THIS DRAFT REGISTRATION STATEMENT HAS NOT BEEN PUBLICLY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION AND ALL INFORMATION HEREIN REMAINS STRICTLY CONFIDENTIAL

As confidentially submitted to the Securities and Exchange Commission on May 4, 2018

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
Under
The Securities Act of 1933

MESA AIR GROUP, INC.
(Exact name of registrant as specified in its charter)

Nevada	4512	85-0302351
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

410 North 44th Street, Suite 700
Phoenix, Arizona 85008
(602) 685-4000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jonathan G. Ornstein
Chairman and Chief Executive Officer
Mesa Air Group, Inc.
410 North 44th Street, Suite 700
Phoenix, Arizona 85008
(602) 685-4000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Gregory R. Hall	Brian S. Gillman	Anna T. Pinedo
DLA Piper LLP (US)	Executive Vice President, General Counsel and Secretary	Mayer Brown LLP
2525 East Camelback Road, Suite 1000 Phoenix, Arizona 85016	Mesa Air Group, Inc.	1221 Avenue of the Americas
(480) 606-5100	410 North 44th Street, Suite 700 Phoenix, Arizona 85008	New York, New York 10020-1001
	(602) 685-4000	(212) 506-2275

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 to Section 7(a)(2)(B) of the Securities Act. ☒

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price[(1)]	Amount Of Registration Fee
Common stock, no par value per share			$50,000,000	$6,225

(1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended. Includes the aggregate offering price of additional shares that the underwriters have the option to purchase.

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.

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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 4, 2018.

Shares

Mesa Air Group, Inc.

Common Stock

This is the initial public offering of our common stock. We are offering shares.

We estimate that the initial public offering price per share will be between $ and $. Currently, no public market exists for our common stock. We intend to list our common stock on the Nasdaq Global Select Market under the symbol " ."

We are an "emerging growth company" as defined under the federal securities laws, and, as such, we are subject to reduced public company reporting requirements. See "*Prospectus Summary—Implications of Being an Emerging Growth Company*."

Investing in our common stock involves risks. See "*Risk Factors*" beginning on page 13 to read about factors you should consider before buying shares of our common stock.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds to us (before expenses)	$	$
Proceeds to the selling shareholder (before expenses)	$	$

(1) See the "*Underwriting*" section beginning on page 128 for additional information regarding underwriting compensation.

The selling shareholder identified in this prospectus has granted the underwriters the right to purchase up to an additional shares of common stock at the initial public offering price, less underwriting discounts and commissions. The underwriters can exercise this option within 30 days from the date of this prospectus. We will not receive any of the proceeds from the sale of any shares by the selling shareholder if the overallotment option is exercised.

Neither the Securities and Exchange Commission, nor any state securities commission, nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to the purchasers on or about , 2018.

RAYMOND JAMES **BofA Merrill Lynch**

Prospectus dated , 2018.

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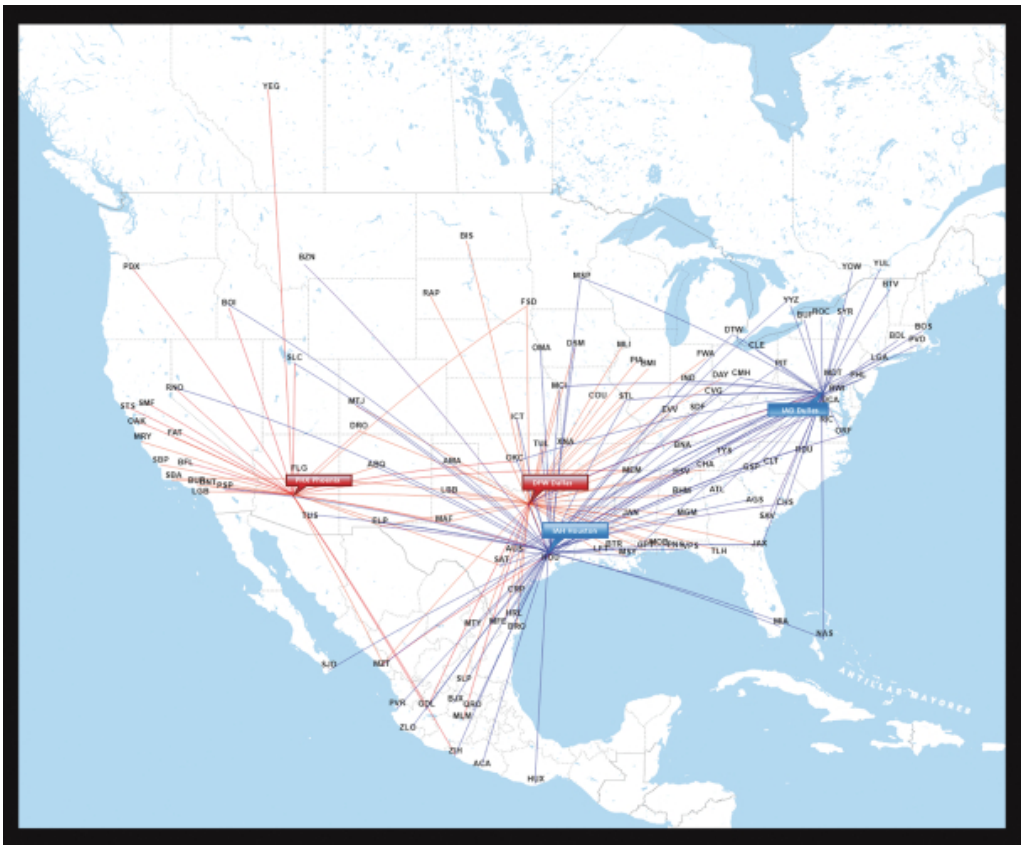

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We are responsible for the information contained in this prospectus or contained in any free writing prospectus prepared by or on behalf of us to which we have referred you. Neither we, the underwriters, nor the selling shareholder have authorized anyone to provide you with additional information or information different from that contained in this prospectus or in any free writing prospectus filed with the Securities and Exchange Commission and we take no responsibility for any other information that others may give you. We and the selling shareholder are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock. Our business, operating results or financial condition may have changed since such date.

Until , 2018 (25 days after the date of this prospectus), all dealers that buy, sell, or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealer's obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

For investors outside the United States: Neither we nor any of the underwriters have taken any action that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

We have obtained federal registration of the Mesa Airlines® trademark. American® and American Eagle® are trademarks of American. United® and United Express® are trademarks of United. All other trade names, trademarks, and service marks appearing in this prospectus are the property of their respective holders. We have omitted the ® and ™ designations, as applicable, for the trademarks used in this prospectus.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary sets forth the material terms of the offering, but does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully before making an investment decision, especially the risks of investing in our common stock described under "Risk Factors." Unless the context otherwise requires, the terms "we," "us," "our," the "Company" and "Mesa" refer to Mesa Air Group, Inc. and its predecessors, direct and indirect subsidiaries and affiliates. Certain terms related to the airline industry are described under "Glossary of Airline Terms" at the end of this prospectus.

Our Company

Mesa Airlines, Inc. ("Mesa Airlines") is a regional air carrier providing scheduled passenger service to 110 cities in 37 states, the District of Columbia, Canada, Mexico and the Bahamas. All of our flights are operated as either American Eagle or United Express flights pursuant to the terms of capacity purchase agreements we entered into with American Airlines, Inc. ("American") and United Airlines, Inc. ("United") (each, our "major airline partner"). We have a significant presence in several of our major airline partners' key domestic hubs and focus cities, including Dallas, Houston, Phoenix and Washington-Dulles. We have been the fastest growing regional airline in the United States over our last five fiscal years, based on fleet growth, with a cumulative increase in aircraft of 137%.

As of March 31, 2018, we operated a fleet of 145 aircraft with approximately 611 daily departures. We operate 64 CRJ-900 aircraft under our capacity purchase agreement with American (the "American Capacity Purchase Agreement") and 20 CRJ-700 and 60 E-175 aircraft under our capacity purchase agreement with United (the "United Capacity Purchase Agreement"). Over the last five calendar years, our share of the total regional airline fleet of American and United has increased from 7% to 11% and from 4% to 15%, respectively. Driven by this fleet growth, our total operating revenues have grown by 55% from $415.2 million in fiscal 2013 to $643.6 million in fiscal 2017, respectively. We believe we have expanded our share with our major airline partners because of our competitive cost structure, access to pilots under our labor agreements and track record of reliable performance. All of our operating revenue in our 2017 fiscal year was derived from operations associated with our American and United Capacity Purchase Agreements.

Our long-term capacity purchase agreements provide us guaranteed monthly revenue for each aircraft under contract, a fixed fee for each block hour and flight flown, and reimbursement of certain direct operating expenses, in exchange for providing regional flying on behalf of our major airline partners. Our capacity purchase agreements shelter us from many of the elements that cause volatility in airline financial performance, including fuel prices, variations in ticket prices, and fluctuations in number of passengers. In providing regional flying under our capacity purchase agreements, we use the logos, service marks, flight crew uniforms and aircraft paint schemes of our major airline partners. Our major airline partners control route selection, pricing, seat inventories, marketing and scheduling, and provide us with ground support services, airport landing slots and gate access, allowing us to focus all of our efforts on delivering safe, reliable and cost-competitive regional flying.

Regional aircraft are optimal for short and medium-haul scheduled flights that connect outlying communities with larger cities and act as "feeders" for domestic and international hubs. In addition, regional aircraft are well suited to serve larger city pairs during off-peak times when load factors on larger jets are low. The lower trip costs and operating efficiencies of regional aircraft, along with the competitive nature of the capacity purchase agreement bidding process, provide significant value to

major airlines. According to the Regional Airline Association, we were the fifth largest regional airline company in the United States in 2016, as measured by passenger enplanements, and our flights accounted for approximately 8.4% of all passengers carried on U.S. regional airlines.

Regional airlines play a daily, essential role in the U.S. air travel system. According to the Regional Airline Association, 42% of all scheduled airline flights in the United States in 2016 were performed by regional airlines. Of all the U.S. airports with scheduled airline service, 64% are served exclusively by regional airlines. Some of the most popular U.S. airports have more than half of all their flights on regional airlines, including New York-LaGuardia, Philadelphia, Washington-Dulles, Charlotte, Houston-Bush and Chicago-O'Hare.

Our Competitive Strengths

We believe that our primary strengths are:

Low Cost Operator. We believe that we are among the lowest cost operators of regional jet service in the United States. There are several key elements that contribute to our cost efficiencies:

- *Efficient Fleet Composition*. We exclusively operate large regional aircraft with 70+ passenger seats on a single Federal Aviation Administration (the "FAA") certificate. Operating large regional aircraft allows us to enjoy unit cost advantages over smaller regional aircraft. Larger regional aircraft require less fuel and crew resources per passenger carried, and may also have maintenance cost efficiencies.
- *Cost Effective, Long-Term Collective Bargaining Agreements*. Our pilots and flight attendants ratified new four-year collective bargaining agreements effective as of July 13, 2017 and October 1, 2017, respectively, which are among the longest in the regional airline industry and include labor rate structures through 2024. We believe that our collective bargaining agreements and favorable labor relationships are critical for pilot retention and will provide more predictable labor costs into 2024. We derive cost advantages from efficient work rules and the relatively low average seniority of our pilots.
- *Low Corporate Overhead.* Our general and administrative expenses per block hour have decreased by more than 35% over the five-year period ended September 30, 2017. We have significantly reduced our overhead costs by operating with a modest administrative and corporate team, offering cost-effective benefit programs and implementing automated solutions to improve efficiency.
- *Competitive Procurement of Certain Operating Functions.* We have long-term maintenance agreements with expirations extending from December 2020 to December 2027 with AAR Aircraft Services, Inc. ("AAR"), GE Engine Services, LLC ("GE"), StandardAero Limited ("StandardAero"), Aviall Services, Inc. ("Aviall") and Bombardier Aerospace ("Bombardier"), respectively, to provide parts procurement, inventory and engine, airframe and component overhaul services. We expect that our long-term agreements with these and other strategic vendors will provide predictable high-quality and cost-effective solutions for most maintenance categories over the next several years. In prior periods, we also invested in long-term engine overhauls on certain aircraft, which we believe will reduce related maintenance obligations in future periods.

Advantages in Pilot Recruitment and Retention. We believe that we are well positioned to attract and retain qualified pilot candidates. Following the ratification of our collective bargaining agreements in July 2017, the average number of new pilot applications per month has increased by 43.7%

compared to the six months prior to such ratification. In addition, our average pilot attrition has decreased by 12.5% over the same period. We believe that the increased number of new pilot applications per month will continue with the introduction of our Career Path Program ("CPP") with United. In addition to offering competitive compensation, bonuses and benefits, we believe the following elements contribute to our recruiting advantage:

- *Career Path Program.* We recently announced our CPP with United, which is designed to provide our qualified current and future pilots a path to employment as a pilot at United. We believe that our CPP will help us continue to attract qualified pilots, manage natural attrition and further strengthen our decades-long relationship with United.
- *Modern, Large-Gauged Regional Jets*. We exclusively operate large regional aircraft with advanced flight deck avionics. We believe that pilot candidates prefer advanced flight deck avionics because they are similar to those found in the larger commercial aircraft types flown by major airlines.
- *Opportunities for Advancement.* We believe that our career progression is among the most attractive in the regional airline industry. During fiscal 2017, our pilots had the opportunity to be promoted from first officer to captain in as little as 12 months.
- *Stable Labor Relations.* Throughout our long operating history, we believe that we have had constructive relationships with our employees and their labor representatives. We have never been the subject of a labor strike or labor action that materially impacted our operations.
- *Enthusiastic and Supportive Culture.* Our "Pilots Helping Pilots" philosophy helps us attract, retain and inspire our next generation of pilots. Our team-oriented culture, as demonstrated by the mentorship of our senior pilots, is both encouraged and expected. We strive to create an environment for our personnel where open communication is customary and where we celebrate our successes together.

Stable, Long-Term Revenue-Guarantee Capacity Purchase Agreements. We have long-term capacity purchase agreements with American and United that extend beyond 2020 for 95 of our 144 current aircraft (with 34 aircraft expiring between June and December 2019 and 15 aircraft expiring between January and August 2020, if not extended prior to contract expiration). Both of our capacity purchase agreements are "capacity purchase," rather than revenue sharing arrangements. This contractual structure provides us with a predictable revenue stream and allows us to increase our profit margin to the extent that we are able to lower our operating costs below the costs anticipated by the agreements. In addition, we are not exposed to price fluctuations for fuel, certain insurance expenses, ground operations or landing fees as those costs are either reimbursed under our capacity purchase agreements or paid directly to suppliers by our major airline partners.

Fleet Exclusively Comprised of Large, Efficient Regional Jets. We exclusively operate large regional aircraft with 70+ passenger seats. These aircraft are the highest in demand across the regional airline industry and provide us with best-in-class operating efficiencies, providing our major airline partners greater flexibility in route structuring and increased passenger revenues. As of March 31, 2018, we had 145 aircraft (owned and leased) consisting of the following:

	Embraer Regional Jet-175 (76 seats)	Canadair Regional Jet-700 (70 seats)	Canadair Regional Jet-900 (76-79 seats)	Canadair Regional Jet-200 (50 seats)(1)	Total
American Eagle	—	—	64	—	64
United Express	60	20	—	—	80
Subtotal	60	20	64	—	144
Unassigned	—	—	—	1	1
Total	60	20	64	1	145

(1) CRJ-200 is an operational spare not assigned for service under our capacity purchase agreements.

Longstanding Relationships with American and United. We began flying for United in 1991 and American, through its predecessor entities, in 1992. Since 2013, we have added 26 aircraft to our American Capacity Purchase Agreement and 60 aircraft to our United Capacity Purchase Agreement. We believe that we enjoy strong relationships with our major airline partners.

Strong Recent Record of Operational Performance. In January 2018, the U.S. Department of Transportation ("DOT") recognized us as the number one regional airline for on-time performance. In addition, we believe that we were the number one regional airline for on-time performance in 2016 and 2017 based on a comparison of our internal data to publicly available DOT data for reporting airlines. Under our capacity purchase agreements, we may receive financial incentives or incur penalties based upon our operational performance, including controllable on-time departures and controllable completion percentages.

Experienced, Long-Tenured Management Team. Our senior management team has extensive operating experience in the regional airline industry. Our Chief Executive Officer and President/Chief Financial Officer have served us in senior officer positions since 1998, and our management team has helped us navigate through and emerge successfully from bankruptcy in early 2011. Since 2013, we have significantly grown the business in the following ways:

- achieved revenue growth of 55%;
- expanded the number of aircraft flown under our American Capacity Purchase Agreement from 38 to 64;
- expanded the number of aircraft flown under our United Capacity Purchase Agreement from 20 to 80;
- closed the first enhanced equipment trust certificate ("EETC") financing by a regional airline; and
- improved our operating efficiencies and maintained our cost advantage.

Our Business Strategy

Our business strategy consists of the following elements:

Maintain Low Cost Structure. We have established ourselves as a low cost, efficient and reliable provider of regional airline services. We intend to continue our disciplined cost control approach

through responsible outsourcing of certain operating functions, by flying large regional aircraft with associated lower maintenance costs and common flight crews across fleet types, and through the diligent control of corporate and administrative costs. Additionally, we expect our long-term collective bargaining agreements to protect us from significant labor cost increases over the next four years. These efficiencies, coupled with the low average seniority of our pilots, has enabled us to compete aggressively on price in our capacity purchase agreement negotiations.

Attractive Work Opportunities. We believe our employees have been, and will continue to be, a key to our success. Our ability to attract, recruit and retain pilots has supported our industry-leading fleet growth. We intend to continue to offer competitive compensation packages, foster a positive and supportive work environment and provide opportunities to fly state-of-the-art, large-gauged regional jets to differentiate us from other carriers and make us an attractive place to work and build a career.

Maintain a Prudent and Conservative Capital Structure. We intend to continue to maintain a prudent capital structure. We believe that the strength of our balance sheet and credit profile will enable us to optimize terms with lessors and vendors and, when preferred by our major airline partners, allow us to procure and finance aircraft on competitive terms. Also, once we complete this offering, our financial resources and publicly traded securities may allow us to take advantage of attractive acquisition opportunities should they arise. We may use a portion of the offering proceeds to purchase some of our leased aircraft. The purchase of leased aircraft would allow us to lower our operating costs and avoid lease-related use restrictions and return conditions.

Eliminate Tail Risk. We have structured our aircraft leases and financing arrangements to minimize or eliminate, as much as possible, so-called “tail risk,” which is the amount of aircraft-related debt or lease obligations existing beyond the term of that aircraft’s corresponding capacity purchase agreement. As of March 31, 2018, we had 18 aircraft with leases extending past the term of their corresponding capacity purchase agreement with an aggregate exposure of less than $33.0 million. We intend to continue to align the terms of our aircraft leases and financing agreements with the terms of our capacity purchase agreements in order to maintain low “tail risk.”

Our Growth Opportunities

During our last five fiscal years, our total operating revenues grew at a compounded annual rate of 11.6% and our fleet size increased from 59 to 140 regional aircraft, a cumulative growth rate of 137%. We believe that our cost discipline, strong operational performance and financial resources will provide additional opportunities to expand our operations, including:

Expand Flying With New and Existing Airline Partners. We enjoy strong relationships with our major airline partners and have significantly expanded our fleet size and flight operations with American and United over the last five years. As the demand for air travel among our major airline partners continues to grow, we expect that our flight services for each major airline partner will similarly increase. In addition, over the next five years, we expect that capacity purchase agreements representing up to 300 aircraft currently flown by our competitors on behalf of major airlines will expire by their terms and be subject to rebidding or replacement by more desirable types of aircraft. We believe that our cost structure and operational efficiencies position us well to compete for this flying. Additionally, we intend to pursue opportunities to provide regional flying to other major airlines, including Delta Airlines and Alaska Airlines, with hub cities that do not overlap with our existing major airline partners. In addition, if a market for regional flying on behalf of low-cost carriers materializes, we believe that we are well positioned to partner with them, as one of the lowest cost regional airlines in the United States.

Scope Relief. Major airline pilot unions have negotiated so-called "scope clauses" in their labor agreements, which place aircraft size limitations and other restrictions on major airlines' ability to contract with regional airlines like ours. Greater liberalization of scope clauses generally creates more business opportunities for regional airlines. Since 2001, restrictive "scope clauses" have slowly been relaxed, allowing major airlines more flexibility and additional flying opportunities for regional carriers. We believe that further liberalization of these provisions, were it to occur, would create incremental opportunities for us with our existing and other potential future major airline partners.

