in the future to require that the amount of the Aggregate Amount be less than the Required Amount. As of the Effective Date, Member has exercised the discretion permitted by this Section 3(d) and hereby requires that the Required Amount only equal *****. If Member determines that the Required Amount be increased, it will give Carrier ***** notice of the amount

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of increase and Member will identify to Carrier the basis for its change in the Required Amount.

- (f) If an event or series of events occurs that can reasonably be determined to have a positive effect on Carrier's present and prospective financial condition, then at any time after ***** after the Effective Date, Carrier may no more than once each quarter submit a written request to Member to review the Required Amount for consideration of a reduction in the percentage of Gross Exposure required to be maintained as the amount of the Aggregate Protection (a "Modification Request"). Member shall review the Modification Request and information presented by Carrier and use commercially reasonable efforts to respond to such request within *****. Any determination of whether to agree to the Modification Request shall be made in the sole reasonable discretion of Member.

4. Control of Deposit

Carrier acknowledges that (i) funds remitted to Member by Carrier, and (ii) funds paid by Card Associations and held by Member or any Secured Party as the Deposit may be commingled with other funds of Member or such Secured Party, and further acknowledges that all such funds, and any investment of funds shall be in the name and control of Member or such Secured Party, and, except for crediting of interest as contemplated by Section 5 below, Carrier shall have no interest in any securities, instruments or other contracts or any interest, dividends or other earnings accruing thereon or in connection therewith. It is the understanding of the Parties that, notwithstanding any other provision of the Agreement to the contrary, until Member is required to pay the then remaining balance of the Deposit pursuant Section 7, (a) the sole obligations of Member to make payments to Carrier from the Deposit shall be the obligations to (i) pay to Carrier amounts equal to the amounts attributable to Travel Costs with respect to which Carrier has provided goods or services net of any Obligations owed Carrier to any Secured Party, and (ii) remit to Carrier amounts necessary to reduce the amount of the Aggregate Protection to equal the Required Amount, as set forth in Section 3(b) of this Exposure Protection Schedule, and (b) such obligations to make payment to Carrier are at all times subject to the terms of the Agreement.

5. Investment

All amounts held as the Deposit will be deemed to earn a yield equal to the Applicable Rate. The amount so earned shall be credited to the Deposit.

6. Right of Offset; Recoupment; Application

At any time that an amount is due Member or any other Secured Party from Carrier, and Member or such other Secured Party does not obtain payment of such amount due as provided in the Agreement, Member (on behalf of itself and any other Secured Party) shall have the right to apply, recoup or set off any amounts otherwise owed by Member or any other Secured Party to Carrier hereunder, including, without limitation, any amounts attributable to the Deposit, to the amount owed by Carrier. Where any application, recoupment or set off requires the conversion of one currency

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into another, Member shall be entitled to effect such conversion in accordance with its prevailing practice and Carrier shall bear all exchange risks, losses, commissions and other bank charges which may thereafter arise.

7. Retention of Deposit After Cessation

Notwithstanding any other provision of the Agreement to the contrary, during the period not to exceed ***** from the earlier of termination of this Agreement or the date upon which Carrier permanently ceases flight operations, Member may retain the Deposit and Letters of Credit until such time as the Member reasonably determines that Carrier has no further Obligations or potential Obligations (excluding indemnification obligations for which no claim has been asserted) without any obligation to remit funds to Carrier until such time. For clarity, Member acknowledges that, unless Carrier has ceased or substantially reduced its flight operations, they shall release the Deposit to Carrier pursuant to Section 3(b) of this Exposure Protection Schedule as the Gross Exposure reduces pursuant to the Methodology set forth in Section 8 of this Exposure Protection Schedule so long as the Aggregate Protection equals the Required Amount and any remaining balance shall be released on or before ***** from the earlier of termination of this Agreement or the date upon which Carrier permanently ceases flight operations.

8. Methodology

“Gross Exposure” shall be calculated by the Member on a daily basis as follows:

- (a) *****
- (b) *****
- (c) *****
- (d) *****
- (e) *****
- (f) *****
- (g) *****

9. Standby Letter of Credit

- (a) The amount of the Aggregate Protection which Member may maintain pursuant to this Exposure Protection Schedule shall include the sum of (a) the amount remaining to be drawn upon any valid and outstanding Letter of Credit, in lieu of maintaining the amount of the Deposit in an amount equal to the Required Amount and (b) the proceeds of any previous draw on a Letter of Credit held by Member and not applied. Any such letter of credit shall be in form and substance acceptable to Member and issued by a financial institution acceptable to Member, as determined by Member in its reasonable discretion (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions). Notwithstanding any

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initial acceptance of a Letter of Credit, Member reserves the right at any time to either (i) demand delivery of a substitute Letter of Credit issued by different institution or (ii) withhold as Reserved Funds amounts necessary so that the Deposit equals the Required Amount if, in Member's reasonable discretion (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions), it determines that it cannot or will not continue to accept non-payment risk from the institution obligated on a Letter of Credit previously delivered to Member. At such time as the Member may no longer draw on a Letter of Credit, Member may require that the Deposit equal the Required Amount.