***Acquisitions of Other Regional Airlines*.** In the future, we may evaluate the strategic acquisition of other regional air carriers. The opportunity to make an acquisition may arise if, for example, a major airline makes a divestiture of a captive regional airline, as major airlines have done in the past.

***Opportunities in the Air Cargo and Express Package Sector*.** We believe that our cost structure and business model may be successfully deployed in the burgeoning air cargo and express shipping sectors. Amazon.com and several of the largest integrated logistics companies, including United Parcel Service, Inc., FedEx Corporation and DHL International GmbH, utilize contractual arrangements similar to our capacity purchase agreements with regional air cargo carriers to service outlying areas. We intend to explore future regional air cargo opportunities.

Regulatory Relief. We actively support the efforts of trade organizations, industry leaders, policymakers and other airlines to encourage regulatory reforms related to the current shortage of qualified pilots, lowering the cost of pilot training and providing access to air service for small communities. While the regulatory reform agenda and policies of the current administration are not fully known, it is possible that favorable regulatory changes may take place. We believe that favorable regulatory changes by the current administration, were they to occur, could increase the number of qualified pilots, lower our operating costs and create incremental opportunities for us with our existing and other potential future major airline partners.

Risks Affecting Us

Our business is subject to numerous risks and uncertainties, including those highlighted in the section of this prospectus titled "Risk Factors" immediately following this prospectus summary. These risks include, but are not limited to:

- the supply and retention of qualified airline pilots;
- the volatility of pilot attrition;
- dependence on, and changes to, our capacity purchase agreements;
- increases in our labor costs;
- reduced utilization under our capacity purchase agreements;
- the financial strength of our major airline partners;
- direct operation of regional jets by our major airline partners;
- limitations on our ability to expand regional flying within the flight systems of our major airline partners' and those of other major airlines;
- our significant amount of debt and other contractual obligations;
- our compliance with ongoing financial covenants under our credit facilities; and
- our ability keep costs low and execute our growth strategies.

Corporate Information

We are a Nevada corporation with our principal executive office in Phoenix, Arizona. We were founded in 1982 and reincorporated in Nevada in 1996. In addition to operating Mesa Airlines, we also wholly own Mesa Air Group—Airline Inventory Management, LLC, ("MAG-AIM"), an Arizona limited liability company, which was established to purchase, distribute and manage Mesa Airline's inventory of spare rotable and expendable parts. MAG-AIM's financial results are reflected in our consolidated financial statements.

Our principal executive offices are located at 410 North 44th Street, Suite 700, Phoenix, Arizona 85008, and our telephone number is (602) 685-4000. Our website is located at www.mesa-air.com. The information on, or accessible through, our website does not constitute part of, and is not incorporated into, this prospectus.

Implications of Being an Emerging Growth Company

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"), enacted in April 2012. An emerging growth company may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

- being permitted to present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act");
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the completion of this offering. However, if certain events occur prior to the end of such five-year period, including if we become a large accelerated filer, our annual gross revenue exceeds $1.07 billion or we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We have elected to take advantage of certain of the reduced disclosure obligations in the registration statement of which this prospectus is a part and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our shareholders may be different than you might receive from other public reporting companies in which you hold equity interests.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. We have irrevocably elected not to avail ourselves of this exemption and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

THE OFFERING

Common stock offered by us	shares.
Common stock to be outstanding after the offering	shares.
Underwriters' option to purchase additional shares from the selling shareholder	The selling shareholder may sell up to additional shares if the underwriters exercise their option to purchase additional shares.
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately $ million based on an assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) and after deducting estimated underwriting discounts and commissions and estimated expenses of this offering payable by us. We intend to use the net proceeds to be received by us from this offering to (i) repay approximately $ million of existing indebtedness under our , which is described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Commitments and Contractual Obligations*" and (ii) to pay fees and expenses related to this offering, which we expect to be $. We intend to use any remaining proceeds for general corporate purposes, which may include the repayment of indebtedness, working capital and capital expenditures, including flight equipment acquisitions and lease buyouts. See "*Use of Proceeds*." is the selling shareholder in this offering. We will not receive any of the proceeds from the sale of any shares by the selling shareholder if the underwriters exercise their option to purchase additional shares. See "*Principal and Selling Shareholders*."
Risk factors	See "*Risk Factors*" beginning on page 13 and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Proposed symbol	" "

The number of shares of our common stock outstanding after this offering is based on shares outstanding as of March 31, 2018, including shares issuable upon exercise of warrants with an exercise price of $0.01 per share and shares issuable upon exercise of warrants with an exercise price of $8.00 per share, and excludes:

- an aggregate of shares of common stock reserved for issuance under the Mesa Air Group, Inc. 2011 Stock Incentive Plan (the "2011 Plan"), of which were outstanding as of , 2018;

- an aggregate of shares of common stock reserved for issuance under the Mesa Air Group, Inc. Amended and Restated Stock Appreciation Rights Plan (the “SAR Plan”), of which were outstanding as of , 2018, and may be settled in cash;
- an aggregate of shares of common stock reserved for issuance under the Mesa Air Group, Inc. 2017 Stock Plan (the “2017 Plan”), of which were outstanding as of , 2018; and
- an aggregate of shares of common stock reserved for issuance under the Mesa Air Group, Inc. Restricted Phantom Stock Units Plan (the “RSU Plan”), of which were issued as of , 2018, and may be settled in cash.

Except as otherwise indicated, information in this prospectus reflects or assumes the following:

- the filing and effectiveness of our amended and restated articles of incorporation in Nevada and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the consummation of this offering;
- the exercise of warrants to purchase up to shares of our common stock, with an exercise price of $0.01 per share;
- the exercise of warrants to purchase up to shares of our common stock, with an exercise price of $8.00 per share;
- no exercise of the underwriters’ option to purchase up to additional shares of our common stock from the selling shareholder; and
- a one-to- forward stock split, which will occur immediately prior to the completion of this offering.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The following tables summarize the financial and operating data for our business for the periods presented. You should read this summary consolidated financial data in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our consolidated financial statements and related notes, all included elsewhere in this prospectus.

The summary historical consolidated statement of operations data for our fiscal years ended September 30, 2016 and 2017 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary historical consolidated balance sheet data for the six months ended March 31, 2018 has been derived from our unaudited consolidated financial statements appearing elsewhere in this prospectus. The summary historical consolidated statements of operations data for our fiscal years ended September 30, 2013, 2014 and 2015 have been derived from our consolidated financial statements that are not included in this prospectus. Our historical results are not necessarily indicative of the results to be expected in the future, and results for the six months ended March 31, 2018 are not indicative of the results expected for the full year.

	Year Ended September 30,					Six Months Ended March 31,	
	2013	2014	2015	2016	2017	2017	2018
	(in thousands, except per share data)						
Operating revenues:							
Contract revenue	$ 382,125	$ 407,408	$ 481,168	$ 569,373	$ 618,698	$	$
Pass-through and other	33,131	28,617	24,931	18,463	24,878		
Total operating revenues	**415,256**	**436,025**	**506,099**	**587,836**	**643,576**		
Operating expenses:							
Flight operations	78,685	93,092	118,600	141,422	155,516		
Fuel	13,531	6,092	1,017	753	766		
Maintenance	102,473	123,506	142,643	225,130	210,729		
Aircraft rent	77,243	80,942	69,083	71,635	72,551		
Aircraft and traffic servicing	28,363	20,817	13,274	3,936	3,676		
Promotions and sales[1]	5,406	2,795	11	—	—		
General and administrative	31,598	34,501	39,940	42,182	38,996		
Depreciation and amortization	32,945	33,425	42,296	46,020	61,048		
Asset impairment	7,942	—	—	—	—		
Total operating expenses	**378,186**	**395,170**	**426,864**	**531,078**	**543,282**		
Operating income	**37,070**	**40,855**	**79,235**	**56,758**	**100,294**		
Other (expense) income, net:							
Interest expense	(9,043)	(9,881)	(16,984)	(32,618)	(46,110)		
Interest income	71	14	21	325	32		
Other income (expense), net	2,458	(475)	975	381	(514)		
Total other (expense) income, net	**(6,514)**	**(10,342)**	**(15,988)**	**(31,912)**	**(46,592)**		
Income before taxes	30,556	30,513	63,247	24,846	53,702		
Income tax (benefit) expense	(11,078)	11,749	24,248	9,926	20,874		
Net income	**$ 41,634**	**$ 18,764**	**$ 38,999**	**$ 14,920**	**$ 32,828**	**$**	**$**
Net income per share attributable to common shareholders:							
Basic[2]	$ 14.57	$ 6.32	$ 12.58	$ 3.90	$ 7.52	$	$
Diluted[2]	$ 4.52	$ 2.04	$ 4.04	$ 1.54	$ 3.51		
Weighted-average common shares outstanding:							
Basic	2,858,466	2,970,066	3,099,866	3,823,214	4,367,610		
Diluted	9,211,984	9,193,314	9,664,774	9,706,770	9,349,846		
Non-GAAP financial data:							
EBITDA[3]	$ 72,473	$ 73,805	$ 122,506	$ 103,159	$ 160,828	$	$
EBITDAR[3]	$ 149,716	$ 154,747	$ 191,589	$ 174,794	$ 233,379	$	$

(1) Promotion and sales primarily consists of reservations and marketing costs related to our historical *go!* operations. We do not pay promotion and sales expenses under our capacity purchase agreements.
(2) See Note 10 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate the basic and diluted earnings per share.
(3) EBITDA is earnings before interest, income taxes, and depreciation and amortization. EBITDAR is earnings before interest, income taxes, depreciation and amortization and aircraft rent. EBITDA and EBITDAR are included as supplemental disclosure because we believe they are useful indicators of our operating performance. Derivations of EBITDA and EBITDAR are well recognized performance measurements in the airline industry that are frequently used by companies, investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry. We also believe EBITDA is useful for evaluating our operating performance, as well as to support certain administrative decisions of our senior management team. EBITDAR is useful in evaluating our operating performance compared to our competitors because its calculation isolates the effects of financing in general, the accounting effects of capital spending and acquisitions (primarily aircraft, which may be acquired directly, or subject to acquisition debt, by capital lease or by operating lease, each of which is presented differently for accounting purposes) and income taxes, which may vary significantly between periods and for different companies for reasons unrelated to overall operating performance. EBITDA and EBITDAR are not measures of financial performance in accordance with GAAP, and should not be considered in isolation or as an alternative to net income, an alternative to operating cash flows, or a measure of liquidity. Because derivations of EBITDA and EBITDAR are not determined in accordance with GAAP, such measures are susceptible to varying calculations, and not all companies calculate the measures in the same manner. As a result, derivations of EBITDA and EBITDAR as presented may not be directly comparable to similarly titled measures presented by other companies.

The following table presents the reconciliation of net income to EBITDA and EBITDAR for the periods presented below:

	Year Ended September 30,					Six Months Ended March 31,	
	2013	2014	2015	2016	2017	2017	2018
	(in thousands)						
Reconciliation:							
Net income	$ 41,634	$ 18,764	$ 38,999	$ 14,920	$ 32,828		
Interest expense	9,043	9,881	16,984	32,618	46,110		
Interest income	(71)	(14)	(21)	(325)	(32)		
Income tax expense (benefit)	(11,078)	11,749	24,248	9,926	20,874		
Depreciation and amortization	32,945	33,425	42,296	46,020	61,048		
EBITDA	72,473	73,805	122,506	103,159	160,828		
Aircraft rent	77,243	80,942	69,083	71,635	72,551		
EBITDAR	149,716	154,747	191,589	174,794	233,379		

The following table presents our historical balance sheet data as of March 31, 2018.

	As of March 31, 2018
	(in thousands)
Balance Sheet Data:	
Cash and cash equivalents	$
Total assets	
Long-term debt, including current portion	
Shareholders' equity	

OPERATING DATA

The following table summarizes certain operating data that we believe are useful indicators of our operating performance for our fiscal years ended September 30, 2013, 2014, 2015, 2016 and 2017, respectively, and the six months ended March 31, 2017 and 2018. The definitions of certain terms related to the airline industry used in the table can be found under "*Glossary of Airline Terms*" at the end of this prospectus.

	Year Ended September 30,					Six Months Ended March 31,	
	2013	2014	2015	2016	2017	2017	2018
Operating Data							
Block hours	206,431	225,720	308,681	368,468	395,083		
Departures	134,805	140,165	172,033	208,399	221,990		
Passengers	7,872,574	8,520,917	10,632,903	12,497,424	13,005,844		
Available seat miles—ASMs (thousands)	4,283,272	4,932,516	7,356,450	8,823,595	9,471,911		
Revenue passenger miles—RPMs (thousands)	3,703,837	4,103,834	6,019,316	7,019,586	7,392,688		
Revenue per available seat mile—RASM	¢ 9.69	¢ 8.84	¢ 6.88	¢ 6.66	¢ 6.79		
Operating cost per available seat mile—CASM	¢ 8.83	¢ 8.01	¢ 5.80	¢ 6.02	¢ 5.74		
Average stage length (miles)	452	475	565	557	561		
Regional aircraft							
Owned	23	41	47	64	66		
Leased	49	37	37	37	37		
Leased from United	0	7	30	30	37		
Total aircraft	72	85	114	131	140		
E-175	0	7	30	46	55		
CRJ-900	47	57	63	64	64		
CRJ-700	20	20	20	20	20		
CRJ-200	5	1	1	1	1		
Employees (FTE)	1,819	2,186	2,766	3,102	3,132		

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, before making a decision to invest in our common stock. The risks and uncertainties described below may not be the only ones we face. If any of these risks should occur, our business, results of operations, financial condition or growth prospects could be adversely affected. In those cases, the trading price of our common stock could decline and you may lose all or part of your investment.

Risks Related to Our Business

The supply of pilots to the airline industry is limited and may negatively affect our operations and financial condition.

In July 2013, as directed by the U.S. Congress, the FAA issued more stringent pilot qualification and crew member flight training standards, which increased the required training time for new airline pilots (the "FAA Qualification Standards"). The FAA Qualification Standards, which became effective in August 2013, require first officers to hold an Airline Transport Pilot ("ATP") certificate, requiring 1,500 hours total flight time as a pilot. Previously, first officers were required to have only a commercial pilot certificate, which required 250 hours of flight time. The rule also mandates stricter rules to minimize pilot fatigue. The FAA Qualification Standards (and associated regulations) have dramatically reduced the supply of qualified pilot candidates and has had a negative effect on pilot scheduling, work hours and the number of pilots required to be employed for our operations. To address the diminished supply of qualified pilot candidates, regional airlines, including us, implemented significant pilot wage and bonus increases. The impact of the FAA Qualification Standards (and associated regulations) has substantially increased our labor costs and may continue to negatively impact our operations and financial condition.

In prior periods, the FAA Qualification Standards have negatively impacted our ability to hire pilots at a rate sufficient to support required utilization levels under our American Capacity Purchase Agreement, and, as a result, we have issued credits to American pursuant to the terms of the American Capacity Purchase Agreement. For our fiscal year ended September 30, 2017, and the six-month period ended March 31, 2018, we issued credits of approximately $5.9 million and $, respectively, under the American Capacity Agreement. Also, in February 2018, we mutually agreed with United to temporarily remove two aircraft from service under our United Capacity Purchase Agreement until we are able to fully staff flight operations. See "*Business—Capacity Purchase Agreements*." If we are unable to maintain a sufficient number of qualified pilots to operate our scheduled flights, we may need to request reduced flight schedules with our major airline partners and incur monetary performance penalties under our capacity purchase agreements.

In addition, our operations and financial condition may be negatively impacted if we are unable to train pilots in a timely manner. Due to the industry-wide shortage of qualified pilots, driven by the increased flight hours requirements under the FAA Qualification Standards and attrition resulting from the hiring needs of other airlines, pilot training timelines have significantly increased and stressed the availability of flight simulators, instructors and related training equipment. As a result, the training of our pilots may not be accomplished in a cost-efficient manner or in a manner timely enough to support our operational needs.

Pilot attrition may continue to negatively affect our operations and financial condition.

In recent years, we have experienced significant volatility in our attrition as a result of pilot wage and bonus increases at other regional air carriers, the growth of cargo, low-cost and ultra low-cost carriers

and the number of pilots at major airlines reaching the statutory mandatory retirement age of 65 years. Following the ratification of our new collective bargaining agreement in July 2017, our average pilot attrition per month has decreased by 12.5% compared to the six months prior to the ratification. We believe that we will maintain our pilot attrition rates at this level during our 2018 fiscal year. However, if our actual pilot attrition is materially different than our projections, our operations and financial results could be materially and adversely affected.

We are highly dependent on our agreements with our major airline partners.

We derive all of our operating revenue from our capacity purchase agreements with our major airlines partners. As of March 31, 2018, the American Capacity Purchase Agreement accounted for % of our total revenue and the United Capacity Purchase Agreement accounted for % of our total revenue. In addition, as of March 31, 2018, all of our aircraft available for scheduled service were operating under a capacity purchase agreement with either American or United.

Our American Capacity Purchase Agreement expires with respect to different tranches of aircraft between 2021 and 2025, unless otherwise extended or amended. In addition, our American Capacity Purchase Agreement is subject to termination prior to expiration, subject to our right to cure, in various circumstances including if our controllable flight completion factor falls below certain levels for a specified period of time.

Our United Capacity Purchase Agreement expires between June and December 2019 with respect to 34 CRJ-700 and E-175 aircraft, between January and August 2020 with respect to 15 E-175 aircraft, and between 2021 and 2028 with respect to 31 of our E-175 aircraft. United is also permitted, subject to certain conditions, to terminate the agreement early in its discretion by giving us notice of 90 days or more. Our United Capacity Purchase Agreement is also subject to termination prior to expiration, subject to our right to cure, in various circumstances including if our controllable flight completion factor or departure performance falls below certain levels for a specified period of time.

If our capacity purchase agreements with American or United were terminated or not renewed, we would be significantly impacted and likely would not have an immediate source of revenue or earnings to offset such loss. A termination or expiration of either of these agreements would likely have a material adverse effect on our financial condition, cash flows, ability to satisfy debt and lease obligations, operating revenues and net income unless we are able to enter into satisfactory substitute arrangements for the utilization of the affected aircraft by other major airline partners, or, alternatively, obtain the airport facilities, gates, ticketing and ground services and make the other arrangements necessary to fly as an independent airline. We may not be able to enter into substitute capacity purchase arrangements, and any such arrangements we might secure may not be as favorable to us as our current agreements. Operating an airline independently from our major airline partners would be a significant departure from our business plan and would likely require significant time and resources, which may not be available to us at that point.

Increases in our labor costs, which constitute a substantial portion of our total operating costs, may adversely affect our business, results of operations and financial condition.

Our business is labor intensive, with labor costs representing approximately 28% and 30% of our total operating costs for the years ended September 30, 2016 and 2017, respectively. We are responsible for our labor costs above certain pre-determined reimbursement levels, and we may not be entitled to receive increased payments under our capacity purchase agreements if our labor costs increase above the reimbursement levels. As a result, a significant increase in our labor costs above the reimbursement levels could result in a material reduction in our earnings.

As a result of the 2013 FAA Qualification Standards, the supply of qualified pilots has been dramatically reduced. This shortage of pilots has driven up our pilot salaries and sign-on bonuses and resulted in a material increase in our labor costs. A continued shortage of pilots could require us to further increase our labor costs, which would result in a material reduction in our earnings.

Reduced utilization levels of our aircraft under our capacity purchase agreements would adversely impact our financial results.

Historically, our major airline partners have utilized our flight operations at levels at or near the maximum capacity of our fleet allocations under our capacity purchase agreements, but there can be no assurance that they will continue utilizing our aircraft at that level. If our major airline partners schedule the utilization of our aircraft below historical levels (including taking into account the stage length and frequency of our scheduled flights), we may not be able to maintain operating efficiencies previously obtained, which would negatively impact our operating results and financial condition.

Our American Capacity Purchase Agreement establishes minimum levels of flight operations. In prior periods, the FAA Qualification Standards have negatively impacted our ability to hire pilots at a rate sufficient to support required utilization levels, and, as a result, we have issued credits to American pursuant to the terms of the American Capacity Purchase Agreement. For our fiscal year ended September 30, 2017, and the six-month period ended March 31, 2018, we issued credits of approximately $5.9 million and $, respectively, under the American Capacity Agreement.

The United Capacity Purchase Agreement does not require United to schedule any specified minimum level of flight operations for our aircraft. Additionally, United may remove aircraft from the United Capacity Purchase Agreement with 90 days' prior notice to us. While United pays us a fixed monthly revenue amount for each aircraft under contract, a significant reduction in the utilization levels of our fleet in the future or removal of aircraft from the United Capacity Purchase Agreement at United's election could reduce our revenues based on the number of flights and block hours flown for United. In February 2018, we mutually agreed with United to temporarily remove two aircraft from service under the United Capacity Purchase Agreement until we are able to fully staff flight operations. See "*Business—Capacity Purchase Agreements*."

Continued challenges with hiring, training and retaining replacement pilots may lead to reduced utilization levels of our aircraft and additional penalties under our capacity purchase agreements and our operations and financial results could be materially and adversely terminated. Additionally, our major airline partners may change routes and frequencies of flights, which can negatively impact our operating efficiencies. Changes in schedules may increase our flight costs, which could exceed the reimbursed rates paid by our major airline partners. Reduced utilization levels of our aircraft or other changes to our schedules under our capacity purchase agreements would adversely impact our financial results.

If our major airline partners experience events that negatively impact their financial strength or operations, our operations also may be negatively impacted.

We may be directly affected by the financial and operating strength of our major airline partners. Any events that negatively impact the financial strength of our major airline partners or have a long-term effect on the use of our major airline partners by airline travelers would likely have a material adverse

effect on our business, financial condition and results of operations. In the event of a decrease in the financial or operational strength of any of our major airline partners, such partner may seek to reduce, or be unable to make, the payments due to us under their capacity purchase agreement. In addition, in some cases, they may reduce utilization of our aircraft. Although we receive guaranteed monthly revenue for each aircraft under contract and a fixed fee for each block hour or flight actually flown, there are no minimum levels of utilization specified in the capacity purchase agreements. If any of our other current or future major airline partners become bankrupt, our capacity purchase agreement with such partner may not be assumed in bankruptcy and could be terminated. This and other events, which are outside of our control, could have a material adverse effect on our business, financial condition and results of operations. In addition, any negative events that occur to other regional carriers and that affect public perception of such carriers generally could also have a material adverse effect on our business, financial condition and results of operations.

Our major airline partners may expand their direct operation of regional jets thus limiting the expansion of our relationships with them.

We depend on our major airline partners electing to contract with us instead of operating their own regional jets or operating their own "captive" regional airlines through wholly owned subsidiaries. Currently, the captive regional airlines include Endeavor Air, Inc. ("Endeavor") (owned by Delta), Envoy Air Inc. ("Envoy") (owned by American), PSA Airlines, Inc. ("PSA") (owned by American), Piedmont Airlines ("Piedmont") (owned by American) and Horizon Air Industries, Inc. ("Horizon") (owned by Alaska Air Group, Inc.). These major airlines possess the financial and other resources to acquire and operate their own regional jets, create or grow their own captive regional airlines or acquire other regional air carriers instead of entering into contracts with us. We have no guarantee that in the future our major airline partners will choose to enter into contracts with us instead of operating their own regional jets, allocating flying to their captive regional airlines or entering into relationships with competing regional airlines. A decision by American or United to phase out or limit our capacity purchase agreements or to enter into similar agreements with our competitors could have a material adverse effect on our business, financial condition or results of operations.

We may be limited from expanding our flying within our major airline partners' flight systems and there are constraints on our ability to provide services to airlines other than American and United.

Additional growth opportunities within our major airline partners' flight systems are limited by various factors, including a limited number of independent regional aircraft that each such major airline partner can operate in its regional network due "scope" clauses in the current collective bargaining agreements with their pilots that restrict the number and size of regional jets that may be operated in their flight systems not flown by their pilots. Except as contemplated by our existing capacity purchase agreements, we cannot be sure that our major airline partners will contract with us to fly any additional aircraft.

We may not have additional growth opportunities, or may agree to modifications to our capacity purchase agreements that reduce certain benefits to us in order to obtain additional aircraft, or for other reasons. Given the competitive nature of the airline industry, we believe limited growth opportunities may result in competitors accepting reduced margins and less favorable contract terms in order to secure new or additional capacity purchase operations. Even if we are offered growth opportunities by our major airline partners, those opportunities may involve economic terms or financing commitments that are unacceptable to us. Additionally, our major airline partners may reduce the number of regional jets in their system by not renewing or extending existing flying arrangements with regional operators or transitioning those flying arrangements to their own captive regional carriers. Any one or more of these factors may reduce or eliminate our ability to expand our flight operations with our existing major

airline partners. We also cannot provide any assurance that we will be able to obtain the additional ground and maintenance facilities, including gates and support equipment, to expand our operations. The failure to obtain these facilities and equipment would likely impede our efforts to grow our business and could materially and adversely affect our operating results and our financial condition.

Additionally, our capacity purchase agreements limit our ability to provide regional flying services to other airlines in certain major airport hubs of American and United. These restrictions may make us a less attractive partner to other major airlines whose regional flying needs do not align with our geographical restrictions.

We have a significant amount of debt and other contractual obligations and that could impair our liquidity and thereby harm our business, results of operations and financial condition.

The airline business is capital intensive and, as a result, we are highly leveraged. As of March 31, 2018, we had approximately $ million in total long-term debt obligations. Substantially all of our long-term debt was incurred in connection with the acquisition of aircraft and aircraft engines. We also have significant long-term lease obligations primarily relating to our aircraft fleet. These leases are classified as operating leases and are therefore not reflected in our consolidated balance sheets. During our fiscal years ended September 30, 2016 and 2017, our principal debt service payments totaled $75.5 million and $153.0 million, respectively, and our principal lease payments totaled approximately $70.0 million and $106.3 million, respectively.

We have significant lease obligations with respect to our aircraft, which aggregated to approximately $316.1 million and $ at September 30, 2017 and March 31, 2018, respectively. At March 31, 2018, we had aircraft under lease, with an average remaining term of years. Future minimum lease payments due under all long term operating leases were approximately $ million per year and debt service obligations were $ million per year, respectively, as of March 31, 2018.

We are subject to various financial covenants under our financing agreements and leases with, among others, CIT Bank, N.A. (“CIT”), Export Development Canada (“EDC”) and RASPRO Trust 2005 (“RASPRO”) that are typical for credit facilities and leases of this size, type, and tenor. Our ability to make additional borrowings under our credit facility depends upon satisfaction of these covenants. Our ability to comply with these covenants and requirements may be affected by events beyond our control. Our failure to comply with obligations under our credit facility could result in an event of default under the facilities. A default, if not cured or waived, could prohibit us from obtaining further loans under our credit facilities and permit the lenders thereunder to accelerate payment of their loans. In addition, the lenders would have the right to proceed against the collateral we granted to them, which consists of substantially all of our assets. If our debt is accelerated, we cannot be certain that we will have funds available to pay the accelerated debt or that we will have the ability to refinance the accelerated debt on terms favorable to us, or at all. If we could not repay or refinance the accelerated debt, we could be insolvent and could seek to file for bankruptcy protection. Any such default, acceleration, or insolvency would likely have a material and adverse effect on our business. See “*We are required to comply with certain ongoing financial and other covenants under certain credit facilities, and if we fail to meet those covenants or otherwise suffer a default thereunder, our lenders may accelerate the payment of such indebtedness*” for a discussion of our financial and other covenants.

We cannot assure you that our operations will generate sufficient cash flow to make our required payments, or that we will be able to obtain financing to acquire additional aircraft or make other capital expenditures necessary for expansion. Our ability to pay the high level of fixed costs associated with our contractual obligations will depend on our operating performance, cash flow and our ability to secure adequate financing, which will in turn depend on, among other things, the success of our current business strategy, the U.S. economy, availability and cost of financing, as well as general

economic and political conditions and other factors that are, to some extent, beyond our control. The amount of our fixed obligations could have a material adverse effect on our business, results of operations and financial condition and could:

- require that a substantial portion of our cash flow from operations be used for operating lease and maintenance reserve payments, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our ability to obtain additional financing to support our expansion plans and for working capital and other purposes on acceptable terms or at all;
- make it more difficult for us to pay our other obligations as they become due during adverse general economic and market industry conditions because any related decrease in revenues could cause us to not have sufficient cash flows from operations to make our scheduled payments; and
- reduce our flexibility in planning for, or reacting to, changes in our business and the airline industry and, consequently, place us at a competitive disadvantage to our competitors with lower fixed payment obligations.

Additionally, a failure to pay our operating leases, debt or other fixed cost obligations or a breach of our contractual obligations could result in a variety of further adverse consequences, including the exercise of remedies by our creditors and lessors. In such a situation, it is unlikely that we would be able to cure our breach, fulfill our obligations, make required lease payments or otherwise cover our fixed costs, which would have a material adverse effect on our business, results of operations and financial condition.

We are required to comply with certain ongoing financial and other covenants under certain credit facilities, and if we fail to meet those covenants or otherwise suffer a default thereunder, our lenders may accelerate the payment of such indebtedness.

As of March 31, 2018, we had $ million of long-term secured debt, comprised of the following: (i) the CIT Revolving Credit Facility; (ii) the Spare Engine Facility (as defined below); (iii) the EDC 2015 Credit Facility (as defined below), the EDC January 2016 Credit Facility (as defined below) and the EDC June 2016 Credit Facility (as defined below) (and, together with the EDC 2015 Credit Facility and the EDC January 2016 Credit Facility, the “EDC Credit Facilities”); (iv) the MidFirst Credit Facility (as defined below) and (v) the Aircraft Notes (as defined below). This amount consisted of $ million in notes payable related to owned aircraft used in continuing operations, $ million of notes payable related to spare engines and engine kits, and $ million of our working capital line of credit. The obligations under these credit facilities are secured primarily by a first priority lien on certain engines, equipment, spare parts and related collateral, including engine warranties and proceeds of the foregoing, and the aircraft acquired with the proceeds of such indebtedness. As of March 31, 2018, we had $ million of long-term unsecured debt.

Under (i) the CIT Revolving Credit Facility, we are required to comply with a minimum consolidated interest and rental coverage ratio at the end of each fiscal quarter during the term of such credit facility, (ii) the EDC Credit Facilities, we are required to comply with a minimum fixed charge coverage ratio at the end of each fiscal quarter during the term of such credit facilities, and (iii) the Lease Agreement, dated as of September 23, 2005, between RASPRO and Mesa Airlines, Inc., we are required to comply with minimum current ratio and debt ratio covenants and a minimum available cash covenant until all amounts outstanding thereunder have been paid in full.

Failure to comply with the terms of these credit facilities and financing arrangements and the ongoing financial and other covenants thereunder would result in an event of default (as defined in the

applicable credit facility and financing agreement) and, to the extent the applicable lenders so elect, an acceleration of our existing indebtedness following the expiration of any applicable cure periods, causing such debt to be immediately due and payable. Acceleration of such indebtedness would also trigger cross-default clauses under our other indebtedness. It could also result in the termination of all commitments to extend further credit under our CIT Credit Facility. We currently do not have sufficient liquidity to repay all of our outstanding debt in full if such debt were accelerated. If we are unable to pay our debts as they come due, or obtain waivers for such payments, our secured lenders could foreclose on any of our assets securing such debt. These events could materially adversely affect our business, results of operations and financial condition.

The residual value of our owned aircraft may be less than estimated in our depreciation policies.

As of March 31, 2018, we had approximately $ million of property and equipment and related assets, net of accumulated depreciation, of which, $ million relates to owned aircraft. In accounting for these long lived assets, we make estimates about the expected useful lives of the assets, the expected residual values of certain of these assets, and the potential for impairment based on the fair value of the assets and the cash flows they generate. Factors indicating potential impairment include, but are not limited to, significant decreases in the market value of the long lived assets, a significant change in the condition of the long lived assets and operating cash flow losses associated with the use of the long lived assets. In the event the estimated residual value of any of our aircraft types is determined to be lower than the residual value assumptions used in our depreciation policies, the applicable aircraft type in our fleet may be impaired and may result in a material reduction in the book value of applicable aircraft types we operate or we may need to prospectively modify our depreciation policies. An impairment on any of our aircraft types we operate or an increased level of depreciation expense resulting from a change to our depreciation policies could result in a material negative impact to our financial results.

The amounts we receive under our capacity purchase agreements may be less than the corresponding costs we incur.

Under our capacity purchase agreements with American and United, a portion of our compensation is based upon pre-determined rates typically applied to production statistics (such as departures and block hours flown). The primary operating costs intended to be compensated by the pre-determined rates include labor costs, including crew training costs, certain aircraft maintenance expenses and overhead costs. During the year ended September 30, 2017, approximately $24.5 million, or 4.2%, of our capacity purchase agreement operating costs were pass-through costs, excluding fuel which is paid directly to suppliers by our major airline partners. If our operating costs for labor, aircraft maintenance and overhead costs exceed the compensation earned from our pre-determined rates under our revenue-guarantee arrangements, our financial position and operating results will be negatively affected.

Strikes, labor disputes and increased unionization of our workforces may adversely affect our ability to conduct our business and reduce our profitability.

As of March 31, 2018, approximately 75.8% of our workforce was represented by labor unions, including the Air Line Pilots Association, International (“ALPA”) and the Association of Flight Attendants (“AFA”). On July 13, 2017, our pilots, represented by the ALPA, ratified a new four-year collective bargaining agreement. Similarly, on October 1, 2017, our flight attendants, represented by the AFA, ratified a new four-year collective bargaining agreement. The terms and conditions of our future collective bargaining agreements may be affected by the results of collective bargaining negotiations at other airlines that may have a greater ability, due to larger scale, greater efficiency or other factors, to

bear higher costs than we can. In addition, if we are unable to reach agreement with any of our unionized work groups in future negotiations regarding the terms of their collective bargaining agreements, we may be subject to work interruptions, stoppages or shortages. We may also become subject to additional collective bargaining agreements in the future as non-unionized workers may unionize. We are also subject to various ongoing employment disputes outside of the collective bargaining agreements. We consider these to not be material, but any current or future dispute could become material.

Relations between air carriers and labor unions in the United States are governed by the Railway Labor Act ("RLA"). Under the RLA, collective bargaining agreements generally contain "amendable dates" rather than expiration dates, and the RLA requires that a carrier maintain the existing terms and conditions of employment following the amendable date through a multi-stage and usually lengthy series of bargaining processes overseen by the National Mediation Board ("NMB"). This process continues until either the parties have reached agreement on a new collective bargaining agreement, or the parties have been released to "self-help" by the NMB. In most circumstances, the RLA prohibits strikes; however, after release by the NMB, carriers and unions are free to engage in self-help measures such as lockouts and strikes.

Any strike, labor dispute or increased unionization among our employees could disrupt our operations, reduce our profitability or interfere with the ability of our management to focus on executing our business strategies. For example, if a labor strike were to continue for several consecutive days, United may have cause to terminate the United Capacity Purchase Agreement. As a result, our business, results of operations and financial condition may be materially adversely affected.

We face tail risk in that we have aircraft lease and debt commitments that extend beyond our existing capacity purchase agreement contractual term on certain aircraft.

As of March 31, 2018, we had 18 aircraft with leases extending past the term of their corresponding capacity purchase agreement with an aggregate exposure of less than $33.0 million. We may not be successful in extending the flying contract terms on these aircraft with our major airline partners. In that event, we intend to pursue alternative uses for those aircraft over the remaining portions of their leases including, but not limited to, operating the aircraft with another major airline under a negotiated capacity purchase agreement, subleasing the aircraft to another operator or marketing them for sale. Additionally, we may negotiate an early lease return agreement with an aircraft's lessor. In connection with this, we may incur cash and non-cash early lease termination costs that would negatively impact our operations and financial condition. Additionally, if we are unable to extend a flying contract with an existing major airline partner, but reach an agreement to place an aircraft into service with a different major airline partner, we likely will incur inefficiencies and incremental costs, such as changing the aircraft livery, which would negatively impact our financial results.

We may incur substantial maintenance costs as part of our leased aircraft return obligations.

Our aircraft lease agreements often contain provisions that require us to return aircraft airframes and engines to the lessor in a specified condition or pay an amount to the lessor based on the actual return condition of the equipment. These lease return costs are recorded in the period in which they are incurred, and may be materially different than our projections. Any unexpected increase in maintenance return costs may negatively impact our financial position and results of operations.

We may become involved in litigation that may materially adversely affect us.

From time to time, we may become involved in various legal proceedings relating to matters incidental to the ordinary course of our business, including employment, commercial, product liability, class

action, whistleblower and other litigation and claims, and governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources, cause us to incur significant expenses or liability and/or require us to change our business practices. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we believe that we have meritorious claims or defenses. Because litigation is inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business, results of operations and financial condition.

Disagreements regarding the interpretation of our capacity purchase agreements with our major airline partners could have an adverse effect on our operating results and financial condition.

To the extent that we experience disagreements regarding the interpretation of our capacity purchase or other agreements, we will likely expend valuable management time and financial resources in our efforts to resolve those disagreements. Those disagreements may result in litigation, arbitration, settlement negotiations or other proceedings. Furthermore, there can be no assurance that any or all of those proceedings, if commenced, would be resolved in our favor or that we would be able to exercise sufficient leverage in any proceeding relative to our major airline partner to achieve a favorable outcome. An unfavorable result in any such proceeding could have adverse financial consequences or require us to modify our operations. Such disagreements and their consequences could have an adverse effect on our operating results and financial condition.

We rely on third-party suppliers as the sole manufacturers of our aircraft and aircraft engines.

We depend upon Bombardier and Embraer S.A. ("Embraer") as the sole manufacturers of our aircraft and GE as the sole manufacturer of our aircraft engines. Our operations could be materially and adversely affected by the failure or inability of Bombardier, Embraer or GE to provide sufficient parts or related maintenance and support services to us in a timely manner, or the interruption of our flight operations as a result of unscheduled or unanticipated maintenance requirements for our aircrafts or engines.

Maintenance costs will likely increase as the age of our regional jet fleet increases.

The average age of our E-175, CRJ-900 and CRJ-700 type aircraft is approximately 2.4, 11.5 and 14.2 years, respectively. We have incurred relatively low maintenance expenses on our E-175 aircraft because most of the parts are under multi-year warranties and a limited number of heavy airframe checks and engine overhauls have occurred. Our maintenance costs will increase significantly, both on an absolute basis and as a percentage of our operating expenses, as our fleet ages and the E-175 warranties expire. In addition, because our current aircraft were acquired over a relatively short period of time, significant maintenance events scheduled for these aircraft will occur at roughly the same intervals, meaning we will incur our most expensive scheduled maintenance obligations across our present fleet at approximately the same time. These more significant maintenance activities result in out-of-service periods during which aircraft are dedicated to maintenance activities and unavailable for flying under our capacity purchase agreements. Any unexpected increase in our maintenance costs as our fleet ages or decreased revenues resulting from out-of-service periods could have an adverse effect on our cash flows, operating results and financial condition.

If we face problems with any of our third-party service providers, our operations could be adversely affected.

Our reliance upon others to provide essential services on behalf of our operations may limit our ability to control the efficiency and timeliness of contract services. We have entered into agreements with

contractors to provide various facilities and services required for our operations, including aircraft maintenance, ground facilities and IT services, and expect to enter into additional similar agreements in the future. In particular, we rely on AAR and Aviall to provide fixed-rate parts procurement and component overhaul services for our aircraft fleet and GE to provide engine support. Our agreement with AAR, and other service providers, are subject to termination after notice. If our third party service providers terminate their contracts with us, or do not provide timely or consistently high-quality service, we may not be able to replace them in a cost-efficient manner or in a manner timely enough to support our operational needs, which could have a material adverse effect on our business, financial condition and results of operations. In addition, our operations could be materially and adversely affected by the failure or inability of AAR, Aviall or GE to provide sufficient parts or related maintenance and support services to us in a timely manner.

Regulatory changes or tariffs could negatively impact our business and financial condition.

We import a substantial portion of the equipment we need. For example, the sole manufacturers of our aircraft, Bombardier and Embraer, are headquartered in Canada and Brazil, respectively. We cannot predict the impact of potential regulatory changes or action by U.S. regulatory agencies, including the potential impact of tariffs or changes in international trade treaties on the cost and timing of parts and aircraft. Our business may be subject to additional costs as a result of potential regulatory changes, which could have an adverse effect on our operations and financial results.

The issuance of operating restrictions applicable to one of the fleet types we operate could negatively impact our business and financial condition.

We rely on a limited number of aircraft types, including CRJ-700s, CRJ-900s and E-175s. The issuance of FAA or manufacturer directives restricting or prohibiting the use of the aircraft types we operate could negatively impact our business and financial results.

If we have a failure in our technology or security breaches of our information technology infrastructure our business and financial condition may be adversely affected.

The performance and reliability of our technology, and the technology of our major airline partners, are critical to our ability to compete effectively. Any internal technological error or failure or large scale external interruption in the technological infrastructure we depend on, such as power, telecommunications or the internet, may disrupt our internal network. Any individual, sustained or repeated failure of our technology or that of our major airline partners could impact our ability to conduct our business, lower the utilization of our aircraft and result in increased costs. Our technological systems and related data, and those of our major airline partners, may be vulnerable to a variety of sources of interruption due to events beyond our control, including natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues.