- (b) Upon the occurrence of any event that gives rise to Member's right under this Agreement (i) to make demand on Carrier for payment to Member, (ii) to apply amounts represented by the Deposit to Obligations of Carrier or (iii) otherwise to retain and not pay to Carrier amounts paid to Member by a Card Association on account of Sales Records submitted to Member by Carrier, then Member, at its option, may draw on any Letter of Credit issued for Member's benefit (for itself and as agent for any other Secured Party) with respect to the Agreement without first taking any of the actions described in clauses (i), (ii) and (iii) above.
- (c) In addition to Member's rights as set forth above, Member, at its option, may draw (in one or more draws) up to the full amount remaining undrawn on a Letter of Credit upon the occurrence of any one or more of the following events or as otherwise provided below: (a) the occurrence of an Insolvency Event; (b) receipt by Member of notification from the issuer of the Letter of Credit that such issuer has elected not to renew the Letter of Credit; (c) notification of termination of the Agreement by either party; (d) a substantial number of the scheduled flights of Carrier fail to operate on any particular day; or (e) Member, in its reasonable discretion, determines that it cannot or will not continue to accept non-payment risk from the institution obligated on a Letter of Credit previously delivered to Member (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions). In addition, Member may draw upon a Letter of Credit pursuant to any other condition for draw provided in the Letter of Credit, and, in any event, on or after the thirtieth day prior to expiration of the Letter of Credit. No failure to draw, or delay in making a draw, on a Letter of Credit shall impair Member's right to draw thereon at a later time.
- (d) Carrier acknowledges that, except for its right to receive the excess proceeds of any Letter of Credit upon the expiration of the period specified in Section 7 of this Exposure Protection Schedule, it has no interest in any proceeds of any draw on any Letter of Credit issued for the benefit of Member or any Secured Party and that upon any draw on any Letter of Credit, Member shall be entitled to hold the proceeds thereof for payment of the Obligations under the Agreement and apply such proceeds in payment thereof as and when Member deems appropriate. Member shall have no obligation to remit to any person or entity any excess proceeds of any draw on the Letter of Credit until expiration of the period specified in Section 7 of this Exposure Protection Schedule. In the event of any dispute between Carrier and the issuer of such Letter of Credit

or any subrogee thereof, or any other person or entity with respect to entitlement to any proceeds of the Letter of Credit, Member may retain all such proceeds until final resolution of such dispute by a court of competent jurisdiction, subject to Member's right to retain and apply proceeds in payment of the Obligations. In the event that Member draws on a Letter of Credit and holds the proceeds thereof at a time when Carrier is conducting normal flight operations, Member shall include such proceeds in its calculation of coverage for the Required Amount and make remittances to Carrier in accordance with Section 3 of this Exposure Protection Schedule as if the proceeds were part of the Deposit. Any excess proceeds of a Letter of Credit, as determined by Member in good faith after taking into account all Obligations of Carrier to Member and the other Secured Parties, shall be remitted to Carrier or as otherwise directed by a court of law.

FIRST OMNIBUS AMENDMENT TO SIGNATORY AGREEMENTS

THIS FIRST OMNIBUS AMENDMENT TO SIGNATORY AGREEMENTS (this "Amendment") is entered into as of March 1, 2016, by and among Frontier Airlines Holdings, Inc. (hereafter "Holdings"), Frontier Airlines, Inc. ("Frontier" and together with Holdings, "Carrier"), U.S. Bank National Association, ("U.S. Bank"), U.S. Bank National Association acting through its Canadian branch ("U.S. Bank Canada"), and Elavon Canada Company ("Elavon Canada).

RECITALS

A. Carrier and U.S. Bank are parties to an Amended and Restated Signatory Agreement (U.S. Transactions) dated as of November 5, 2013 (as the same has been amended and supplemented from time to time, the "U.S. Agreement") pursuant to which U.S. Bank processes certain payments made to Carrier in the United States using Cards (as such term is defined in the U.S. Agreement) bearing the servicemark of Visa U.S.A., Inc., MasterCard International Incorporated or an EFT Network.

B. Carrier, U.S. Bank Canada and Elavon Canada are parties to an Amended and Restated Signatory Agreement (Canadian Transactions) dated as of November 5, 2013 (as the same has been amended and supplemented from time to time, the "Canadian Agreement" and together with the U.S. Agreement, the "Processing Agreements") pursuant to which U.S. Bank Canada processes certain payments made to Carrier in Canada using Cards bearing the servicemark of Visa U.S.A., Inc., VISA International Inc. or an EFT Network and Elavon Canada processes certain payments made to Carrier in Canada using Cards bearing the servicemark of MasterCard International Incorporated.

C. Carrier and each of U.S. Bank, U.S. Bank Canada, and Elavon Canada (collectively, the "Processors") desire to modify certain of the terms set forth in the Processing Agreements and have therefore agreed to enter into this amendment.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto covenant and agree to be bound as follows:

Section 1. Capitalized Terms. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the applicable Processing Agreement, unless the context shall otherwise require.

Section 2. Amendments

(a) **Amendment to Term of U.S. and Canadian Processing Agreements**

Section 10 of the Signatory Agreement to each Processing Agreement is amended and restated in its entirety to read as follows: 10. Term
This Agreement shall become effective as of the Effective Date and continue in effect until ***** (unless earlier terminated pursuant to Section 15 of the MTOS), *****.