In addition, as a part of our ordinary business operations, we collect and store sensitive data, including personal information of our employees and information of our major airline partners. Our information systems are subject to an increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to our systems or information through fraud or other means of deception. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving, and may be difficult to anticipate or to detect for long periods of time. We may not be able to prevent all data security breaches or misuse of data. The compromise of our technology systems resulting in the loss, disclosure, misappropriation of, or access to, employees' or business partners' information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disruption to our operations and damage to our reputation, any or all of which could adversely affect our business and financial condition.

Our business could be materially adversely affected if we lose the services of our key personnel.

Our success depends to a significant extent upon the efforts and abilities of our senior management team and key financial and operating personnel. In particular, we depend on the services of Jonathan G. Ornstein, our Chairman and Chief Executive Officer, and Michael J. Lotz, our President and Chief Financial Officer. Competition for highly qualified personnel is intense, and the loss of any executive officer, senior manager, or other key employee without an adequate replacement, or the inability to attract new qualified personnel, could have a material adverse effect on our business, results of operations and financial condition.

We are subject to various environmental and noise laws and regulations, which could have a material adverse effect on our business, results of operations and financial condition.

We are subject to increasingly stringent federal, state, local and foreign laws, regulations and ordinances relating to the protection of the environment and noise, including those relating to emissions to the air, discharges (including storm water discharges) to surface and subsurface waters, safe drinking water and the use, management, disposal and release of, and exposure to, hazardous substances, oils and waste materials. We are or may be subject to new or proposed laws and regulations that may have a direct effect (or indirect effect through our third-party specialists or airport facilities at which we operate) on our operations. In addition, U.S. airport authorities are exploring ways to limit de-icing fluid discharges. Any such existing, future, new or potential laws and regulations could have an adverse impact on our business, results of operations and financial condition.

Similarly, we are subject to environmental laws and regulations that require us to investigate and remediate soil or groundwater to meet certain remediation standards. Under certain laws, generators of waste materials, and current and former owners or operators of facilities, can be subject to liability for investigation and remediation costs at locations that have been identified as requiring response actions. Liability under these laws may be strict, joint and several, meaning that we could be liable for the costs of cleaning up environmental contamination regardless of fault or the amount of wastes directly attributable to us.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited.

As of September 30, 2017, we had aggregate federal and state net operating loss carryforwards of approximately $299.8 million and $172.3 million, which expire in 2027-2036 and 2018-2037, respectively, with approximately $0.9 million expiring in 2018. Our unused losses generally carry forward to offset future taxable income, if any, until such unused losses expire. We may be unable to use these losses to offset income before such unused losses expire. In addition, if a corporation undergoes an “ownership change” (generally defined as a greater than 50-percentage-point cumulative change in the equity ownership of certain shareholders over a rolling three-year period) under Section 382 of the Internal Revenue Code of 1986, as amended, the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset future taxable income or taxes may be limited. We have experienced ownership changes in the past and may experience ownership changes in connection with this offering or as a result of future changes in our stock ownership (some of which changes may not be within our control). This, in turn, could materially reduce or eliminate our ability to use our losses or tax attributes to offset future taxable income or tax and have an adverse effect on our future cash flows.

We may not be able to successfully implement our growth strategy.

Our growth strategy includes, among other things, providing regional flying to other major airlines and/or entering into the cargo and express shipping business. We face numerous challenges in implementing our growth strategy, including our ability to:

- provide regional flying to other major airlines with hub cities that overlap with our existing major airline partners;
- enter into relationships with third-parties to carry their cargo on terms that are acceptable to us; and
- access sufficient gates and other services at airports we currently serve or seek to serve.

Our capacity purchase agreements limit our ability to provide regional flying services to other airlines in certain major airport hubs of American and United. These restrictions may make us a less attractive partner to other major airlines whose regional flying needs do not align with our geographical restrictions.

The potential benefits of entering the air cargo and express shipping sector will depend substantially on our ability to enter into relationships with integrated logistics companies and transition our existing business strategies into a new sector. We may be unsuccessful in entering into relationships with integrated logistics companies to carry cargo on terms that are acceptable to us. Additionally, our ability to transition our existing business strategies into a new sector may be costly, complex and time-consuming, and our management will have to devote substantial time and resources to such effort. Should we transition into this new sector, we may experience difficulties or delays in securing gate access and other airport services necessary to operate in the air cargo and express shipping sector. Our inability to successfully implement our growth strategies, could have a material adverse effect on our business, financial condition and results of operations and any assumptions underlying estimates of expected cost savings or expected revenues may be inaccurate.

We may not be able to make opportunistic acquisitions should we elect to do so as part of our growth strategy.

If we elect to pursue an acquisition, our ability to successfully implement this transaction would depend on a variety of factors, including the approval of our acquisition target's major airline partners, obtaining financing on acceptable terms and compliance with the restrictions contained in our debt agreements. If we need to obtain our lenders' consent prior to an acquisition, they may refuse to provide such consent or condition their consent on our compliance with additional restrictive covenants that limit our operating flexibility. Acquisition transactions involve risks, including those associated with integrating the operations or (as applicable) separately maintaining the operations, financial reporting, disparate technologies and personnel of acquired companies; managing geographically dispersed operations; the diversion of management's attention from other business concerns; unknown risks; and the potential loss of key employees. We may not successfully integrate any businesses we may acquire in the future and may not achieve anticipated revenue and cost benefits relating to any such transactions. Strategic transactions may be expensive, time consuming and may strain our resources. Strategic transactions may not be accretive to our earnings and may negatively impact our results of operations as a result of, among other things, the incurrence of debt, one-time write-offs of goodwill and amortization expenses of other intangible assets. In addition, strategic transactions that we may pursue could result in dilutive issuances of equity securities.

Our ability to obtain financing or access capital markets may be limited.

There are a number of factors that may limit our ability to raise financing or access capital markets in the future, including our significant debt and future contractual obligations, our liquidity and credit

status, our operating cash flows, the market conditions in the airline industry, U.S. and global economic conditions, the general state of the capital markets and the financial position of the major providers of commercial aircraft financing. We cannot assure you that we will be able to source external financing for our planned aircraft acquisitions or for other significant capital needs, and if we are unable to source financing on acceptable terms, or unable to source financing at all, our business could be materially adversely affected. To the extent we finance our activities with additional debt, we may become subject to financial and other covenants that may restrict our ability to pursue our business strategy or otherwise constrain our growth and operations.

Negative publicity regarding our customer service could have a material adverse effect on our business, results of operations and financial condition.

Our business strategy includes the implementation of our major airline partners' brand and product in order to increase customer loyalty and drive future ticket sales. In addition, we also receive certain amounts under our United Capacity Purchase Agreement based upon the results of passenger satisfaction surveys. However, we may experience a high number of passenger complaints related to, among other things, our customer service. These complaints, together with delayed and cancelled flights, and other service issues, are reported to the public by the DOT. If we do not meet our major airline partners' expectations with respect to reliability and service, our and our major airline partners' brand and product could be negatively impacted, which could result in customers deciding not to fly with our major airline partners or with us. If we are unable to provide consistently high-quality customer service, it could have an adverse effect on our relationships with our major airline partners.

Risks associated with our presence in international emerging markets, including political or economic instability, and failure to adequately comply with existing legal requirements, may materially adversely affect us.

Some of our target growth markets include countries with less developed economies, legal systems, financial markets and business and political environments are vulnerable to economic and political disruptions, such as significant fluctuations in gross domestic product, interest and currency exchange rates, civil disturbances, government instability, nationalization and expropriation of private assets, trafficking and the imposition of taxes or other charges by governments. The occurrence of any of these events in markets served by us now or in the future and the resulting instability may have a material adverse effect on our business, results of operations and financial condition.

We emphasize compliance with all applicable laws and regulations and have implemented and continue to implement and refresh policies, procedures and certain ongoing training of our employees, third-party specialists and partners with regard to business ethics and key legal requirements; however, we cannot assure you that our employees, third-party specialists or partners will adhere to our code of ethics, other policies or other legal requirements. If we fail to enforce our policies and procedures properly or maintain adequate recordkeeping and internal accounting practices to record our transactions accurately, we may be subject to sanctions. In the event we believe or have reason to believe our employees, third-party specialists or partners have or may have violated applicable laws or regulations, we may incur investigation costs, potential penalties and other related costs which in turn may materially adversely affect our reputation and could have a material adverse effect on our business, results of operations and financial condition.

Risks Related to Our Industry

The airline industry is highly competitive and has undergone a period of consolidation and transition leaving fewer potential major airline partners.

The airline industry is highly competitive. We compete primarily with other regional airlines, some of which are owned by or operated by major airlines. In certain instances, our competitors are larger than

us and possess significantly greater financial and other resources than we do. The airline industry has undergone substantial consolidation, including the mergers between Alaska Airlines and Virgin America Inc. in 2016, American and US Airways in 2013, Southwest Airlines and AirTran in 2011, United and Continental Airlines in 2010 and Delta and Northwest Airlines in 2008. Any additional consolidation or significant alliance activity within the airline industry could further limit the number of potential partners with whom we could enter into capacity purchase agreements.

We are subject to significant governmental regulation.

All interstate air carriers, including us, are subject to regulation by the DOT, the FAA and other governmental agencies. Regulations promulgated by the DOT primarily relate to economic aspects of air service. The FAA requires operating, air worthiness and other certificates; approval of personnel who may engage in flight, maintenance or operation activities; record keeping procedures in accordance with FAA requirements; and FAA approval of flight training and retraining programs. We cannot predict whether we will be able to comply with all present and future laws, rules, regulations and certification requirements or that the cost of continued compliance will not have a material adverse effect on our operations. We incur substantial costs in maintaining our current certifications and otherwise complying with the laws, rules and regulations to which we are subject. A decision by the FAA to ground, or require time consuming inspections of or maintenance on, all or any of our aircraft for any reason may have a material adverse effect on our operations. In addition to state and federal regulation, airports and municipalities enact rules and regulations that affect our operations and require that we incur substantial on-going costs.

Airlines are often affected by factors beyond their control including: air traffic congestion at airports; air traffic control inefficiencies; adverse weather conditions, such as hurricanes or blizzards; increased security measures; new travel related taxes or the outbreak of disease, any of which could have a material adverse effect on our business, results of operations and financial condition.

Like other airlines, our business is affected by factors beyond our control, including air traffic congestion at airports, air traffic control inefficiencies, increased security measures, new travel-related taxes and fees, adverse weather conditions, natural disasters and the outbreak of disease. Factors that cause flight delays frustrate passengers and increase operating costs and decrease revenues, which in turn could adversely affect profitability. The federal government singularly controls all U.S. airspace, and airlines are completely dependent on the FAA to operate that airspace in a safe, efficient and affordable manner. The air traffic control system, which is operated by the FAA, faces challenges in managing the growing demand for U.S. air travel, U.S. and foreign air-traffic controllers often rely on outdated technologies that routinely overwhelm the system and compel airlines to fly inefficient, indirect routes resulting in delays. In addition, there are currently proposals before Congress that could potentially lead to the privatization of the United States' air traffic control system, which could adversely affect our business. Further, implementation of the Next Generation Air Transport System, or NextGen, by the FAA would result in changes to aircraft routings and flight paths that could lead to increased noise complaints and lawsuits, resulting in increased costs. There are additional proposals before Congress that would treat a wide range of consumer protection issues, including, among other things, proposals to regulate seat size, which could increase the costs of doing business.

Adverse weather conditions and natural disasters, such as hurricanes, winter snowstorms or earthquakes, can cause flight cancellations or significant delays. Cancellations or delays due to adverse weather conditions or natural disasters, air traffic control problems or inefficiencies, breaches in security or other factors may affect us to a greater degree than other, larger airlines that may be able to recover more quickly from these events, and therefore could have a material adverse effect on our business, results of operations and financial condition to a greater degree than other air carriers. Any

general reduction in airline passenger traffic could have a material adverse effect on our business, results of operations and financial condition.

Terrorist activities or warnings have dramatically impacted the airline industry, and will likely continue to do so.

The terrorist attacks of September 11, 2001 and their aftermath have negatively impacted the airline industry in general, including our operations. If additional terrorist attacks are launched against the airline industry, there will be lasting consequences of the attacks, which may include loss of life, property damage, increased security and insurance costs, increased concerns about future terrorist attacks, increased government regulation and airport delays due to heightened security. We cannot provide any assurance that these events will not harm the airline industry generally or our operations or financial condition in particular.

The occurrence of an aviation accident involving our aircraft would negatively impact our operations and financial condition.

An accident or incident involving our aircraft could result in significant potential claims of injured passengers and others, as well as repair or replacement of a damaged aircraft and its consequential temporary or permanent loss from service. In the event of an accident, our liability insurance may not be adequate to offset our exposure to potential claims and we may be forced to bear substantial losses from the accident. Substantial claims resulting from an accident in excess of our related insurance coverage would harm our operational and financial results. Moreover, any aircraft accident or incident, even if fully insured, could cause a public perception that our operations are less safe or reliable than other airlines.

An outbreak of a disease or similar public health threat could have a material adverse impact on our business, financial position and results of operations.

An outbreak of a disease or similar public health threat that affects travel demand, travel behavior, or travel restrictions could have a material adverse impact on our business, financial condition and results of operations.

Risks Related to Owning Our Common Stock

The market price of our common stock may be volatile, which could cause the value of an investment in our stock to decline.

Prior to this offering, there has been no public market for shares of our common stock, and an active public market for these shares may not develop or be sustained after this offering. We and the representatives of the underwriters determined the initial public offering price of our common stock through negotiation. This price does not necessarily reflect the price at which investors in the market will be willing to buy and sell our shares following this offering. In addition, the market price of our common stock may fluctuate substantially due to a variety of factors, many of which are beyond our control, including:

- announcements concerning our major airline partners, competitors, the airline industry or the economy in general;
- strategic actions by us, our major airline partners, or our competitors, such as acquisitions or restructurings;
- media reports and publications about the safety of our aircraft or the aircraft type we operate;
- new regulatory pronouncements and changes in regulatory guidelines;

- announcements concerning the availability of the type of aircraft we use;
- significant volatility in the market price and trading volume of companies in the airline industry;
- changes in financial estimates or recommendations by securities analysts or failure to meet analysts' performance expectations;
- sales of our common stock or other actions by insiders or investors with significant shareholdings, including sales by our principal shareholders; and
- general market, political and other economic conditions.

The stock markets in general have experienced substantial volatility that has often been unrelated to the operating performance of particular companies. Broad market fluctuations may materially adversely affect the trading price of our common stock.

In the past, shareholders have sometimes instituted securities class action litigation against companies following periods of volatility in the market price of their securities. Any similar litigation against us could result in substantial costs, divert management's attention and resources and have a material adverse effect on our business, results of operations and financial condition.

If securities or industry analysts do not publish research or reports about our business or publish negative reports about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities and industry analysts may publish about us or our business. If one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, the trading price of our common stock would likely decline. If one or more of these analysts ceases to cover our company or fails to publish reports on us regularly, demand for our stock could decrease, which may cause the trading price of our common stock and the trading volume of our common stock to decline.

Purchasers of our common stock in this offering will experience immediate and substantial dilution in the tangible net book value of their investment.

The initial public offering price of our common stock is substantially higher than the net tangible book value per share of our common stock immediately after this offering. Therefore, if you purchase our common stock in this offering, you will incur an immediate dilution of $ in net tangible book value per share from the price you paid. In addition, as of March 31, 2018, we had outstanding unvested restricted stock awards, warrants to purchase our common stock with an exercise price of $0.01 per share and warrants to purchase our common stock with an exercise price of $8.00 per share. The vesting of these restricted stock awards and warrants will result in further dilution. For a further description of the dilution that you will experience immediately after this offering, see "*Dilution*" elsewhere in this prospectus.

The value of our common stock may be materially adversely affected by additional issuances of common stock by us or sales by our principal shareholders.

Any future issuances or sales of our common stock by us will be dilutive to our existing common shareholders. We had million shares of common stock outstanding as of March 31, 2018. All of the shares of common stock sold in this offering will be freely tradeable without restrictions or further registration under the Securities Act. The holders of % of our outstanding shares of our common stock have signed lock-up agreements with the underwriters of this offering, under which they have agreed, subject to certain exceptions, not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or

exercisable for shares of our common stock, enter into a transaction which would have the same effect, without the prior written consent of certain of the underwriters, for a period of 180 days after the date of this prospectus. Sales of substantial amounts of our common stock in the public or private market, a perception in the market that such sales could occur, or the issuance of securities exercisable or convertible into our common stock, could adversely affect the prevailing price of our common stock.

The value of our common stock may be materially adversely affected by additional issuances of common stock underlying our outstanding warrants.

As of March 31, 2018, we had outstanding warrants to purchase an aggregate of shares of our common stock, which were issued to non-U.S. citizens who were claimholders in our bankruptcy proceedings in order to maintain compliance with restrictions imposed by federal law on foreign ownership of U.S. airlines. Any future warrant exercises by our existing warrant holders will be dilutive to our existing common shareholders. All of the shares of common stock issuable upon exercise of our warrants will be freely tradeable without restrictions or further registration under the Securities Act. The holders of % of our outstanding warrants have signed lock-up agreements with the underwriters of this offering, under which they have agreed, subject to certain exceptions, not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, enter into a transaction which would have the same effect, without the prior written consent of certain of the underwriters, for a period of 180 days after the date of this prospectus. Sales of substantial amounts of our common stock in the public or private market, a perception in the market that such sales could occur, or the issuance of securities exercisable or convertible into our common stock, could adversely affect the prevailing price of our common stock.

Provisions in our charter documents might deter acquisition bids for us, which could adversely affect the price of our common stock.

Our articles of incorporation and bylaws contain provisions that, among other things:

- authorize our Board of Directors, without shareholder approval, to issue one or more series of preferred stock, or rights to acquire preferred stock, that could dilute the interest of, or impair the voting power of, holders of our common stock or could also be used as a method of discouraging, delaying or preventing a change of control
- establish advance notice procedures that shareholders must comply with in order to nominate candidates to our Board of Directors and propose matters to be brought before an annual meeting of our shareholders, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer’s own slate of directors or otherwise attempting to obtain control of our company;
- authorize a majority of our Board of Directors to elect a director to fill a vacancy created by the expansion of the Board of Directors or the resignation, death or removal of a director, which may prevent shareholders from being able to fill vacancies on our Board of Directors
- restrict the ability of shareholders to modify the number of authorized directors, which also prevents shareholders from being able to fill vacancies on our Board of Directors; and
- restrict the ability of shareholders to call special meetings of shareholders.

Certain anti-takeover provisions under Nevada law also apply to our company. We are subject to Section 78.444 of the Nevada Revised Statutes, which prohibits us from entering into some business combinations with interested shareholders without the approval of our Board of Directors. We are also

subject to Sections 78.378 and 78.3793 of the Nevada Revised Statutes, which deny voting rights to any person who acquires a "controlling interest" without board approval or approval of disinterested stockholder. These provisions could make it more difficult for a third party to acquire us, even if doing so would benefit our shareholders. See "*Description of Capital Stock—Anti-Takeover Provisions of Our Articles of Incorporation, Bylaws and Nevada Law*."

Our corporate charter includes provisions limiting ownership by non-U.S. citizens.

To comply with restrictions imposed by federal law on foreign ownership of U.S. airlines, our amended and restated articles of incorporation to be in effect immediately prior to the consummation of this offering restrict the transfer of shares of our common stock to non-U.S. citizens. Specifically, our amended and restated articles of incorporation to be in effect immediately prior to the consummation of this offering prohibit the transfer of shares of our capital stock that would result in us losing our status as a "citizen of the United States" within the meaning of 49 U.S.C. § 40102(a). That statute defines "citizen of the United States" as, among other things, a U.S. corporation, of which the president and at least two-thirds of the Board of Directors and other managing officers are individuals who are citizens of the United States, which is under the actual control of citizens of the United States, and in which at least 75 percent of the voting interest is owned or controlled by persons that are citizens of the United States. As of March 31, 2018, there were outstanding warrants to purchase shares of our common stock, with an exercise price of $0.01 per share, held by persons who are not U.S. citizens. The warrants are not exercisable in violation of the restrictions imposed by federal law requiring that no more than 24.9% of our stock be voted, directly or indirectly, or controlled by persons who are not U.S. citizens. We are currently in compliance with all applicable foreign ownership restrictions. See "*Business—Foreign Ownership*" and "*Description of Capital Stock—Anti-Takeover Provisions of Our Articles of Incorporation, Bylaws and Nevada Law—Limited Ownership and Voting by Foreign Owners*."

We currently do not intend to pay dividends on our common stock and, consequently, your only opportunity to achieve a return on your investment is if the price of our common stock appreciates.

We have not historically paid dividends on shares of our common stock and do not expect to pay dividends on such shares in the foreseeable future. Additionally, our Investor Rights Agreement, RASPRO Lease Facility and GECAS Lease Facility (each as defined below) contain restrictions that limit our ability to or prohibit us from paying dividends to holders of our common stock. Any future determination to pay dividends will be at the discretion of our Board of Directors and will depend on our results of operations, financial condition, capital requirements, restrictions contained in current or future leases and financing instruments, business prospects and such other factors as our Board of Directors deems relevant. Consequently, your only opportunity to achieve a positive return on your investment in us will be if the market price of our common stock appreciates.

We have broad discretion over the use of the net proceeds from this offering and we may not use them effectively.

We cannot specify with any certainty the particular uses of the net proceeds that we will receive from this offering. Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in "Use of Proceeds," and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. The failure by our management to apply these proceeds effectively could adversely affect our

business, results of operations, and financial condition. Pending their use, we may invest our proceeds in a manner that does not produce income or that loses value. Our investments may not yield a favorable return to our investors and may negatively impact the price of our common stock.

We are an "emerging growth company," and the reduced disclosure and regulatory requirements applicable to "emerging growth companies" may make our common stock less attractive to investors.

We qualify as an "emerging growth company" as defined in the JOBS Act, and therefore we may take advantage of reduced disclosure and regulatory requirements that are otherwise generally applicable to public companies. As an emerging growth company:

- We may present only two years of audited financial statements and related Selected Financial Data and Management's Discussion and Analysis of Financial Condition and Results of Operations;
- We are not required to obtain an attestation and report from our independent registered public accounting firm on our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act;
- We may present reduced disclosure regarding executive compensation in our periodic reports and proxy statements; and
- We are not required to hold nonbinding advisory shareholder votes on executive compensation or golden parachute arrangements.

We may take advantage of these reduced requirements until we are no longer an "emerging growth company," which will occur upon the earliest of (i) the last day of the fiscal year following the fifth anniversary of this offering, (ii) the last day of the first fiscal year in which our annual gross revenue is $1.07 billion or more, (iii) the date on which we have, during the previous rolling three-year period, issued more than $1.0 billion in non-convertible debt securities and (iv) the date on which we are deemed to be a "large accelerated filer" as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Investors may find our common stock less attractive or our company less comparable to certain other public companies because we will rely on these reduced requirements.

In addition, the JOBS Act permits an "emerging growth company" to take advantage of an extended transition period to comply with new or revised accounting standards. This effectively permits the delayed adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we are electing to "opt out" of such extended transition period and, as a result, we will comply with new or revised accounting standards on the dates for which compliance is required for non-emerging growth companies. This election is irrevocable.

The requirements of being a public company may strain our resources, increase our operating costs, divert management's attention and affect our ability to attract and retain qualified board members or executive officers.

As a public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of the Nasdaq Global Select Market, and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming, or costly, and increase demand on our systems and resources, particularly after we are no longer an "emerging growth company." The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with

respect to our business and results of operations. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. To maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business and results of operations. We will need to hire additional employees or engage outside consultants to comply with these requirements, increasing our costs and expenses.

In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us, and our business may suffer.

We also expect that being a public company will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our Board of Directors, particularly to serve on our board committees, and qualified executive officers.

As a result of disclosure of information in this prospectus and in filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could suffer, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business, financial condition and results of operations.

We will be required to assess our internal control over financial reporting on an annual basis, and any future adverse findings from such assessment could result in a loss of investor confidence in our financial reports, result in significant expenses to remediate any internal control deficiencies and have a material adverse effect on our business, results of operations and financial condition.

We will be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for the first fiscal year beginning after the closing of this offering. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting, as well as a statement that our independent registered public accounting firm has issued an opinion on our internal control over financial reporting, provided that our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting until our first annual report required to be filed with the Securities and Exchange Commission following the later of the date we are deemed to be an "accelerated filer" or a "large accelerated filer," each as defined in the Exchange Act, or the date we are no longer an

“emerging growth company,” as defined in the JOBS Act. We will be required to disclose changes made in our internal control and procedures on a quarterly basis. To comply with the requirements of being a public company, we may need to undertake various actions, such as implementing new internal controls and procedures and hiring accounting or internal audit staff. We are beginning the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404, and we may not be able to complete our evaluation, testing, and any required remediation in a timely fashion or at all.

In future periods, if we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the regulatory investigations, civil or criminal sanctions and litigation, any of which would have a material adverse effect on our business, results of operations and financial condition.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to:

- the supply and retention of qualified airline pilots;
- the volatility of pilot attrition;
- dependence on, and changes to, our capacity purchase agreements;
- increases in our labor costs;
- reduced utilization under our capacity purchase agreements;
- the financial strength of our major airline partners;
- direct operation of regional jets by our major airline partners;
- limitations on our ability to expand regional flying within the flight systems of our major airline partners' and those of other major airlines;
- our significant amount of debt and other contractual obligations;
- our compliance with ongoing financial covenants under our credit facilities;
- our ability keep costs low and execute our growth strategies; and
- other risk factors included under "Risk Factors" in this prospectus.

In addition, in this prospectus, the words "believe," "may," "estimate," "continue," "anticipate," "intend," "expect," "predict," "potential" and similar expressions, as they relate to our company, business or management, are intended to identify forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward-looking statements. Further, our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements speak only as of the date of this prospectus. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately $ million, based on an assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Pursuant to an overallotment option, the selling shareholder has offered up to shares of our common stock for sale in this offering. We will not receive any proceeds from the sale of shares by the selling shareholder but will be required to pay the underwriting discounts and commissions associated with such sale of shares.

We intend to use the net proceeds from this offering to (i) repay approximately $ million of existing indebtedness under our , which is described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations —Commitments and Contractual Obligations” and (ii) pay the unpaid fees and expenses related to this offering, which we estimate to be $. As of March 31, 2018, our had an outstanding balance of $ million, which drawn amounts bear interest at LIBOR plus a margin of % and matures on .

We intend to use any remaining proceeds for general corporate purposes, which may include the repayment of indebtedness, working capital and capital expenditures, including flight equipment acquisitions and lease buyouts. Currently, we do not know the amounts that we intend to use for each of these general corporate activities. Accordingly, our management will have broad discretion over the uses of the net proceeds in this offering.

Each $1.00 increase (decrease) in the assumed public offering price of $ per share would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $ million. We may also increase or decrease the number of shares we are offering. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $ million, assuming that the assumed offering price stays the same. We do not expect that a change in the offering price or the number of shares by these amounts would have a material effect on our intended uses of the net proceeds from this offering, although it may impact the amount of time prior to which we may need to seek additional capital.

DIVIDEND POLICY

We have never paid cash dividends on our common stock and we do not presently anticipate paying cash dividends after the completion of this offering. In addition, our Investor Rights Agreement, RASPRO Lease Facility and GECAS Lease Facility contain negative covenants prohibiting us from paying dividends to our shareholders and future financing arrangements may similarly restrict us from paying dividends. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our Board of Directors and will depend on then existing conditions, including our financial condition, operating results, contractual restrictions, covenant compliance, capital requirements, business prospects and other factors our Board of Directors may deem relevant.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, current maturities of long-term debt and capitalization as of March 31, 2018:

- on an actual basis; and
- on a pro forma basis to give effect to this offering, the one-to- forward stock split and the application of the net proceeds to be received by us.

You should read this capitalization table together with our financial statements and the related notes appearing at the end of this prospectus, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section, and other financial information included in this prospectus.

	As of March 31, 2018	
(in thousands, except per share data)	Actual	Pro Forma[1][2]
	(unaudited)	
Cash and cash equivalents	$	$
Current portion of long-term debt		
Long-term debt, including current portion		
Shareholders' equity:		
Preferred stock, no par value, 2,000,000 shares authorized; no shares issued and outstanding		
Common stock, no par value, 15,000,000 shares of common stock authorized, shares issued and outstanding and warrants issued and outstanding; shares of common stock authorized pro forma, shares issued and outstanding pro forma and warrants issued and outstanding pro forma		
Additional paid-in capital		
Retained earnings		
Accumulated other comprehensive income		
Total shareholders' equity		
Total capitalization	$	$

(1) The unaudited pro forma capitalization table gives effect to the receipt of the estimated net proceeds by us from the sale of shares of our common stock offered by us (based on an assumed initial public offering price of $ per share, the mid-point of the price range set forth on the cover of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, and the application of the net proceeds received by us.

(2) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share would increase or decrease, respectively, the amount of cash and cash equivalents, additional paid-in capital, total shareholders' equity and total capitalization by $ million (assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1,000,000 in the number of shares we are offering would increase or decrease, respectively, the amount of cash and cash equivalents, shareholders' equity and total capitalization by approximately $ million (based on an assumed initial public offering price of $ per share, the mid-point of the price range as set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated

offering expenses payable by us. The pro forma information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

The number of shares of our common stock outstanding after this offering is based on shares outstanding as of March 31, 2018, including shares issuable upon exercise of warrants with an exercise price of $0.01 per share and shares issuable upon exercise of warrants with an exercise price of $8.00 per share, and excludes:

- an aggregate of shares of common stock reserved for issuance under the 2011 Plan, of which were outstanding as of , 2018;
- an aggregate of shares of common stock reserved for issuance under the SAR Plan, of which were outstanding as of , 2018, and may be settled in cash;
- an aggregate of shares of common stock reserved for issuance under the 2017 Plan, of which were outstanding as of , 2018; and
- an aggregate of shares of common stock reserved for issuance under the RSU Plan, of which were issued as of , 2018, and may be settled in cash.

DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock immediately after the offering.

The historical net tangible book value (deficit) of our common stock as of March 31, 2018 was $ million, or $ per share. Historical net tangible book value per share is determined by dividing the net tangible book value by the number of shares of outstanding common stock. If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per share of our common stock.

After giving effect to our issuance of shares of common stock at an assumed initial public offering price of $ per share of common stock, the mid-point of the range of the estimated initial offering price of between $ and $ as set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and estimated offering expenses payable by us, our pro forma net tangible book value as adjusted as of March 31, 2018 would have been approximately $ million, or approximately $ per pro forma share of common stock. This represents an immediate increase in pro forma net tangible book value of $ per share to our existing shareholders and an immediate dilution of $ per share to new investors in this offering.

The following table illustrates this dilution on a per share basis to new investors, after giving effect to the completion of the one-to-forward stock split:

Assumed initial public offering price	$	$
Historical net tangible book value per share as of March 31, 2018		
Pro forma decrease in net tangible book value per share		
Pro forma net tangible book value per share as of March 31, 2018		
Increase in pro forma net tangible book value per share attributable to this offering		
Pro forma net tangible book value per share, as adjusted(1)		
Dilution in pro forma net tangible book value per share to new investors in this offering		

(1) Pro forma net tangible book value per share, as adjusted, gives effect to this offering.

Each $1.00 increase or decrease in the assumed public offering price of $ per share, the mid-point of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, our pro forma net tangible book value, as adjusted to give effect to this offering, by $ million, or $ per share, and the dilution per share to investors participating in this offering by $ per share (assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same), after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. At the assumed public offering price per share, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, an increase of 1,000,000 in the number of shares we are offering would increase our pro forma net tangible book value, as adjusted to give effect to this offering, by approximately $ million, or $ per share, and decrease the dilution per share to investors participating in this offering by $ per share, and a decrease of 1,000,000 in the number of shares we are offering would decrease our pro forma net tangible book value, as adjusted to give effect to this offering, by approximately $ million, or $ per share, and increase the dilution per share to investors participating in this offering by

$ per share. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing. We will not receive any of the proceeds from the sale of any shares by the selling shareholder if the overallotment option is exercised; accordingly, there is no dilutive impact as a result of these sales.

The table below summarizes as of March 31, 2018, on a pro forma as adjusted basis described above, the number of shares of our common stock, the total consideration and the average price per share (i) paid to us by existing shareholders, and (ii) to be paid by new investors purchasing our common stock in this offering at an assumed initial public offering price of $ per share (in thousands except per share and percentage data).

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing shareholders		%	$	%	$
New investors		%	$	%	$
Total		%	$	%	$

The outstanding share information in the table above is based on shares outstanding as of March 31, 2018, and includes an aggregate of shares of common stock reserved for issuance under outstanding warrants.

If the underwriters exercise in full their option to purchase additional shares of our common stock from the selling shareholder, our existing shareholders would own % and our new investors would own % of the total number of shares of our common stock outstanding upon completion of this offering. The total consideration paid by our existing shareholders would be approximately $ million, or %, and the total consideration paid by investors purchasing shares in this offering would be $ million, or %.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

You should read the following selected consolidated historical financial and operating data below in conjunction with *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and the consolidated financial statements, related notes and other financial information included in this prospectus. The selected consolidated financial data in this section are not intended to replace the consolidated financial statements and are qualified in their entirety by the financial statements and related notes included in this prospectus.

The selected consolidated statement of operations data for our fiscal years ended September 30, 2016 and 2017 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated balance sheet data for the six months ended March 31, 2018 has been derived from our unaudited consolidated financial statements appearing elsewhere in this prospectus. The selected consolidated statements of operations data for our fiscal years ended September 30, 2013, 2014 and 2015 have been derived from our consolidated financial statements that are not included in this prospectus. Our historical results are not necessarily indicative of the results to be expected in the future, and results for the six months ended March 31, 2018 are not indicative of the results expected for the full year.

	Year Ended September 30,					Six Months Ended March 31,	
	2013	2014	2015	2016	2017	2017	2018
	(in thousands, except per share data)						
Operating revenues:							
Contract revenue	$ 382,125	$ 407,408	$ 481,168	$ 569,373	$ 618,698	$	$
Pass-through and other	33,131	28,617	24,931	18,463	24,878		
Total operating revenues	**415,256**	**436,025**	**506,099**	**587,836**	**643,576**		
Operating expenses:							
Flight operations	78,685	93,092	118,600	141,422	155,516		
Fuel	13,531	6,092	1,017	753	766		
Maintenance	102,473	123,506	142,643	225,130	210,729		
Aircraft rent	77,243	80,942	69,083	71,635	72,551		
Aircraft and traffic servicing	28,363	20,817	13,274	3,936	3,676		
Promotions and sales[1]	5,406	2,795	11	—	—		
General and administrative	31,598	34,501	39,940	42,182	38,996		
Depreciation and amortization	32,945	33,425	42,296	46,020	61,048		
Asset impairment	7,942	—	—	—	—		
Total operating expenses	**378,186**	**395,170**	**426,864**	**531,078**	**543,282**		
Operating income	**37,070**	**40,855**	**79,235**	**56,758**	**100,294**		
Other (expense) income, net:							
Interest expense	(9,043)	(9,881)	(16,984)	(32,618)	(46,110)		
Interest income	71	14	21	325	32		
Other income (expense), net	2,458	(475)	975	381	(514)		
Total other (expense) income, net	**(6,514)**	**(10,342)**	**(15,988)**	**(31,912)**	**(46,592)**		
Income before taxes	30,556	30,513	63,247	24,846	53,702		
Income tax (benefit) expense	(11,078)	11,749	24,248	9,926	20,874		
Net income	**$ 41,634**	**$ 18,764**	**$ 38,999**	**$ 14,920**	**$ 32,828**	**$**	**$**

	Year Ended September 30,					Six Months Ended March 31,	
	2013	2014	2015	2016	2017	2017	2018
	(in thousands, except per share data)						
Net income per share attributable to common shareholders:							
Basic[2]	$ 14.57	$ 6.32	$ 12.58	$ 3.90	$ 7.52	$	$
Diluted[2]	$ 4.52	$ 2.04	$ 4.04	$ 1.54	$ 3.51	$	$
Weighted-average common shares outstanding:							
Basic	2,858,466	2,970,066	3,099,866	3,823,214	4,367,610		
Diluted	9,211,984	9,193,314	9,664,774	9,706,770	9,349,846		
Non-GAAP financial data:							
EBITDA[3]	$ 72,473	$ 73,805	$ 122,506	$ 103,159	$ 160,828	$	$
EBITDAR[3]	$ 149,716	$ 154,747	$ 191,589	$ 174,794	$ 233,379	$	$

(1) Promotion and sales primarily consists of reservations and marketing costs related to our historical *go!* operations. We do not pay promotion and sales expenses under our capacity purchase agreements.

(2) See Note 10 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate the basic and diluted earnings per share.

(3) EBITDA is earnings before interest, income taxes, and depreciation and amortization. EBITDAR is earnings before interest, income taxes, depreciation and amortization and aircraft rent. EBITDA and EBITDAR are included as supplemental disclosure because we believe they are useful indicators of our operating performance. Derivations of EBITDA and EBITDAR are well recognized performance measurements in the airline industry that are frequently used by companies, investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry. We also believe EBITDA is useful for evaluating our operating performance, as well as to support certain administrative decisions of our senior management team. EBITDAR is useful in evaluating our operating performance compared to our competitors because its calculation isolates the effects of financing in general, the accounting effects of capital spending and acquisitions (primarily aircraft, which may be acquired directly, or subject to acquisition debt, by capital lease or by operating lease, each of which is presented differently for accounting purposes) and income taxes, which may vary significantly between periods and for different companies for reasons unrelated to overall operating performance. EBITDA and EBITDAR are not measures of financial performance in accordance with GAAP, and should not be considered in isolation or as an alternative to net income, an alternative to operating cash flows, or a measure of liquidity. Because derivations of EBITDA and EBITDAR are not determined in accordance with GAAP, such measures are susceptible to varying calculations, and not all companies calculate the measures in the same manner. As a result, derivations of EBITDA and EBITDAR as presented may not be directly comparable to similarly titled measures presented by other companies.

The following table presents the reconciliation of net income to EBITDA and EBITDAR for the periods presented below:

	Year Ended September 30,					Six Months Ended March 31,	
	2013	2014	2015	2016	2017	2017	2018
	(in thousands)						
Reconciliation:							
Net income	$ 41,634	$ 18,764	$ 38,999	$ 14,920	$ 32,828		
Interest expense	9,043	9,881	16,984	32,618	46,110		
Interest income	(71)	(14)	(21)	(325)	(32)		
Income tax expense (benefit)	(11,078)	11,749	24,248	9,926	20,874		
Depreciation and amortization	32,945	33,425	42,296	46,020	61,048		
EBITDA	72,473	73,805	122,506	103,159	160,828		
Aircraft rent	77,243	80,942	69,083	71,635	72,551		
EBITDAR	149,716	154,747	191,589	174,794	233,379		

The following table presents our historical balance sheet data as of March 31, 2018.

	As of March 31, 2018 (in thousands)
Balance Sheet Data:	
Cash and cash equivalents	$
Total assets	
Long-term debt, including current portion	
Shareholders' equity	

OPERATING DATA

The following table summarizes certain operating data that we believe are useful indicators of our operating performance for our fiscal years ended September 30, 2013, 2014, 2015, 2016 and 2017, respectively, and the six months ended March 31, 2017 and 2018. The definitions of certain terms related to the airline industry used in the table can be found under "*Glossary of Airline Terms*" at the end of this prospectus.

	Year Ended September 30,					Six Months Ended March 31,	
	2013	2014	2015	2016	2017	2017	2018
Operating Data							
Block hours	206,431	225,720	308,681	368,468	395,083		
Departures	134,805	140,165	172,033	208,399	221,990		
Passengers	7,872,574	8,520,917	10,632,903	12,497,424	13,005,844		
Available seat miles—ASMs (thousands)	4,283,272	4,932,516	7,356,450	8,823,595	9,471,911		
Revenue passenger miles—RPMs (thousands)	3,703,837	4,103,834	6,019,316	7,019,586	7,392,688		
Revenue per available seat mile—RASM	¢ 9.69	¢ 8.84	¢ 6.88	¢ 6.66	¢ 6.79		
Operating cost per available seat mile—CASM	¢ 8.83	¢ 8.01	¢ 5.80	¢ 6.02	¢ 5.74		
Average stage length (miles)	452	475	565	557	561		
Regional aircraft							
Owned	23	41	47	64	66		
Leased	49	44	67	67	74		
Total aircraft	72	85	114	131	140		
E-175	0	7	30	46	55		
CRJ-900	47	57	63	64	64		
CRJ-700	20	20	20	20	20		
CRJ-200	5	1	1	1	1		
Employees (FTE)	1,819	2,186	2,766	3,102	3,132		

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations in conjunction with the consolidated financial statements and the notes thereto included elsewhere in this prospectus. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in "Risk Factors."