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(b) **Amendment to Exclusivity Provisions.** Section 7 to the Signatory Agreement under each of the Processing Agreements is amended by adding the following sentence immediately after the first sentence in such Section:

Notwithstanding the foregoing, in the event that Member (i) declares the occurrence of a General Triggering Event under subsections (b), (c) or (d) of the definition of a General Triggering Event (as defined in the Exposure Protection Schedule) and (ii) requires as a result thereof that the Aggregate Protection be in an amount greater than *****, then commencing ***** thereafter, Carrier shall not be bound by the exclusivity limitations set forth in the preceding sentence.

(c) The Fee Schedule attached to each Processing Agreement is amended and restated in its entirety in the form attached hereto as Exhibit A.

(d) The Exposure Protection Schedule attached to each Processing Agreement is amended and restated in its entirety in form attached hereto as Exhibit B.

Section 3. Representations and Warranties of Carrier . Carrier hereby represents and warrants to the Processors that on and as of the date hereof and after giving effect to this Amendment:

(a) All of Carrier's representations and warranties contained in the Processing Agreements are true, correct and complete in all respects as of the date hereof as though made on and as of such date; provided, that references to financial statements shall be to the most recent financial statements of such type delivered to U.S. Bank by Carrier.

(b) Carrier has the power and legal right and authority to enter into this Amendment and has duly authorized as appropriate the execution and delivery of this Amendment and none of the agreements contained herein contravene or constitute a default under any agreement, instrument or indenture to which Carrier is a party or a signatory or a provision of Carrier's organizational documents or, to the best of Carrier's knowledge, any other agreement or requirement of law, or result in the imposition of any lien on any of its property under any agreement binding on or applicable to Carrier or any of its property except, if any, in favor of the Processors.

(c) Carrier is duly organized and in good standing under the laws of the jurisdiction of its organization and is qualified to do business in each jurisdiction where the nature of its activities or the character of its properties makes such qualification necessary or desirable and the failure to so qualify would have a material adverse effect on the assets or operations of Carrier.

(d) Upon the effective date of this Amendment, this Amendment and the Processing Agreements, as supplemented and amended hereby, will constitute the legal, valid and binding obligations of Carrier enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, and to the exercise of judicial discretion in accordance with general principles of equity.

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Section 4. Representations and Warranties of the Processors . Each Processor represents and warrants to Carrier that (i) it has full and complete power and authority to enter into and perform under this Amendment, (ii) it has obtained, and there remain in effect, all necessary licenses, resolutions and filings which are necessary for it to perform its obligations under this Amendment and (iii) upon the effective date of this Amendment, this Amendment and the applicable Processing Agreement, as supplemented and amended hereby, will constitute the legal, valid and binding obligations of the Processor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, and to the exercise of judicial discretion in accordance with general principles of equity.

Section 5. Ratification of Agreement; Acknowledgment . Except as expressly modified under this Amendment, all of the terms, conditions, provisions, agreements, requirements, promises, obligations, duties, covenants and representations of Carrier and the Processors under the Processing Agreements are hereby ratified by Carrier and the Processors respectively. All references contained in a Processing Agreement and the Schedules thereto to “Agreement” shall mean the applicable Processing Agreement as supplemented and amended hereby.

Section 6. Merger and Integration, Superseding Effect . This Amendment, from and after the date hereof, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter thereof, and supersedes and has merged into it all prior oral and written agreements, on the same subjects by and between the parties hereto with the effect that this Amendment shall control with respect to the specific subjects hereof and thereof.

Section 7. Governing Law . This Amendment shall be governed by and construed in accordance with the laws of the State of Minnesota.

Section 8. Counterparts . This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which counterparts of this Amendment when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date and year first above written.

FRONTIER AIRLINES HOLDINGS, INC.

By (Print Name): Howard Diamond

Signature: /s/ Howard Diamond

Title: SVP, General Counsel & Secretary

FRONTIER AIRLINES, INC.

By (Print Name): Howard Diamond

Signature: /s/ Howard Diamond

Title: SVP, General Counsel & Secretary

U.S. BANK NATIONAL ASSOCIATION

By (Print Name): Brett L. Turner

Signature: /s/ Brett L. Turner

Title: Its Authorized Representative

[Signature Page to First Omnibus Amendment]

U.S. BANK NATIONAL ASSOCIATION, acting through its
Canadian branch

By (Print Name): Brett L. Turner

Signature: /s/ Brett L. Turner

Title: Its Authorized Representative

ELAVON CANADA COMPANY

By (Print Name): Brett L. Turner

Signature: /s/ Brett L. Turner

Title: Its Authorized Representative

[Signature Page to First Omnibus Amendment]

FEE SCHEDULE

This schedule is the Fee Schedule to the Amended and Restated Signatory Agreement, dated as of November 5, 2013 (the “Signatory Agreement”). References to “the Agreement” and “this Agreement” shall mean the Signatory Agreement, together with the Master Terms of Service incorporated therein (the “MTOS”) and all Schedules, Exhibits and other attachments to the Signatory Agreement and the MTOS.

Carrier agrees to pay Member charges for transactions according to the following processing fee schedule. Member will edit all submissions and qualify Carrier for the best available Card Association interchange rate based on the date provided by Carrier, subject to submission of Sales Records in the format required by the Agreement. All dollar references shall be deemed to be to the applicable settlement currency identified in the Agreement. All terms not otherwise defined herein that are capitalized and used herein shall have the meanings given to them in the Agreement.