Overview

We are a regional air carrier providing scheduled passenger service to 110 cities in 37 states, the District of Columbia, Canada, Mexico and the Bahamas. All of our flights are operated as either American Eagle or United Express flights pursuant to the terms of capacity purchase agreements we entered into with American and United. We have a significant presence in several of our major airline partners' key domestic hubs and focus cities, including Dallas, Houston, Phoenix and Washington-Dulles.

As of March 31, 2018, we operated a fleet of 145 aircraft with approximately 611 daily departures. We operate 64 CRJ-900 aircraft under our American Capacity Purchase Agreement and 20 CRJ-700 and 60 E-175 aircraft under our United Capacity Purchase Agreement. For the year ended September 30, 2017, approximately 54% of our aircraft in scheduled service were operated for United and approximately 46% were operated for American. All of our operating revenue in our 2017 fiscal year was derived from operations associated with our American and United Capacity Purchase Agreements.

Our long-term capacity purchase agreements provide us guaranteed monthly revenue for each aircraft under contract, a fixed fee for each block hour and flight actually flown, and reimbursement of certain direct operating expenses in exchange for providing regional flying on behalf of our major airline partners. Our capacity purchase agreements also shelter us from many of the elements that cause volatility in airline financial performance, including fuel prices, variations in ticket prices, and fluctuations in number of passengers. Our major airline partners control route selection, pricing, seat inventories, marketing and scheduling, and provide us with ground support services, airport landing slots and gate access.

Trends and Uncertainties Affecting Our Business

We believe our operating and business performance is driven by various factors that typically affect regional airlines and their markets, including trends which affect the broader airline and travel industries, though our capacity purchase agreements reduce our exposure to fluctuations in certain trends. The following key factors may materially affect our future performance:

Availability and Training of Qualified Pilots. On July 8, 2013, as directed by the U.S. Congress, the FAA issued more stringent pilot qualification and crew member flight training standards, which, among other things, increased the required training time for new airline pilots from 250 hours to 1,500 hours of flight time. With these changes, the supply of qualified pilot candidates eligible for hiring by the airline industry has been dramatically reduced. To address the diminished supply of qualified pilot candidates, regional airlines implemented significant pilot wage and bonus increases.

In prior periods, these factors caused our pilot attrition rates to be higher than our ability to hire and retain replacement pilots and we have been unable to provide flight services at or exceeding the

minimum flight operating levels expected by our major airline partners. See "*Business—Capacity Purchase Agreements*." However, on July 13, 2017, we reached a new four-year collective bargaining agreement with our pilots that provides increases in our pilots' wages, premium pay for flying on scheduled days off and competitive signing bonuses for prospective new pilots. See "*Business—Employees*." Following the ratification of our new collective bargaining agreement in July 2017, the average number of new pilot applications per month through March 2018 had increased by 43.7%.

We believe that our average number of new pilot applications per month will continue to exceed pilot attrition during our 2018 fiscal year. However, we face a significant training backlog for our new pilot candidates before we are able to resume flight services at or exceeding the minimum flight operating levels expected by our major airline partners. We have negotiated increased access to flight simulators with our vendors and hired additional instructors to streamline our backlog of pilot training, but our results of operations may be negatively impacted if we are unable to hire and train our pilots in a timely manner.

Pilot Attrition. In recent years, we have experienced significant volatility in our attrition as a result of pilot wage and bonus increases at other regional air carriers, the growth of cargo, low-cost and ultra low-cost carriers and the number of pilots at major airlines reaching the statutory mandatory retirement age of 65 years. Following the ratification of our new collective bargaining agreement in July 2017, our average pilot attrition per month has decreased by 12.5% through March 2018. If our actual pilot attrition rates are materially different than our projections, our operations and financial results could be materially and adversely affected.

Labor. The airline industry is heavily unionized. The wages, benefits and work rules of unionized airline industry employees are determined by collective bargaining agreements. As of March 31, 2018, approximately 75.8% of our workforce was represented by the ALPA and AFA. Our pilots and flight attendants ratified new four-year collective bargaining agreements during calendar 2017. The agreements include rate increases for three years and two years, respectively, after the amendable dates. The new agreements are amenable following their four-year term and include labor rate structures for two years (flight attendants) and three years (pilots), respectively, after the amendable dates. The terms and conditions of our future collective bargaining agreements may be affected by the results of collective bargaining negotiations at other airlines that may have a greater ability, due to larger scale, greater efficiency or other factors, to bear higher costs than we can. In addition, conflicts between airlines and their unions can lead to work slowdowns or stoppages. A strike or other significant labor dispute with our unionized employees may adversely affect our ability to conduct business.

Competition. The airline industry is highly competitive. We compete principally with other regional airlines. Major airlines typically award capacity purchase agreements to regional airlines based on the following criteria: ability to fly contracted schedules, availability of labor resources, including pilots, low operating cost, financial resources, geographical infrastructure, overall customer service levels relating to on-time arrival and flight completion percentages and the overall image of the regional airline. We expect that, over the next five years, capacity purchase agreements representing up to 300 aircraft currently flown by our competitors on behalf of our major airline partners will expire by their terms and be subject to rebidding. In addition, our United Capacity Purchase Agreement expires with respect to 49 aircraft between June 2019 and August 2020. Our ability to renew our existing agreements and earn additional flying opportunities in the future will depend, in significant part, on our ability to maintain a low cost structure competitive with other regional air carriers. See "*Business—Competition*."

Market Volatility. The airline industry is volatile and affected by economic cycles and trends. Consumer confidence and discretionary spending, fear of terrorism or war, weakening economic conditions, fare initiatives, fluctuations in fuel prices, labor actions, changes in governmental regulations on taxes and

fees, weather and other factors have contributed to a number of reorganizations, bankruptcies, liquidations and business combinations among major and regional airlines. The effect of economic cycles and trends may be somewhat mitigated by our reliance on capacity purchase agreements. If, however, any of our major airline partners experiences a prolonged decline in the number of passengers or is negatively affected by low ticket prices or high fuel prices, it may seek rate reductions in future capacity purchase agreements, or materially reduce our scheduled flights in order to reduce its costs. Our financial performance could be negatively impacted by any adverse changes to the rates, number of aircraft or utilization under our capacity purchase agreements.

Maintenance Contracts, Costs and Timing. Our employees perform routine airframe and engine maintenance along with periodic inspections of equipment at their respective maintenance facilities. We also use third-party vendors, such as AAR, Aviall, Bombardier, GE and StandardAero, for certain heavy airframe and engine maintenance work, along with parts procurement and component overhaul services for our aircraft fleet. As of March 31, 2018, $ million of parts inventory was consigned to us by AAR and Aviall under long-term contracts that is not reflected on our balance sheet.

The average age of our E-175, CRJ-900 and CRJ-700 type aircraft is approximately 2.4, 11.5 and 14.2 years, respectively. Due to the relatively young age of our E-175 aircraft, they require less maintenance now than they will in the future. Over the past five years, we have incurred relatively low maintenance expenses on our E-175 aircraft because most of the parts are under multi-year warranties and a limited number of heavy airframe checks and engine overhauls have occurred. As our E-175 aircraft age and these warranties expire, we expect that maintenance costs will increase in absolute terms and as a percentage of revenue. In addition, because our current aircraft were acquired over a relatively short period of time, significant maintenance events scheduled for these aircraft will occur at roughly the same intervals, meaning we will incur our most expensive scheduled maintenance obligations across our present fleet at approximately the same time. These more significant maintenance activities result in out-of-service periods during which aircraft are dedicated to maintenance activities and unavailable for flying under our capacity purchase agreements.

We use the direct expense method of accounting for our maintenance of regional jet engine overhauls, airframe, landing gear, and normal recurring maintenance wherein we recognize the expense when the maintenance work is completed, or over the repair period, if materially different. While we keep a record of expected maintenance events, the actual timing and costs of major engine maintenance expense are subject to variables such as estimated usage, government regulations and the level of unscheduled maintenance events and their actual costs. Accordingly, we cannot reliably quantify the costs or timing of future maintenance-related expenses for any significant period of time. For more information, see “*Critical Accounting Policies—Maintenance*” elsewhere in this prospectus.

Aircraft Leasing and Finance Determinations. We have generally funded aircraft acquisitions through a combination of operating leases and debt financing. Our determination to lease or finance the acquisition of aircraft may be influenced by a variety of factors, including the preferences of our major airline partners, the strength of our balance sheet and credit profile and those of our major airline partners, the length and terms of the available lease or financing alternatives, the applicable interest rates, and any lease return conditions. When possible, we prefer to finance aircraft through debt rather than operating leases, due to lower operating costs, extended depreciation period, opportunity for aircraft equity, absence of lease return conditions and greater flexibility in renewing the aircraft with our major airline partners after paying off the principal balance.

Subsequent to the initial acquisition of an aircraft, we may also refinance the aircraft or convert one form of financing to another (e.g., replacing an aircraft lease with debt financing). The purchase of leased aircraft allows us to lower our operating costs and avoid lease-related use restrictions and return conditions.

As of March 31, 2018, we had 79 aircraft in our fleet under lease, including 42 E-175 aircraft owned by United and leased to us at nominal amounts. In order to determine the proper classification of our leased aircraft as either operating leases or capital leases, we must make certain estimates at the inception of the lease relating to the economic useful life and the fair value of an asset as well as select an appropriate discount rate to be used in discounting future lease payments. These estimates are utilized by management in making computations as required by existing accounting standards that determine whether the lease is classified as an operating lease or a capital lease. All of our aircraft leases have been classified as operating leases, which results in rental payments being charged to expense over the terms of the related leases.

We are also subject to lease return provisions that require a minimum portion of the "life" of an overhaul remain on the engine at the lease return date. We estimate the cost of maintenance lease return obligations and accrue such costs over the remaining lease term when the expense is probable and can be reasonably estimated. Additionally, operating leases are not reflected on our consolidated balance sheet and, accordingly, neither a lease asset nor an obligation for future lease payments is reflected in our consolidated balance sheets. See "*Recent Accounting Pronouncements*" below for a discussion of a new accounting standard that is likely to have an impact on our aircraft lease accounting beginning in our 2020 fiscal year.

Seasonality. Our results of operations for any interim period are not necessarily indicative of those for the entire year, since the airline industry is subject to seasonal fluctuations and general economic conditions. Our operations are somewhat favorably affected by increased utilization of our aircraft, historically occurring in the summer months, and are unfavorably affected by increased fleet maintenance during the months from November through January and by inclement weather which occasionally results in cancelled flights, principally during the winter months.

Key Components of Consolidated Statements of Operations

The following discussion summarizes the key components of our consolidated statements of operations and consolidates historical components. Our historical components include our *go!* operations. We operated *go!* as an inter-island air carrier in Hawaii from 2006 to 2014.

Operating Revenues

Our consolidated operating revenues consist primarily of contract revenue flight services as well as pass-through and other revenues.

Contract Revenue. Contract revenue consists of the fixed monthly amounts per aircraft received pursuant to our capacity purchase agreements with our major airline partners, along with the additional amounts received based on the number of flights and block hours flown. Contract revenues we receive from our major airline partners are paid and recognized by us on a weekly basis.

Pass-Through and Other. Pass-through and other revenue consists of passenger and hull insurance, aircraft property taxes, landing fees, catering and certain maintenance costs related to our E-175 aircraft that we equally recognize as both a revenue and expense.

Operating Expenses

Our operating expenses consist of the following items:

Flight Operations. Flight operations expense includes costs related to salaries, bonuses and benefits earned by our pilots, flight attendants, and dispatch personnel, as well as costs related to technical publications, lodging of our flight crews and pilot training expenses.

Fuel. Fuel expense includes fuel and related fueling costs for flying we undertake outside of our capacity purchase agreements, including aircraft repositioning and maintenance. As of September 30, 2017, all aircraft fuel and related fueling costs for flying under our capacity purchase agreements were directly paid and supplied by our major airline partners. Accordingly, we do not record an expense or the related revenue for fuel supplied by American and United for flying under our capacity purchase agreements.

Maintenance. Maintenance includes costs related to engine overhauls, airframe, landing gear and normal recurring maintenance, which includes pass-through maintenance costs related to our E-175 aircraft, as well as maintenance lease return obligations on our leased aircraft when the expense is probable and can be reasonably estimated. We record these expenses using the direct expense method of accounting, wherein the expense is recognized when the maintenance work is completed, or over the repair period, if materially different. As a result of using the direct expense method, the timing of maintenance expense reflected in the financial statements may vary significantly period to period.

Aircraft Rent. Aircraft rent includes costs related to leased engines and aircraft.

Aircraft and Traffic Servicing. Aircraft and traffic servicing includes expenses related to our capacity purchase agreements, including aircraft cleaning, passenger disruption reimbursements, international navigation fees and wages of airport operations personnel, a portion of which are reimbursable by our major airline partners.

General and Administrative. General and administrative expense includes insurance and taxes, non-operational administrative employee wages and related expenses, building rents, real property leases, utilities, legal, audit and other administrative expenses.

Depreciation and Amortization. Depreciation expense is a periodic non-cash charge primarily related to aircraft, engine and equipment depreciation. Amortization expense is a periodic non-cash charge related to our customer relationship intangible asset.

Other Expense

Interest Expense. Interest expense is related to interest on our debt to finance purchases of aircraft, engines, equipment as well as debt financing costs amortization.

Interest Income. Interest income includes interest income on our cash and cash equivalent balances.

Other Income (Expense). Other income includes income derived from activities not classified in any other area of the consolidated statements of income, including write-offs of miscellaneous third party fees.

Segment Reporting

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing operating performance. In consideration of Accounting Standards Codification (“ASC”) 280, “Segment Reporting,” we are not organized around specific services or geographic regions. We currently operate in one service line providing scheduled passenger services in accordance with our capacity purchase agreements.

While we operate under two separate capacity purchase agreements, we do not manage our business based on any performance measure at the individual contract level. Additionally, our chief operating

decision maker uses consolidated financial information to evaluate our performance, which is the same basis on which he communicates our results and performance to our Board of Directors. He bases all significant decisions regarding the allocation of our resources on a consolidated basis. Based on the information described above and in accordance with the applicable literature, management has concluded that we are organized and operated as one operating and reportable segment.

Results of Operations

Fiscal Year 2016 Compared to Fiscal Year 2017

We had operating income of $56.8 million in our 2016 fiscal year compared to operating income of $100.3 million in our 2017 fiscal year. In our 2016 fiscal year, we had net income of $14.9 million compared to net income of $32.8 million in our 2017 fiscal year. Our 2017 fiscal year results reflected an increase in contract revenue primarily related to the addition of seven E-175 aircraft under our United Capacity Purchase Agreement, along with a reduction in maintenance expense due to the timing of significant maintenance events, including engine overhauls, which occurred less frequently in our 2017 fiscal year than in our 2016 fiscal year.

Our 2017 fiscal year financial results reflect the execution of our strategy to add additional aircraft pursuant to our capacity purchase agreements while maintaining cost discipline. In fiscal year 2017 we were able to increase our block hour compensation from our partners and add seven E-175 aircraft to our fleet. We also ratified a new four-year collective bargaining agreement, which allows us to maintain competitive labor costs, which are consistently among our largest expenses.

Operating Revenues

	Year ended September 30,		Change	
	2016	2017		
Operating revenues ($ in thousands):				
Contract	$ 569,373	$ 618,698	$ 49,325	8.7%
Pass-through and other	$ 18,463	$ 24,878	$ 6,415	34.7%
Total operating revenues	$ 587,836	$ 643,576	$ 55,740	9.5%
Operating data:				
Available seat miles—ASMs (miles in thousands)	8,823,595	9,471,911	648,316	7.3%
Block hours	368,468	395,083	26,615	7.2%
Revenue passenger miles—RPMs (miles in thousands)	7,019,586	7,392,688	373,102	5.3%
Average stage length (miles)	557	561	4	0.7%
Revenue per available seat mile—RASM	¢ 6.66	¢ 6.79	¢ 0.13	2.0%
Passengers	12,497,424	13,005,844	508,420	4.1%

Total operating revenue increased by $55.7 million, or 9.5%, from our 2016 fiscal year to our 2017 fiscal year. Contract revenue increased by $49.3 million, or 8.7%, primarily due to the addition of seven new E-175 aircraft to our fleet in 2017 and higher block hour compensation, primarily driven by the aircraft added to our fleet. In addition, we added 16 E-175 aircraft to our fleet between our second and fourth quarters of our 2016 fiscal year, which more directly impacted our contract revenue during our 2017 fiscal year. Our block hours flown during our fiscal 2017 increased 7.2% over our 2016 fiscal year, primarily due to the additional E-175 aircraft. Likewise, our pass-through and other revenue increased during our fiscal 2017 by $6.4 million, or 34.7%, primarily due to pass-through maintenance costs related to our E-175 fleet.

Operating Expenses

	Year ended September 30, 2016	2017	Change	
Operating expenses ($ in thousands):				
Flight operations	$ 141,422	$ 155,516	$ 14,094	10.0%
Fuel	753	766	13	1.7%
Maintenance	225,130	210,729	(14,401)	(6.4)%
Aircraft rent	71,635	72,551	916	1.3%
Aircraft and traffic servicing	3,936	3,676	(260)	(6.6)%
General and administrative	42,182	38,996	(3,186)	(7.6)%
Depreciation and amortization	46,020	61,048	15,028	32.7%
Total operating expenses	**$ 531,078**	**$ 543,282**	**$ 12,204**	**2.3%**
Operating data:				
Available seat miles—ASMs (miles in thousands)	8,823,595	9,471,911	648,316	7.3%
Block hours	368,468	395,083	26,615	7.2%
Average stage length (miles)	557	561	4	0.7%
Departures	208,399	221,990	13,591	6.5%
Operating cost per available seat mile—CASM	¢ 6.02	¢ 5.74	¢ (0.28)	(4.7)%

Flight Operations. In our 2017 fiscal year, flight operations expense increased $14.1 million, or 10.0%, to $155.5 million from $141.4 million for our 2016 fiscal year. The increase is primarily driven by $11.5 million in additional wages, taxes, and benefits under our new collective bargaining agreements and an increase in our block hours flown.

Fuel. Fuel expense remained relatively consistent from our 2016 fiscal year to our 2017 fiscal year. In our 2016 fiscal year and our 2017 fiscal year, all fuel costs related to flying under our capacity purchase agreements were directly paid to suppliers by our major airline partners.

Maintenance. Aircraft maintenance costs decreased by $14.4 million, or 6.4%, from our 2016 fiscal year to our 2017 fiscal year. This decrease was primarily driven by a $26.9 million decrease in engine overhaul expense, due to the timing of significant maintenance events, including engine overhauls, which occurred less frequently in our 2017 fiscal year than in our 2016 fiscal year. That decrease was partially offset by an increase of $9.5 million related to performing more “C” maintenance checks than in our 2016 fiscal year. Total pass-through maintenance expense reimbursed by our major airline partners increased by $7.4 million from our 2016 fiscal year to our 2017 fiscal year.

The following table presents information regarding our maintenance costs during our 2016 and 2017 fiscal years:

(in thousands)	Year ended September 30, 2016	2017	Change	
Engine overhaul	$ 90,890	$ 63,719	$(27,172)	(29.9)%
Pass-through engine overhaul	—	270	270	0.0%
C-check	13,185	17,755	4,570	34.7%
Pass-through c-check	—	4,889	4,889	0.0%
Component contracts	31,702	31,671	(32)	(0.1)%
Rotable and expendable parts	27,160	26,098	(1,062)	(3.9)%
Other pass-through	3,728	6,003	2,275	61.0%
Labor and other	58,464	60,324	1,860	3.2%
Total	$ 225,130	$ 210,729	$(14,401)	(6.4)%

Aircraft rent. In our 2017 fiscal year, aircraft rent expense increased $0.9 million, or 1.3%, to $72.6 million from $71.6 million for our 2016 fiscal year. The increase is attributable to a $1.5 million manufacturer lease credit that expired in December 2015, which was partially offset by a $0.6 million increase in engine rent.

Aircraft and Traffic Servicing. In our 2017 fiscal year, aircraft and traffic servicing expense decreased by $0.3 million, or 6.6%, to $3.7 million from $3.9 million for our 2016 fiscal year. The decrease is primarily due to a reduction in interrupted trip expenses and international navigation fees as compared to our 2016 fiscal year. For our fiscal years ended September 30, 2016 and 2017, 42.6% and 46.5% respectively, of our aircraft and traffic servicing expense were reimbursed by our major airline partners.