- A. Carrier shall pay Member the interchange percentage, switch fees, per item fees and other costs imposed by the Card Associations calculated on ***** Card Sales and ***** Card Transactions, respectively, in the percentages and amounts published by the applicable Card Associations from time to time. *****
- B. Carrier shall pay Member the Card Association assessments calculated on ***** Card Sales and/or ***** Card Transactions in the amounts published by the applicable Card Associations from time to time.
- C. Other than with respect to ***** Transactions, in addition to the amounts due under Sections A and B above, Carrier shall pay Member a fee of (i) ***** on ***** Card Sales submitted by Carrier in an applicable period and (ii) ***** per item on ***** Card Transactions during such period.
- D. For ***** Transactions, in addition to the amounts due under Sections A and B above, Carrier shall pay Member (a) all fees and other per item charges that may be imposed by ***** in connection with the provision of its services in connection with Carrier’s ***** Transactions and (b) a fee of ***** on ***** Card Sales submitted by Carrier in an applicable period.
- E. If paper Sales Records or Credit Records are submitted to Member for processing, an additional ***** per item fee will be assessed.
- F. Voice authorizations shall be passed through to Carrier at ***** per item or via “Automated Response Unit (ARU)” at ***** per item via an operator and ***** per item for address verification service (“AVS”).
- G. Card Authorization and data capture costs will be passed through to Carrier at Member’s cost. The cost of Authorizations will depend upon the method used for obtaining Authorizations.

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- H. Member will assess a ***** handling fee for each and every Chargeback received by Member during any ***** period in which there is at least a ***** ratio of Chargebacks received by Member to net sales volume. Carrier acknowledges and agrees that such fees constitute reasonable compensation to Member for the services provided to Member in connection with the handling of Chargebacks, taking into account, among other things, the costs and expenses, whether direct or indirect, and whether out-of-pocket or attributable to an increased administrative burden, incurred or suffered by Member as a result of such Chargeback activity. As an accommodation to Carrier, Member will charge the handling fee specified herein only when the ratio of Chargebacks to net sales volume equals or exceeds ***** during any applicable period.
- I. The rates, fees and assessments specified above (other than the fee set forth in (C)) also will be adjusted from time to time to reflect and correspond to increases or decreases in applicable rates, fees and assessments established and levied by the Card Associations or by third-party vendors that provide Authorization services.
- J. Any fees received pursuant to this Fee Schedule, or settled through the Settlement Account by Member will be without any deduction for or on account of any tax or other withholdings imposed by any governmental, fiscal or other authority unless required by law. If Carrier is obliged by law to make any such deduction, it will pay to Member or Member will deduct through the Settlement Account on instruction of the Carrier such additional amounts as are necessary to ensure receipt by Member of the full amount of fees Member would have received in the absence of this obligation.

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EXPOSURE PROTECTION SCHEDULE

This Exposure Protection Schedule is to the Amended and Restated Signatory Agreement, dated as of November 5, 2013 (the "Signatory Agreement"). References to "the Agreement" and "this Agreement" shall mean the Signatory Agreement, together with the Master Terms of Service incorporated therein (the "MTOS") and all Schedules, Exhibits and other attachments to the Signatory Agreement and the MTOS.

1. Certain Definitions.

All terms not otherwise defined herein that are capitalized and used herein shall have the meanings given to them in the Agreement. References to Sections in "this Agreement" or "the Agreement" mean any such Section in the MTOS. As used in this Exposure Protection Schedule, the following terms shall have the meanings indicated:

Aggregate Protection – The sum of (i) the Deposit, (ii) the amount remaining to be drawn upon any valid and outstanding Letter of Credit, and (iii) the proceeds of any previous draw on a Letter of Credit held by Member and not applied to any Obligations or credited to the Deposit.

Carrier's Rights – Any and all rights that Carrier has or may at any time acquire in any Sales Records, any Deposit amount or any right to payment under the Agreement.

Daily Cash Expense – shall mean as of any date of determination, the result of dividing (i) the sum of the operating expenses, minus depreciation and amortization, and minus non-cash special charges or non-cash extraordinary items for the last four quarters by (ii) 365 days (or 366 for a leap year).

Deposit – The aggregate of (a) Reserved Funds and (b) any cash remitted and pledged by Carrier to Member pursuant to or in connection with the Agreement to secure the Obligations hereunder, and all additions to such aggregate made from time to time and all monies, securities, investments and instruments purchased therewith and all interest, profits and/or dividends accruing thereon and proceeds thereof. Separate Deposits may be maintained in the event there are multiple currencies, in such currencies.

General Triggering Event – Any of the following shall be a General Triggering Event:

- (a) the occurrence of an Insolvency Event by or against Holdings or Frontier;
- (b) excepting transactions as to which Member shall have given its prior written consent, the merger, consolidation or amalgamation of Holdings or Frontier or entry by Holdings or Frontier into any analogous reorganization, amalgamation or transaction with any unaffiliated corporation, company or other entity or as a result of which Holdings or Frontier is not the surviving entity;
- (c) excepting transactions as to which Member shall have given its prior written consent, the sale, transfer, lease or other conveyance of all or substantially all of Holdings' or Frontier's assets;

- (d) excepting transactions as to which Member shall have given its prior written consent, any Person or group acquires or obtains beneficial ownership of securities (including options) having a majority of the ordinary voting power of Holdings or Frontier or the directors of Holdings or Frontier constituting that percentage necessary to approve corporate action not being either (i) current directors, (ii) directors designated or approved by such current directors or (iii) directors approved by such current or replacement directors;
- (e) the occurrence of a material default under this Agreement;
- (f) a Material Adverse Occurrence; or
- (g) Carrier fails to timely deliver the Compliance Certificate as required by Section 11 of this Exposure Protection Schedule.

Gross Exposure – As defined in Section 8 of this Exposure Protection Schedule.

Letter of Credit – One or more valid and outstanding irrevocable standby letters of credit that are (i) issued for the benefit of Member, (ii) in form and substance acceptable to Member, as determined by Member in its reasonable discretion, and (iii) issued by a financial institution acceptable to Member, as determined by Member in its reasonable discretion (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions).

Lien – Any mortgage, pledge, security interest, encumbrance, lien, hypothecation or charge of any kind (including any agreement to provide any of the foregoing), any conditional sale or other title retention agreement or any lease in the nature thereof, or any filing or agreement to file a financing statement as debtor on any property leased to any Person under a lease which is not in the nature of a conditional sale or title retention agreement.

Material Adverse Occurrence – Any occurrence of any nature whatsoever (including, without limitation, any adverse determination in any litigation, arbitration or governmental investigation or proceeding), which, in the reasonable determination of Member, materially adversely affects the then present financial condition of Holdings or Frontier or the prospective financial condition of Holdings or Frontier, or materially impairs the ability of Holdings or Frontier to perform its obligations under the Agreement.

Methodology – As defined in Section 3 of this Exposure Protection Schedule.

Obligations – All of Carrier's obligations under the Agreement and the Other Signatory Agreements, whether now existing or hereafter arising (including any of the foregoing obligations that arise prior to or after any Insolvency Event and any obligations arising pursuant to this Exposure Protection Schedule).

Other Signatory Agreement – Any agreement (other than the Agreement), executed by at least Carrier and Member or one of its affiliates, which substantially incorporates the MTOS.

Performance Triggering Event – The occurrence of an event in which the consolidated Unrestricted Cash of Carrier as of the last day of any month falls below the sum of (i) *****.

Required Amount – The amount of the Aggregate Protection to be maintained under this Agreement which shall be equal to:

- (a) so long as no General Triggering Event or Performance Triggering Event has occurred and is continuing, the Required Amount shall be *****.
- (b) if a Performance Triggering Event has occurred and no General Triggering Event has occurred, the Required Amount shall be determined based upon the chart set forth below

| <u>Unrestricted Cash Amount based upon monthly reporting</u> | <u>Required Amount as a Percentage of Gross Exposure</u> |
|--|--|
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |
| ***** | ***** |

- (c) during the continuance of any General Triggering Event, the Required Amount shall be equal to *****.

Secured Parties – Any of (i) Member and (ii) such entity having the same designation or acting in the same capacity under any Other Signatory Agreement.

Unrestricted Cash – As of the date of determination, the sum of the amount of unrestricted cash and cash equivalents of Carrier, not subject to any Lien or other restriction, except for rights of setoff for customary returned items asserted by the depository institution in which such cash is deposited, as determined by GAAP, plus the value of any short term investments (those with maturity dates of one year or less), as of any date of determination of Carrier. For the avoidance of doubt, no amounts held as part of the Aggregate Protection shall be counted in the calculation of Unrestricted Cash.

2. Exposure Protection

- (a) Upon commencement of the Agreement, Member may retain and hold all funds paid to Member by a Card Association on account of Sales Records submitted by Carrier to Member as Reserved Funds until the amount of the Aggregate Protection equals the Required Amount, as determined in accordance with Sections 3 and 8 of this Exposure Protection Schedule. In lieu of retaining Reserved Funds, or in addition to retaining and holding

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Reserved Funds, Member, in its sole discretion, may demand that Carrier, and Carrier shall upon such demand, remit to Member within ***** of Member's demand immediately available funds to hold as the Deposit in an amount that when added to amounts (if any) retained and held by or on behalf of Member as the Deposit causes the amount of the Aggregate Protection to equal the Required Amount. The Deposit amount shall be subject to adjustment as provided in Section 3 of this Exposure Protection Schedule. Member will hold the Deposit as security for the due and punctual payment of and performance by Carrier of the Obligations.