General and Administrative. In our 2017 fiscal year, general and administrative expense decreased $3.2 million, or 7.6%, to $39.0 million from $42.2 million for our 2016 fiscal year. The decrease is primarily related to a decrease in insurance costs of $1.1 million and a decrease in wages and employee related expense of $2.1 million.

Depreciation and Amortization. Depreciation and amortization expense increased by $15.0 million, or 32.7%, from our 2016 fiscal year to our 2017 fiscal year. This increase was due to an increase of $9.8 million in aircraft depreciation due to placing 16 E-175 aircraft into service during 2016, which resulted in partial depreciation in 2016. The increase is also attributable to also an increase of $4.4 million in spare engine depreciation due to purchasing additional spare engines during our 2017 fiscal year.

Other Expense

Other expense increased by $14.7 million, or 46.1%, from $31.9 million in our 2016 fiscal year to $46.6 million in our 2017 fiscal year due to an increase in aircraft interest expense of $7.3 million related to the financing of 16 E-175 aircraft between the second and fourth quarter of 2016, along with an increase in interest expense of $5.5 million related to the financing of 20 spare engines. Expenses related to debt financing amortization was also higher, by $0.8 million, for legal and commitment fees incurred in connection with the financing of aircraft engines and acquisition of E-175 aircraft.

Income Taxes

In our 2017 fiscal year, our effective tax rate was 38.9% compared to 40.0% in our 2016 fiscal year. Our tax rate can vary depending on the amount of income we earn in each state and the state tax rate applicable to such income, as well as any valuation allowance required on our state net operating losses.

We recorded an income tax provision of $20.9 million and an income tax provision of $9.9 million for the years ended September 30, 2017 and 2016, respectively.

This income tax provision for the year ended September 30, 2017 results in an effective tax rate of 38.9%, which differs from the U.S. federal statutory rate of 35% primarily due to state taxes, changes in the valuation allowance against state net operating losses, expired state attributes, and the benefit resulting from changes in state apportionment and statutory rates.

This income tax provision for the year ended September 30, 2016 results in an effective tax rate of 40.0%, which differs from the U.S. federal statutory rate of 35% primarily due to state taxes, changes in the valuation allowance against state net operating losses, expired state attributes, and the benefit resulting from changes in state apportionment and statutory rates.

We continue to maintain a valuation allowance on a portion of our state net operating losses in jurisdictions with shortened carryforward periods or in jurisdictions where our operations have significantly decreased as compared to prior years in which the net operating losses were generated.

On December 22, 2017, the President signed into law the legislation colloquially known as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act incorporates several new provisions that will have an impact on our financial statements going forward. Most notably, the Tax Act will decrease the federal statutory rate to 24.5% for the year ending September 30, 2018, and 21% for years ending September 30, 2019 and forward. This decrease in federal statutory rate will result in a net tax benefit due to the remeasurement of our net deferred tax liability. The change in our future effective tax rate is not anticipated to have an effect on our cash tax until all of our U.S. federal net operating losses and credits have been utilized.

Additional provisions of the Tax Act that may impact our financial statements include 100% expensing of qualified property placed in service after September 27, 2017 and before January 1, 2023, refundable minimum tax credits over a four year period, net interest expense deductions limited to thirty percent of earnings after interest, taxes, depreciation, and amortization through 2021 and of earnings before interest and taxes thereafter, and net operating losses incurred in tax years beginning after December 31, 2017 are only allowed to offset up to 80% of a taxpayer's taxable income. These net operating losses are allowed to be carried forward indefinitely.

See Note 11: "*Income Taxes*" in the notes to the audited consolidated financial statements included elsewhere in this prospectus.

Liquidity and Capital Resources

Sources and Uses of Cash

We require cash to fund our operating expenses and working capital requirements, including outlays for capital expenditures, aircraft pre-delivery payments, maintenance, aircraft rent and to pay debt service obligations, including principal and interest payments. Our cash needs vary from period to period primarily based on the timing and costs of significant maintenance events. Our principal sources of liquidity are cash on hand, cash generated from operations and funds from external borrowings. In the near term, we expect to fund our primary cash requirements through cash generated from operations and cash and cash equivalents on hand. We also have the ability to utilize our CIT Revolving Credit Facility.

We believe that the key factors that could affect our internal and external sources of cash include:

- Factors that affect our results of operations and cash flows, including the impact on our business and operations as a result of changes in demand for our services, competitive pricing pressures, and our ability to achieve further reductions in operating expenses; and
- Factors that affect our access to bank financing and the debt and equity capital markets that could impair our ability to obtain needed financing on acceptable terms or to respond to business opportunities and developments as they arise, including interest rate fluctuations, macroeconomic conditions, sudden reductions in the general availability of lending from banks or the related increase in cost to obtain bank financing, and our ability to maintain compliance with covenants under our debt agreements in effect from time to time.

Our ability to service our long-term debt obligations, including our equipment notes and CIT Revolving Credit Facility, to remain in compliance with the various covenants contained in our debt agreements and to fund working capital, capital expenditures and business development efforts will depend on our ability to generate cash from operating activities, which is subject to, among other things, our future operating performance, as well as to other factors, some of which may be beyond our control.

If we fail to generate sufficient cash from operations, we may need to raise additional equity or borrow additional funds to achieve our longer term objectives. There can be no assurance that such equity or borrowings will be available or, if available, will be at rates or prices acceptable to us. We believe that cash flow from operating activities coupled with existing cash and cash equivalents, short-term investments and existing credit facilities will be adequate to fund our operating and capital needs, as well as enable us to maintain compliance with our various debt agreements, through at least the next 12 months. To the extent that results or events differ from our financial projections or business plans, our liquidity may be adversely impacted.

During the ordinary course of business, we evaluate our cash requirements and, if necessary, adjust operating and capital expenditures to reflect the current market conditions and our projected demand. Our capital expenditures are primarily directed toward our aircraft fleet and flight equipment. During 2016, we paid $490.1 million for capital expenditures, primarily related to the purchase of 18 E-175 aircraft and four spare engines, or $7.6 million of capital expenditures net of aircraft and spare engine financing. In 2017 we paid $84.5 million in capital expenditures, primarily related to the purchase of 15 spare engines, or $7.6 million of capital expenditures net of aircraft and spare engine financing. Our capital expenditures, net of aircraft and spare engine financing, have historically been approximately 1.2% of annual revenues and we expect to continue to incur capital expenditures to support our business activities. Future capital expenditures may be impacted by events and transactions that are not currently forecasted.

As of September 30, 2017, our principal sources of liquidity were cash and cash equivalents of $56.8 million. In addition, we had restricted cash of $3.6 million as of September 30, 2017. Restricted cash includes certificates of deposit that secure letters of credit issued for particular airport authorities as required in certain lease agreements. Furthermore, as of September 30, 2017, we also had $799.2 million in secured indebtedness incurred in connection with our financing of 65 total aircraft. Primary uses of liquidity are capital expenditures, aircraft pre-delivery payments and debt repayments. As of September 30, 2017, we had $140.5 million of short-term debt and $803.9 million of long-term debt.

Sources of cash for the year ended September 30, 2017 were primarily cash flows from operations of $74.7 million. This positive cash flow was driven by receipts from performance under our capacity purchase agreements.

As of September 30, 2017, we had net receivables of approximately $8.9 million, compared to net receivables of approximately $9.3 million as of September 30, 2016. The amounts due consist primarily of receivables and reimbursable pass-through maintenance costs from our major airline partners under our capacity purchase agreements. Accounts receivable from our major airline partners were 45.0% and 71.6% of total gross accounts receivable at September 30, 2016 and 2017, respectively.

Restricted Cash

As of September 30, 2017, we had $3.6 million in restricted cash. We have an agreement with a financial institution for a $6.0 million letter of credit facility and to issue letters of credit for landing fees, worker’s compensation insurance and other business needs. Pursuant to the agreement, $3.6 million of outstanding letters of credit are required to be collateralized by amounts on deposit.

Cash Flows

The following table presents information regarding our cash flows during our fiscal 2016 and 2017:

(in thousands)	Year ended September 30, 2016	2017
Net cash provided by operating activities	$ 104,492	$ 74,727
Net cash used in investing activities	(491,127)	(84,122)
Net cash provided by financing activities	365,848	28,497
Net (decrease) increase in cash and cash equivalents	(20,787)	19,102
Cash and cash equivalents at beginning of period	58,473	37,686
Cash and cash equivalents at end of period	$ 37,686	$ 56,788

Net Cash Flow Provided By Operating Activities

During our 2017 fiscal year, cash flow provided by operating activities of $74.7 million reflects our growth and execution of our strategic initiatives. We had net income of $32.8 million adjusted for the following significant non-cash items: depreciation and amortization of $61.0 million, amortization of stock-based compensation of $1.3 million, deferred income taxes of $20.5 million, amortization of unfavorable lease liabilities and deferred credits of $(10.6) million and amortization of debt financing costs and accretion of interest on non-interest bearing subordinated notes of $2.7 million. We had net outflows of $33.9 million within other net operating assets and liabilities largely driven by aircraft lease payments and payments for acquired spare engines during our 2017 fiscal year.

During our 2016 fiscal year, net cash flow provided by operating activities was approximately $104.5 million driven by our growth, execution of strategic initiatives and improved credit position. We had net income of approximately $14.9 million adjusted for the following non-cash items: depreciation and amortization of $46.0 million, amortization of stock-based compensation of $1.5 million, deferred income taxes of $9.5 million, amortization of unfavorable lease liabilities and deferred credits of $(9.6) million and amortization of debt financing costs and accretion of interest on non-interest bearing subordinated notes of $2.0 million. We had a net increase of $39.1 million within other net operating assets and liabilities largely driven by timing of payments made on aircraft leases, engine repair work and other payables during our 2016 fiscal year.

Net Cash Flows Used In Investing Activities

During our 2017 fiscal year, net cash flow used in investing activities totaled $(84.1) million. We invested $84.5 million in purchase of 15 spare engines and aircraft improvements, offset partially by returns of equipment deposits.

During our 2016 fiscal year, net cash flow used in investing activities totaled $(491.1) million. We invested $490.1 million in 18 E-175 aircraft, 4 spare engines and aircraft improvements.

Net Cash Flows Provided By Financing Activities

During our 2017 fiscal year, net cash flow provided by financing activities was $28.5 million. We received $185.9 million in proceeds from long-term debt primarily related to spare aircraft engine and aircraft engine kit financing. We made $153.0 million of principal repayments on long-term debt during the year. We also incurred $3.4 million of costs related to debt financing and $1.0 million of costs related to the repurchase of shares of our common stock.

During our 2016 fiscal year, net cash flow provided by financing activities was $365.9 million. We received $452.8 million in proceeds from long-term debt primarily related to aircraft financing. We made $75.5 million of principal repayments on long-term debt during the year. We also incurred $10.1 million of costs related to debt financing and $1.4 million of costs related to the repurchase of our stock.

Commitments and Contractual Obligations

As of September 30, 2017, we had $1,514.8 million of long-term debt (including principal and projected interest obligations) and operating lease obligations (including current maturities). This amount consisted of $994.5 million in notes payable related to owned aircraft used in continuing operations, $162.4 million of our notes payable related to spare engines and engine kits, and $28.8 million of our working capital line of credit. We also had $329.1 million of operating lease obligations primarily related to aircraft used under our capacity purchase agreements. Our long-term debt reflected below includes an aggregate of $221.7 million in projected interest costs through our 2028 fiscal year.

The following table sets forth our cash obligations as of September 30, 2017:

		Payment Due by Period			
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
			(in thousands)		
Aircraft notes	$ 994,539	$146,325	$249,292	$211,277	$387,645
Engine notes	162,405	39,558	68,831	54,016	—
Operating lease obligations	329,121	97,185	121,297	82,359	28,280
Working capital line of credit	28,768	1,544	27,224	—	—
Total	$1,514,833	$284,612	$466,644	$347,652	$415,925

Operating Leases

We have significant long-term lease obligations primarily relating to our aircraft fleet. The leases are classified as operating leases and are therefore excluded from our consolidated balance sheets. At September 30, 2017, we have 37 aircraft on lease (excluding aircraft leased from United) with remaining lease terms ranging from 1 to 6.5 years. Future minimum lease payments due under all long-term operating leases were approximately $329.1 million at September 30, 2017.

RASPRO Lease Facility. On September 23, 2005, Mesa Airlines, as lessee, entered into an aircraft lease facility with RASPRO Trust 2005, a pass-through trust, (the “RASPRO Trust”) as lessor, for 15 of our CRJ-900 aircraft (the “RASPRO Lease Facility”). The obligations under the RASPRO Lease Facility are guaranteed by us, and basic rent is paid quarterly on each aircraft. On each of March 10, 2014, June 5, 2014 and December 8, 2017, the RASPRO Lease Facility was amended to defer certain payments of basic rent (the “Deferred Amounts”). Until the principal of and accrued interest on the Deferred Amounts are paid in full, (i) we are prohibited from paying any dividends to holders of our common stock, (ii) we are prohibited from repurchasing any of our warrants or other equity interests, (iii) Mesa Airlines must maintain available a minimum of $10 million of cash, cash equivalents and availability under lines of credit and (iv) Mesa Airlines must maintain a minimum debt-to-assets ratio. As of September 30, 2017, we were in compliance with these covenants and we expect to remain in compliance through the end of our fiscal 2018.

GECAS Lease Facility. On May 27, 2014, Mesa Airlines, as lessee, entered into an aircraft lease facility with Wells Fargo Bank Northwest, National Association, as owner trustee and lessor, governing the lease of 17 of our CRJ-700 and CRJ-900 aircraft (the “GECAS Lease Facility”). The obligations

under the GECAS Lease Facility are guaranteed by us, and basic rent is paid monthly on each aircraft. In consideration for the lease, we issued to AFS Investments XLIV LLC and AFS Investments 60 LLC (collectively, the "GECAS Parties") warrants to purchase 100,000 shares of our common stock with an exercise price of $8.00 per share and a five-year maturity. The GECAS Lease Facility requires Mesa Airlines and us to maintain a balance of unrestricted cash of not less than $10 million and prohibits us from paying dividends to holders of our common stock prior to September 30, 2018 without the prior written consent of the GECAS Parties. As of September 30, 2017, we were in compliance with these covenants and we expect to remain in compliance through the end of our fiscal 2018.

Working Capital Line of Credit

In August 2016, we, as guarantor, our wholly owned subsidiaries, Mesa Airlines and MAG-AIM, as borrowers, CIT Bank, N.A., as administrative agent, and the lenders party thereto (the "CIT Lenders"), entered into a credit and guaranty agreement (the "CIT Revolving Credit Facility") pursuant to which the CIT Lenders committed to lend to Mesa Airlines and MAG-AIM revolving loans in the aggregate principal amount of up to $35.0 million. The borrowers' and guarantor's obligations under the CIT Revolving Credit Facility are secured primarily by a first priority lien on certain engines, spare parts and related collateral, including engine warranties and proceeds of the foregoing. The CIT Revolving Credit Facility contains affirmative, negative and financial covenants that are typical in the industry for similar financings, including, but not limited to, covenants that, subject to exceptions described in the CIT Revolving Credit Facility, restrict our ability and the ability of Mesa Airlines and MAG-AIM and their subsidiaries to: (i) enter into, create, incur, assume or suffer to exist any liens; (ii) merge, dissolve, liquidate, consolidate or sell or transfer substantially all of its assets; (iii) sell assets; (iv) enter into transactions with affiliates; (v) amend certain material agreements and organizational documents; (vi) make consolidated unfinanced capital expenditures; or (viii) maintain a consolidated interest and rental coverage ratio above the amount specified in the CIT Revolving Credit Facility. On April 27, 2018, we entered into an amendment to our CIT Revolving Credit Facility to lower the consolidated interest and rental coverage ratio through the end of the term of the agreement. As of September 30, 2017, we were in compliance with the financial covenants under the CIT Revolving Credit Facility and we expect to remain in compliance with such covenants, as amended by the parties, through the end of our fiscal 2018. The CIT Revolving Credit Facility also includes customary events of defaults, including, but not limited to: (i) payment defaults; (ii) breach of covenants; (iii) breach of representations and warranties; (iv) cross-defaults; (v) certain bankruptcy-related defaults; (vi) change of control; and (vii) revocation of instructions with respect to certain controlled accounts.

The loan under the CIT Revolving Credit Facility matures on August 12, 2019. As of September 30, 2017, $25.7 million of borrowings were outstanding under this facility. Funds available under the CIT Revolving Credit Facility are subject to certain administrative and commitment fees, and funds drawn under the facility bear interest at LIBOR plus a margin of 4.25%.

Engine Notes

Spare Engine Facility. In December 2016, Mesa Airlines, as borrower, Obsidian Agency Services, Inc., as security trustee, Cortland Capital Market Services LLC, as administrative agent, and the lenders party thereto (the "Engine Financing Lenders") entered into a credit agreement (the "Spare Engine Facility") pursuant to which the Engine Financing Lenders committed to lend to Mesa Airlines term loans in the aggregate principal amount of up to approximately $99.1 million. In February 2018, the parties amended the Spare Engine Facility to increase the commitment of the Engine Financing Lenders by an additional aggregate principal amount of up to approximately $4 million.

Mesa Airline's obligations under the Spare Engine Facility are secured primarily by a first priority lien on certain engines acquired with the proceeds of the Spare Engine Facility and related collateral,

including engine warranties and proceeds of the foregoing. The Spare Engine Facility contains affirmative and negative covenants that are typical in the industry for similar financings, including, but not limited to, covenants that, subject to exceptions described in the Spare Engine Facility, restrict the ability of Mesa Airlines to: (i) enter into, create, incur, assume or suffer to exist any liens; and (ii) merge, dissolve, liquidate, consolidate or sell or transfer substantially all of its assets. As of September 30, 2017, we were in compliance with these covenants and we expect to remain in compliance through the end of our fiscal 2018. The Spare Engine Facility also includes customary events of defaults, including, but not limited to: (i) payment defaults; (ii) breach of covenants; (iii) breach of representations and warranties; and (iii) material adverse changes.

The Spare Engine Facility consists of an Engine Acquisition Loan, a Delayed Draw Tranche B Loan, and a Delayed Draw Tranche C Loan. Funds drawn under each loan bear interest at the rate of 7.25% per annum plus the greater of (a) 0.5% or (b) the Eurodollar rate, and each loan matures on the date that is five years after such loan was drawn. The facility will be repaid periodically according to amortization schedules, with the entire remaining outstanding principal balance to be paid on the applicable maturity date. As of September 30, 2017, $93.0 million of borrowings were outstanding under this facility, and $94.7 million of Mesa Airline's equipment is pledged under this facility.

EDC Credit Facilities. In August 2015, Mesa Airlines, as borrower, and Export Development Canada, as lender (the "EDC Lender"), entered into a credit and agreement (the "EDC 2015 Credit Facility") pursuant to which the EDC Lender committed to purchase notes from Mesa Airlines from time to time in the aggregate principal amount of up to $11.0 million. The borrower's obligations under the EDC 2015 Credit Facility are unsecured and guaranteed by us. The EDC 2015 Credit Facility contains affirmative and negative covenants that are typical in the industry for similar financings, including, but not limited to, covenants that, subject to exceptions described in the EDC 2015 Credit Facility, restrict the ability of Mesa Airlines and the Company to: (i) merge, dissolve, liquidate, consolidate or sell or transfer substantially all of its assets; or (ii) sell assets. The EDC 2015 Credit Facility also includes customary events of defaults, including, but not limited to: (i) payment defaults; (ii) breach of covenants; (iii) breach of representations and warranties; (iv) cross-defaults; (v) certain bankruptcy-related defaults of Mesa Airlines or of specified carriers; and (vi) termination or material adverse change in the terms of any code sharing agreement. Each note matures on the date that is five years after such note was issued. As of September 30, 2017, $6.4 million of borrowings were outstanding under this facility. As of September 30, 2017, we were in compliance with these covenants, and we expect to remain in compliance through the end of our fiscal year 2018.

Funds drawn under the EDC 2015 Credit Facility are subject to certain arrangement and commitment fees, and funds drawn under the facility bear interest at (i) LIBOR plus a margin of 2.66% plus a margin benchmark of 0.41% or (ii) a fixed amount based on a swap rate of floating rate debt to fixed rate debt plus a margin of 2.66% plus a margin benchmark of 0.58%. Installment payments must be made on each note issued under this facility.