- (b) Carrier grants to each of Member and all other Secured Parties a Lien on the Deposit and all other Carrier's Rights to secure the payment and performance by Carrier of all Obligations. Each Secured Party shall act as agent for itself and all other Secured Parties to the extent that any Secured Party control or possesses the Deposit and other Aggregate Protection or is named as a Secured Party on any filing, registration or recording. Carrier hereby acknowledges that notwithstanding the foregoing grant of a Lien, Reserved Funds represent only a future right to payment owed to Carrier under the Agreement, payment of which is subject to the terms and conditions of the Agreement and to Carrier's complete and irrevocable fulfillment of its obligations and duties under the Agreement and do not constitute funds of Carrier.
- (c) Carrier further agrees that during the term of the Agreement, Carrier shall not grant, or attempt to grant, to any other Person or suffer to exist in favor of any other Person any Lien or other interest in Carrier's Rights (if any) or in any proceeds thereof unless any such Lien or other interest and the priority thereof are subject to a subordination agreement in favor of Member and all other Secured Parties and satisfactory to Member.
- (d) Carrier hereby acknowledges that Member disputes the existence of any interest of Carrier in any rights to payment from Cardholders or Card Issuers arising out of the Sales Records and further acknowledges that to the extent it may have an interest therein, such interest is subordinate to the interests of the Secured Parties and of any of their respective subrogees.
- (e) Carrier will do all acts and things, and will execute, endorse, deliver, file, register or record all instruments, statements, declarations or agreements (including pledges, assignments, security agreements, financing statements, continuation statements, etc.) reasonably requested by Member, in form reasonably satisfactory to Member, to establish, perfect, maintain and continue the perfection and priority of the security interest of the Secured Parties in all Carrier's Rights and in all proceeds of the foregoing. Carrier will pay the reasonable costs and expenses of all filings and recordings, including taxes thereon or fees with respect thereto and all searches reasonably necessary or deemed necessary by Member, to establish and determine the validity and the priority of such security granted in favor of Member. Carrier hereby irrevocably appoints Member (and all persons, officers, employees or agents designated by Member), its agent and attorney-in-fact to do all such acts and things contemplated by this paragraph in the name of Carrier. Without limiting the foregoing, Carrier hereby authorizes Member to file one or more financing statements or continuation statements in respect hereof, and amendments

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thereto, relating to any part of the collateral described herein without the signature of Carrier. A carbon, photographic or other reproduction of the Agreement or of a financing statement shall be sufficient as a financing statement and may be filed in lieu of the original in any or all jurisdictions which accept such reproductions.

3. Adjustments to Deposit

- (a) Member will use the Methodology described in Section 8 of this Exposure Protection Schedule (the "Methodology") to calculate Gross Exposure each Business Day. Carrier acknowledges that Member has explained to it and it understands Member's Methodology for determining Gross Exposure and the amount of the Aggregate Protection and hereby agrees to be bound by such Methodology and the determinations made by Member as a result thereof; *provided, however*, that Carrier may, in good faith, dispute any determination made by Member by delivery of notice thereof to Member, and the parties shall use commercially reasonable efforts to resolve the dispute as expeditiously as possible. Among other things, Carrier understands that Gross Exposure includes the value of Travel Costs for goods or services sold to Cardholders who used their Cards to purchase such goods or services with respect to which Carrier has not yet provided such goods or services. Member and Carrier may change the Methodology by mutual written agreement.
- (b) The amount of the Deposit shall be increased or decreased each Business Day, as appropriate, based on the Methodology so that the amount of the Aggregate Protection will at all times equal the Required Amount. Any necessary increases to the Deposit may be made, at Member's sole discretion, by Member withholding as Reserved Funds an amount up to ***** of amounts otherwise payable to Carrier under Section 6.2 of the MTOS until the amount of the Aggregate Protection is at least equal to the Required Amount; provided, that if there are insufficient funds available from the daily settlement to fully fund the Deposit in the Required Amount, then Carrier shall send such additional funds by federal wire transfer, to an account designated by Member, on the first (1st) Business Day after Carrier's receipt of notice from Member that an increase is required and the amount thereof. If the Member agrees to permit increases to the amount of the Deposit by wire transfer and the funds required to increase the amount of the Deposit so that the Aggregate Protection is equal to the Required Amount are not transferred to Member as required by this Section 3, Member may immediately withhold on a daily basis as Reserved Funds an amount up to ***** of amounts otherwise payable to Carrier under Section 6.2 of the MTOS until the amount of the Aggregate Protection at least equals the Required Amount. Member shall remit to Carrier from the Deposit the amount necessary to reduce the amount of the Aggregate Protection to equal the Required Amount on each Business Day in accordance with Section 6.2 of the MTOS.

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- (c) The amount of the Deposit to be maintained hereunder may be reduced in accordance with Section 9 of this Exposure Protection Schedule pursuant to which Member accepts Letter of Credit in lieu of all or a portion of the Deposit so long as the Aggregate Protection equals the Required Amount.
- (d) Although Member has the right at all times to require that the amount of the Aggregate Protection equal the Required Amount, Member may, from time to time, in its sole discretion make remittances to Carrier or release portions of any Letter of Credit such that the Aggregate Protection is less than the Required Amount. The duration of any such reduction is within the sole discretion of Member. At any time that the amount of the Aggregate Protection is less than the Required Amount Member, in its sole discretion, may again require that the amount of the Aggregate Protection equal the Required Amount. Any required increase may be made as provided in Section 3(b) of this Exposure Protection Schedule as determined by Member. Any reductions in the amount of the Aggregate Protection as described in this paragraph shall not be deemed a course of dealing nor give rise to any rights by Carrier in the future to require that the amount of the Aggregate Amount be less than the Required Amount.

4. Control of Deposit

Carrier acknowledges that (i) funds remitted to Member by Carrier, and (ii) funds paid by Card Associations and held by Member or any Secured Party as the Deposit may be commingled with other funds of Member or such Secured Party, and further acknowledges that all such funds, and any investment of funds shall be in the name and control of Member or such Secured Party, and, except for crediting of interest as contemplated by Section 5 below, Carrier shall have no interest in any securities, instruments or other contracts or any interest, dividends or other earnings accruing thereon or in connection therewith. It is the understanding of the Parties that, notwithstanding any other provision of the Agreement to the contrary, until Member is required to pay the then remaining balance of the Deposit pursuant Section 7, (a) the sole obligations of Member to make payments to Carrier from the Deposit shall be the obligations to (i) pay to Carrier amounts equal to the amounts attributable to Travel Costs with respect to which Carrier has provided goods or services net of any Obligations owed Carrier to any Secured Party, and (ii) remit to Carrier amounts necessary to reduce the amount of the Aggregate Protection to equal the Required Amount, as set forth in Section 3(b) of this Exposure Protection Schedule, and (b) such obligations to make payment to Carrier are at all times subject to the terms of the Agreement.

5. Investment

All amounts held as the Deposit will be deemed to earn a yield equal to the Applicable Rate. The amount so earned shall be credited to the Deposit.

6. Right of Offset; Recoupment; Application

At any time that an amount is due Member or any other Secured Party from Carrier, and Member or such other Secured Party does not obtain payment of such amount due as provided in the Agreement, Member (on behalf of itself and any other Secured Party) shall have the right to apply, recoup or set off any amounts otherwise owed by Member or any other Secured Party to Carrier hereunder, including, without limitation, any amounts attributable to the Deposit, to the amount owed by Carrier.

Where any application, recoupment or set off requires the conversion of one currency into another, Member shall be entitled to effect such conversion in accordance with its prevailing practice and Carrier shall bear all exchange risks, losses, commissions and other bank charges which may thereafter arise.

7. Retention of Deposit After Cessation

Notwithstanding any other provision of the Agreement to the contrary, during the period not to exceed ***** from the earlier of termination of this Agreement or the date upon which Carrier permanently ceases flight operations, Member may retain the Deposit and Letters of Credit until such time as the Member reasonably determines that Carrier has no further Obligations or potential Obligations (excluding indemnification obligations for which no claim has been asserted) without any obligation to remit funds to Carrier until such time. For clarity, Member acknowledges that, unless Carrier has ceased or substantially reduced its flight operations, they shall release the Deposit to Carrier pursuant to Section 3(b) of this Exposure Protection Schedule as the Gross Exposure reduces pursuant to the Methodology set forth in Section 8 of this Exposure Protection Schedule so long as the Aggregate Protection equals the Required Amount and any remaining balance shall be released on or before ***** from the earlier of termination of this Agreement or the date upon which Carrier permanently ceases flight operations.

8. Methodology

“Gross Exposure” shall be calculated by the Member on a daily basis as follows:

- (a) *****
- (b) *****
- (c) *****
- (d) *****
- (e) *****
- (f) *****
- (g) *****

9. Standby Letter of Credit

- (h) The amount of the Aggregate Protection which Member may maintain pursuant to this Exposure Protection Schedule shall include the sum of (a) the amount remaining to be drawn upon any valid and outstanding Letter of Credit, in lieu of maintaining the amount of the Deposit in an amount equal to the Required Amount and (b) the proceeds of any previous draw on a Letter of Credit held by Member and not applied. Any such letter of credit shall be in form and substance acceptable to Member and issued by a financial institution acceptable to Member, as determined by Member in its reasonable discretion (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions). Notwithstanding any initial acceptance of a Letter of Credit, Member reserves the right at any time

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to either (i) demand delivery of a substitute Letter of Credit issued by different institution or (ii) withhold as Reserved Funds amounts necessary so that the Deposit equals the Required Amount if, in Member's reasonable discretion (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions), it determines that it cannot or will not continue to accept non-payment risk from the institution obligated on a Letter of Credit previously delivered to Member. At such time as the Member may no longer draw on a Letter of Credit, Member may require that the Deposit equal the Required Amount.

- (i) Upon the occurrence of any event that gives rise to Member's right under this Agreement (i) to make demand on Carrier for payment to Member, (ii) to apply amounts represented by the Deposit to Obligations of Carrier or (iii) otherwise to retain and not pay to Carrier amounts paid to Member by a Card Association on account of Sales Records submitted to Member by Carrier, then Member, at its option, may draw on any Letter of Credit issued for Member's benefit (for itself and as agent for any other Secured Party) with respect to the Agreement without first taking any of the actions described in clauses (i), (ii) and (iii) above.
- (j) In addition to Member's rights as set forth above, Member, at its option, may draw (in one or more draws) up to the full amount remaining undrawn on a Letter of Credit upon the occurrence of any one or more of the following events or as otherwise provided below: (a) the occurrence of an Insolvency Event; (b) receipt by Member of notification from the issuer of the Letter of Credit that such issuer has elected not to renew the Letter of Credit; (c) notification of termination of the Agreement by either party; (d) a substantial number of the scheduled flights of Carrier fail to operate on any particular day; or (e) Member, in its reasonable discretion, determines that it cannot or will not continue to accept non-payment risk from the institution obligated on a Letter of Credit previously delivered to Member (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions). In addition, Member may draw upon a Letter of Credit pursuant to any other condition for draw provided in the Letter of Credit, and, in any event, on or after the thirtieth day prior to expiration of the Letter of Credit. No failure to draw, or delay in making a draw, on a Letter of Credit shall impair Member's right to draw thereon at a later time.
- (k) Carrier acknowledges that, except for its right to receive the excess proceeds of any Letter of Credit upon the expiration of the period specified in Section 7 of this Exposure Protection Schedule, it has no interest in any proceeds of any draw on any Letter of Credit issued for the benefit of Member or any Secured Party and that upon any draw on any Letter of Credit, Member shall be entitled to hold the proceeds thereof for payment of the Obligations under the Agreement and apply such proceeds in payment thereof as and when Member deems appropriate. Member shall have no obligation to remit to any person or entity any excess proceeds of any draw on the Letter of Credit until expiration of the period specified in Section 7 of this Exposure Protection Schedule. In the event of any dispute between Carrier and the issuer of such Letter of Credit or any subrogee thereof, or any other person or entity with respect to

entitlement to any proceeds of the Letter of Credit, Member may retain all such proceeds until final resolution of such dispute by a court of competent jurisdiction, subject to Member's right to retain and apply proceeds in payment of the Obligations. In the event that Member draws on a Letter of Credit and holds the proceeds thereof at a time when Carrier is conducting normal flight operations, Member shall include such proceeds in its calculation of coverage for the Required Amount and make remittances to Carrier in accordance with Section 3 of this Exposure Protection Schedule as if the proceeds were part of the Deposit. Any excess proceeds of a Letter of Credit, as determined by Member in good faith after taking into account all Obligations of Carrier to Member and the other Secured Parties, shall be remitted to Carrier or as otherwise directed by a court of law.

10. Deposit Upon Termination of the Agreement.

In the event that any Party gives notice to the other Party of termination of the Agreement or non-renewal, or in the absence of a notice, the Agreement is terminated or a Party attempts to terminate the Agreement, and at such time the Aggregate Protection maintained is less than *****, Member may make a reasonable determination of Chargebacks and other obligations of Carrier under the Agreement that may arise or be asserted from and after such date ("Projected Exposure"). If the amount of Projected Exposure exceeds the amount of the Aggregate Protection then held or posted, Member may, in its sole discretion, demand that Carrier, and Carrier shall upon such demand, immediately remit to Member in immediately available funds for Member to hold as part of the Aggregate Protection an amount sufficient to cause the amount of the Aggregate Protection to equal Projected Exposure. Upon failure by Carrier to remit such funds by the close of business on the first Business Day after any such demand is made, Member in its sole discretion may withhold as Reserved Funds an amount up to ***** of amounts otherwise payable to Carrier under Section 6.2 of the MTOS until the amount of the Aggregate Protection is at least equal to Projected Exposure. Member may retain the Aggregate Protection pursuant to the provisions of Section 7 of this Exposure Protection Schedule, except that during such period (i) the amount of the Aggregate Protection shall equal Projected Exposure and (ii) payments shall be remitted to Carrier on each Business Day in the amount by which the amount of the Aggregate Protection exceeds Projected Exposure. Upon and after the occurrence of an event that would cause the Required Amount to be in excess of the Projected Exposure, even if the same shall occur after termination or non-renewal, the amount of the Aggregate Protection shall not be less than the Required Amount. The provisions of Section 3 of this Exposure Protection Schedule with respect to increases to the Aggregate Protection shall apply in any such circumstance.

11. Compliance Certificate.

Carrier shall furnish U.S. Bank, as soon as practicable, and in any event no later than ***** after the end of each month, a Compliance Certificate in the form attached hereto as Attachment 1 (the "Compliance Certificate"). Such Compliance Certificates shall be signed by the chief financial officer, controller, or treasurer of Carrier. If U.S. Bank advises Carrier of a discrepancy between the information contained in a Compliance Certificate and the information in Carrier's financial statements, Carrier shall be available to U.S. Bank to explain the discrepancy and shall provide supplemental information to U.S. Bank, as reasonably necessary, to support the information contained in such Compliance Certificate.

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COMPLIANCE CERTIFICATE

TWELVE MONTH PERIOD ENDING _____, 201_

This Compliance Certificate is being submitted pursuant to Section 11 of the Exposure Protection Schedule to the Amended and Restated Signatory Agreement, dated as of November 5, 2013 (the "Signatory Agreement") for the above-referenced twelve month period (the "Period"). Capitalized terms used herein and not defined herein shall have the meanings given such terms in the Exposure Protection Schedule. The undersigned, being the [insert title] of Carrier hereby certifies, with respect to all of the following, that, to the best of his/her knowledge after reasonable investigation as of the date of this Compliance Certificate, the following information is true and correct and was compiled from the books and records of Carrier, as applicable, in accordance with the terms of the Agreement.

1. Days of Cash

| | |
|---|----------|
| A. Amount of ***** Cash as of the last day of the month | \$ _____ |
| B. Amount of ***** Exposure as of the last day of the month | \$ _____ |
| C. Difference of A less B | \$ _____ |
| D. Daily ***** Expense | \$ _____ |
| E. Result of C divided by D | _____ |

2. Triggering Events

No Triggering Event has occurred and is continuing except:

[describe Triggering Event]

Dated _____, _____

FRONTIER AIRLINES, INC.

By _____

Name _____

Title: [CFO, Controller or Treasurer]

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