In January 2016, Mesa Airlines, as borrower, and the EDC Lender entered into a credit and agreement (the "EDC January 2016 Credit Facility") pursuant to which the EDC Lender committed to purchase notes from Mesa Airlines from time to time in the aggregate principal amount of up to $37.0 million. The borrower's obligations under the EDC January 2016 Credit Facility are secured by the underlying equipment and guaranteed by us. The EDC January 2016 Credit Facility contains affirmative and negative covenants that are typical in the industry for similar financings, including, but not limited to, covenants that, subject to exceptions described in the EDC January 2016 Credit Facility, restrict our ability to: (i) merge, dissolve, liquidate, consolidate or sell or transfer substantially all of its assets; or (ii) sell assets. The EDC January 2016 Credit Facility also contains an affirmative covenant that requires us to maintain a consolidated interest and rental coverage ratio above the amount specified in the agreement. As of September 30, 2017, we were in compliance with these covenants and we expect to remain in compliance through the end of our fiscal 2018.

The EDC January 2016 Credit Facility also includes customary events of defaults, including, but not limited to: (i) payment defaults; (ii) breach of covenants; (iii) breach of representations and warranties; (iv) cross-defaults; (v) certain bankruptcy-related defaults of Mesa Airlines or of specified carriers; (vi) termination or material adverse change in the terms of any code sharing agreement; and (vii) breach or termination of our agreement with StandardAero. Each note matures on the date that is three to four years after such note was issued. As of September 30, 2017, $9.2 million of borrowings were outstanding under this facility.

Funds drawn under the EDC January 2016 Credit Facility are subject to certain arrangement and commitment fees, and funds drawn under the facility bear interest at (i) LIBOR plus a margin of, initially, 2.49% plus a margin benchmark of 0.47% or (ii) a fixed amount based on a swap rate of floating rate debt to fixed rate debt plus a margin of, initially, 2.49% plus a margin benchmark of 0.68%. Installment payments must be made on each note issued under this facility. The debt is subject to a fixed charge ratio covenant. As of September 30, 2017, we were in compliance with this covenant and we expect to remain in compliance through the end of our fiscal 2018.

On April 30, 2018, Mesa Airlines and the EDC Lender amended the EDC January 2016 Credit Facility to, among other things, lower the required fixed charge ratio covenant through the end of the term of the agreement and provide for mandatory principal prepayments of $1 million per quarter over the next five fiscal quarters, beginning on September 30, 2018.

In June 2016, Mesa Airlines, as borrower, and the EDC Lender entered into a credit and agreement (the “EDC June 2016 Credit Facility”) pursuant to which the EDC Lender committed to purchase notes from Mesa Airlines from time to time in the aggregate principal amount of up to $25.0 million. The borrower’s obligations under the EDC June 2016 Credit Facility are unsecured and guaranteed by us. The EDC June 2016 Credit Facility contains affirmative and negative covenants and events of default that are typical in the industry for similar financings. Each note matures on the date that is two years after such note was issued. As of September 30, 2017, $18.5 million of borrowings were outstanding under this facility.

The EDC June 2016 Credit Facility contains an affirmative covenant that requires us to maintain a consolidated interest and rental coverage ratio above the amount specified in the agreement. As of September 30, 2017, we were in compliance with these covenants and we expect to remain in compliance through the end of our fiscal 2018.

Funds drawn under the EDC June 2016 Credit Facility are subject to certain arrangement and commitment fees, and funds drawn under the facility bear interest at (i) LIBOR plus a margin of 2.81% plus a margin benchmark of 0.49% or (ii) a fixed amount based on a swap rate of floating rate debt to fixed rate debt plus a margin of 2.81% plus a margin benchmark of 0.71%. Installment payments must be made on each note issued under this facility. The debt is subject to a fixed charge ratio covenant. As of September 30, 2017, we were in compliance with this covenant and we expect to remain in compliance through the end of our fiscal 2018.

Midfirst Engine Facility. In May 2015, Mesa Airlines, as borrower, and MidFirst Bank entered into a business loan agreement and accompanying promissory note (the “MidFirst Credit Facility”) pursuant to which MidFirst Bank committed to lend to Mesa Airlines the principal amount of $8.3 million. The borrower’s obligations under the MidFirst Credit Facility are guaranteed by us and are secured primarily by a lien on certain spare engines acquired with the proceeds of the MidFirst Credit Facility and related collateral. The MidFirst Credit Facility contains affirmative and negative covenants and events of default that are typical in the industry for similar financings. The promissory note matures on September 21, 2020. As of September 30, 2017, $5.0 million of borrowings were outstanding under this facility. As of September 30, 2017, we were in compliance with these covenants, and we expect to remain in compliance through the end of our fiscal year 2018.

Funds drawn under the MidFirst Credit Facility bear interest at the rate of 5.163% per annum. Installment payments of principal must be made on the promissory note issued under this facility.

Aircraft Notes

As of September 30, 2017, we had 65 aircraft in our fleet financed with debt (collectively, the "Aircraft Notes"):

- In fiscal year 2004, we permanently financed five CRJ-700 and six CRJ-900 aircraft with $254.7 million in debt and in our fiscal 2005, we permanently financed five CRJ-900 aircraft with $118 million in debt. The debt bears interest at the monthly LIBOR plus 3% (4.232% at September 30, 2017) and requires monthly principal and interest payments. As of September 30, 2017, we had $58.3 million outstanding under these notes.
- In fiscal year 2007, we permanently financed three CRJ-900 and three CRJ-700 aircraft for $120.3 million. The debt bears interest at the monthly LIBOR plus 2.25% (3.482% at September 30, 2017) and requires monthly principal and interest payments. As of September 30, 2017, we had $48.8 million outstanding under these notes.
- In fiscal year 2014, we permanently financed 10 CRJ-900 aircraft for $88.4 million. The debt bears interest at the monthly LIBOR, plus a spread ranging from 1.95% to 7.25% (3.182% to 8.482% at September 30, 2017) and requires monthly principal and interest payments. As of September 30, 2017, we had $64.8 million outstanding under these notes.
- In fiscal year 2014, we permanently financed eight CRJ-900 aircraft with $114.5 million in debt. The debt bears interest at 5% and requires monthly principal and interest payments. As of September 30, 2017, we had $82.8 million outstanding under these notes.
- In fiscal year 2015, we financed seven CRJ-900 aircraft with $170.2 million in debt. The senior notes payable of $151 million bear interest at monthly LIBOR plus 2.71% (3.942% at September 30, 2017) and require monthly principal and interest payments. The subordinated notes payable are noninterest-bearing and become payable in full on the last day of the term of the notes. We have imputed an interest rate of 6.25% on the subordinated notes payable and recorded a related discount of $8.1 million, which is being accreted to interest expense over the term of the notes. As of September 30, 2017, we had $144.0 million outstanding under these notes.
- In fiscal year 2016, we financed 10 E-175 aircraft with $246 million in debt under an EETC financing arrangement. The debt bears interest ranging from 4.75% to 6.25% and requires semi-annual principal and interest payments. As of September 30, 2017, we had $226.4 million outstanding under these notes.
- In fiscal year 2016, we financed eight E-175 aircraft with $195.3 million in debt. The senior notes payable of $172 million bear interest at the three-month LIBOR plus a spread ranging from 2.20% to 2.32% (3.533% to 3.654% at September 30, 2017) and require quarterly principal and interest payments. The subordinated notes payable bear interest at 4.50% and require quarterly principal and interest payments. As of September 30, 2017, we had $181.1 million outstanding under these notes.

The Aircraft Notes are secured by the respective aircraft, which had a net book value of $1,023.8 million as of September 30, 2017. The weighted-average effective interest rate of the fixed and floating rate aircraft and equipment notes at September 30, 2016 and 2017, was 4.08% and 4.89%, respectively.

Maintenance Commitments

In August 2005, we entered into a ten-year agreement with AAR, for the maintenance and repair of certain of our CRJ-200, CRJ-700 and CRJ-900 aircraft. The agreement has been amended since with a term through 2021, also to include certain E-175 aircraft rotable spare parts with a term through December 2027. Under the agreements, we pay AAR a monthly access fee per aircraft for certain consigned inventory as well as a fixed “cost per flight hour” fee on a monthly basis for repairs on certain repairable parts during the term of the agreement, which fees are subject to annual adjustment based on increases in the cost of labor and component parts.

In July 2012, we entered into a heavy check maintenance contract with Bombardier, to perform heavy check maintenance on all CRJ-700 and CRJ-900 aircraft, which has been extended through November 2020. We are charged on a time and materials basis by Bombardier for the heavy check maintenance work performed under this agreement.

In July 2013, we entered into an engine maintenance contract with GE to perform heavy maintenance on certain CRJ-700, CRJ-900 and E-175 engines based on a fixed pricing schedule. The pricing may escalate annually in accordance with the GE Engine Services’ spare parts catalog for engines. The engine maintenance contract extends through 2024.

In 2014, we entered into a ten-year contract with Aviall to provide maintenance and repair services on the wheels, brakes and tires of our CRJ-700 and CRJ-900 aircraft. Under the agreement, we pay Aviall a fixed “cost per landing” fee for all landings of our aircraft during the term of the agreement, which fee is subject to annual adjustment based on increases in the cost of labor and component parts.

We entered into an engine maintenance contract with StandardAero, which became effective on June 1, 2015, to perform heavy maintenance on certain CRJ-700 and CRJ-900 engines based on a fixed pricing schedule. The pricing may escalate annually in accordance with the GE Engine Services’ spare parts catalog for engines. The engine maintenance contract extends through 2020.

Our employees perform routine airframe and engine maintenance along with periodic inspections of equipment at their respective maintenance facilities. We also use third-party vendors, such as AAR, Aviall and GE, for certain heavy airframe and engine maintenance work, along with parts procurement and component overhaul services for our aircraft fleet. As of September 30, 2017, $57.8 million of parts inventory was consigned to us by AAR and Aviall under long-term contracts that is not reflected on our balance sheet.

We use the direct expense method of accounting for our maintenance of regional jet engine overhauls, airframe, landing gear, and normal recurring maintenance wherein we recognize the expense when the maintenance work is completed, or over the repair period, if materially different. While we keep a record of expected maintenance events, the actual timing and costs of major engine maintenance expense are subject to variables such as estimated usage, government regulations and the level of unscheduled maintenance events and their actual costs. Accordingly, we cannot reliably quantify the costs or timing of future maintenance-related expenses for any significant period of time.

Off-Balance Sheet Arrangements

An off-balance sheet arrangement is any transaction, agreement or other contractual arrangement involving an unconsolidated entity under which a company has (i) made guarantees, (ii) a retained or a contingent interest in transferred assets, (iii) an obligation under derivative instruments classified as equity or (iv) any obligation arising out of a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the company, or that engages in leasing, hedging or research and development arrangements with the company.

We have no off-balance sheet arrangements of the types described in the four categories above that they believe may have material current or future effect on financial condition, liquidity or results of operations.

A majority of our leased aircraft are leased through trusts formed for the sole purpose of purchasing, financing and leasing aircraft to us. Because these are single-owner trusts in which we do not participate, we are not at risk for losses and we are not considered the primary beneficiary. We believe that our maximum exposure under the leases are the remaining lease payments.

Quantitative and Qualitative Disclosure About Market Risk

We are subject to market risks in the ordinary course of our business. These risks include interest rate risk and, on a limited basis, commodity price risk with respect to foreign exchange transactions. The adverse effects of changes in these markets could pose a potential loss as discussed below. The sensitivity analysis provided does not consider the effects that such adverse changes may have on overall economic activity, nor does it consider additional actions we may take to mitigate our exposure to such changes. Actual results may differ.

Interest Rates. We are subject to market risk associated with changing interest rates on our variable rate long-term debt; the variable interest rates are based on LIBOR. The interest rates applicable to variable rate notes may rise and increase the amount of interest expense on our variable rate long-term debt. A 50 basis points increase in interest rates would result in an approximately $3.0 million impact on our annual interest expense.

Foreign Exchange. We have *de minimis* foreign currency risks related to our station operating expenses denominated in currencies other than the U.S. dollar, primarily the Canadian dollar. Our revenue is U.S. dollar denominated.

Unlike other airlines, our capacity purchase agreements largely shelter us from volatility related to fuel prices, which are directly paid and supplied by our major airline partners.

Inflation

We do not believe that inflation had a material effect on our business, financial condition, or results of operations in the last two fiscal years. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition, and results of operations.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with generally accepted accounting principles in U.S. GAAP. In doing so, we have to make estimates and assumptions that affect our reported amounts of assets, liabilities, revenue and expenses, as well as related disclosure of contingent assets and liabilities. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis. We refer to accounting estimates of this type as critical accounting estimates, which we discuss below.

We have identified the accounting policies discussed below as critical to us. The discussion below is not intended to be a comprehensive list of our accounting policies. Our significant accounting policies are more fully described in Note 2 to the consolidated financial statements.

Revenue Recognition

Under our capacity purchase agreements, our major airline partners generally pay a fixed monthly minimum amount per aircraft, plus certain additional amounts based upon the number of flights and block hours flown. The contracts also include reimbursement of certain costs that we incur in performing flight services. These costs, known as “pass-through costs,” may include passenger and hull insurance, aircraft property taxes, as well as landing fees, catering and additionally for the E-175 aircraft owned by United, heavy airframe and engine maintenance, landing gear, APUs and component maintenance. We record reimbursement of pass-through costs as other revenue in the consolidated statements of operations as service is provided. In addition, our major airline partners also provide, at no cost to us, certain ground handling and customer service functions, as well as airport-related facilities and gates at their hubs and other cities. Services and facilities provided by major airline partners at no cost to us are presented net in our consolidated financial statements; hence, no amounts are recorded for revenue or expense for these items. The contracts also include a profit component that may be determined based on a percentage of profits on our flights, a profit margin on certain reimbursable costs, as well as a profit margin, incentives and penalties based on certain operational benchmarks. We recognize revenue under our capacity purchase agreements when the transportation is provided, including an estimate of the profit component based upon the information available at the end of the accounting period. All revenue recognized under these contracts is presented at the gross amount billed.

We have concluded that a component of our revenue under our capacity purchase agreements is rental income, as these agreements identify the “right of use” of a specific type and number of aircraft over a stated period of time. The amount deemed to be rental income during fiscal 2016 and 2017 was $190.1 million and $217.6 million, respectively, and has been included in contract revenue on our consolidated statements of income. We have not separately stated aircraft rental income and aircraft rental expense in the consolidated statements of operations since the use of the aircraft is not a separate activity of the total service provided.

Under our capacity purchase agreements with American and United, we are reimbursed under a fixed rate per-block hour, plus an amount per aircraft designed to reimburse us for certain aircraft ownership costs.

Our capacity purchase agreements contain an option that allows our major airline partners to assume the contractual responsibility for procuring and providing the fuel necessary to operate the flights that we operate for them. Both airlines have exercised this option. Accordingly, we do not record an expense or the related revenue for fuel and related fueling costs for flying under our capacity purchase agreements.

Our capacity purchase agreements contain certain provisions pursuant to which the parties could terminate their respective agreements, subject to certain rights of ours to cure, if certain performance criteria are not maintained. Our revenues could be impacted by a number of factors, including changes to the applicable capacity purchase agreements, contract modifications resulting from contract renegotiations and our ability to earn incentive payments contemplated under applicable agreements. In the event contracted rates are not finalized at a quarterly or annual financial statement date, we record that period’s revenues based on the lower of the prior period’s approved rates or our estimate of rates that will be implemented upon completion of negotiations. Also, in the event we have a reimbursement dispute with a major airline partner at a quarterly or annual financial statement date, we evaluate the dispute under established revenue recognition criteria and, provided the revenue recognition criteria have been met, we recognize revenue for that period based on our estimate of the resolution of the dispute. Accordingly, we are required to exercise judgment and use assumptions in the application of our revenue recognition policy. See “*Recent Accounting Pronouncements*” set forth below for a discussion of a new accounting standard that we anticipate implementing beginning in our 2019 fiscal year.

Maintenance

We operate under an FAA-approved continuous inspection and maintenance program. We use the direct expense method of accounting for our maintenance of regional jet engine overhauls, airframe, landing gear, and normal recurring maintenance wherein we recognize the expense when the maintenance work is completed, or over the repair period, if materially different. For leased aircraft, we are subject to lease return provisions that require a minimum portion of the "life" of an overhaul be remaining on the engine at the lease return date. We estimate the cost of maintenance lease return obligations and accrue such costs over the remaining lease term when the expense is probable and can be reasonably estimated.

Under our aircraft operating lease agreements and FAA operating regulations, we are obligated to perform all required maintenance activities on our fleet, including component repairs, scheduled air frame checks and major engine restoration events. We estimate the timing of the next major maintenance event based on assumptions including estimated usage, FAA-mandated maintenance intervals and average removal times as recommended by the manufacturer. The timing and the cost of maintenance are based on estimates, which can be impacted by changes in utilization of our aircraft, changes in government regulations and suggested manufacturer maintenance intervals. Major maintenance events consist of overhauls to major components.

Engine overhaul expense totaled $90.9 million and $63.7 million for the years ended September 30, 2016 and 2017, respectively, and airframe c-check expense totaled $13.2 million and $22.6 million for the years ended September 30, 2016 and 2017, respectively.

Aircraft Leases

In addition to the aircraft we receive from United, approximately 25% of our aircraft are leased from third parties. In order to determine the proper classification of a lease as either an operating lease or a capital lease, we must make certain estimates at the inception of the lease relating to the economic useful life and the fair value of an asset as well as select an appropriate discount rate to be used in discounting future lease payments. These estimates are utilized by management in making computations as required by existing accounting standards that determine whether the lease is classified as an operating lease or a capital lease. All of our aircraft leases have been classified as operating leases, which results in rental payments being charged to expense over the term of the related leases. Additionally, operating leases are not reflected in our consolidated balance sheets and accordingly, neither a lease asset nor an obligation for future lease payments is reflected in our consolidated balance sheets. In the event that we or one of our major airline partners decide to exit an activity involving leased aircraft, losses may be incurred. In the event that we exit an activity that results in exit losses, these losses are accrued as each aircraft is removed from operations for early termination penalties, lease settle up and other charges. See "*Recent Accounting Pronouncements*" set forth below for a discussion of a new accounting standard that is likely to have an impact on our aircraft lease accounting beginning in 2019.

Income Taxes

Income taxes are accounted for using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided for those deferred tax assets for which we cannot conclude that it is more likely than not that such deferred tax assets will be realized.

In determining the amount of the valuation allowance, estimated future taxable income, as well as feasible tax planning strategies for each taxing jurisdiction, are considered. If we determine it is more likely than not that all or a portion of the remaining deferred tax assets will not be realized, the valuation allowance will be increased with a charge to income tax expense. Conversely, if we determine it is more likely than not to be able to utilize all or a portion of the deferred tax assets for which a valuation allowance has been provided, the related portion of the valuation allowance will be recorded as a reduction to income tax expense.

We recognize and measure benefits for uncertain tax positions using a two-step approach. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that is it more likely than not that the tax positions will be sustained upon audit, including resolution of any related appeals or litigation processes. For tax positions that are more likely than not to be sustained upon audit, the second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon settlement. Our practice is to recognize interest and/or penalties related to income tax matters in income tax expense. Significant judgment is required to evaluate uncertain tax positions. Evaluations are based upon a number of factors, including changes in facts or circumstances, changes in tax law, correspondence with tax authorities during the course of tax audits and effective settlement of audit issues. Changes in the recognition or measurement of uncertain tax positions could result in material increases or decreases in income tax expense in the period in which the change is made, which could have a material impact to our effective tax rate. See Note 11: “*Income Taxes*” in the notes to our audited consolidated financial statements included elsewhere in this Form S-1 for additional information. See also “*Management’s Discussion and Analysis—Results of Operations—Income Taxes*” for additional information.

For a further listing and discussion of our accounting policies, see Note 2: “*Summary of Significant Accounting Policies*” in the notes to our audited consolidated financial statements included elsewhere in this prospectus.

Accounting Methodology for Stock Appreciation Rights

We have historically accounted for compensation expense related to our liability-classified stock appreciation rights (“SARs”) using the intrinsic value method, as permitted by ASC 718 for nonpublic entities, with changes to the value of the SARs recognized as compensation expense at each quarterly reporting date. Upon becoming a public company, as defined in ASC 718, we are required to change our methodology for valuing the SARs. While the SARs will continue to be re-measured at each quarterly reporting date, the SARs are required to be accounted for prospectively at fair value using a fair value pricing model, such as Black-Scholes. We plan to record the impact of the change in valuation methods as a cumulative effect of a change in accounting principle, as permitted by ASC 250. The effect of the change will be to increase or decrease the SAR liability by the difference in compensation cost measured using the intrinsic value method and the fair value method with an equal and offsetting change to retained earnings in the consolidated balance sheet. Any changes in fair value after the initial adoption will be recorded as compensation expense in the consolidated statement of operations.

Emerging Growth Company Status

The JOBS Act permits an “emerging growth company” such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have irrevocably elected to “opt out” of this provision and, as a result, we will comply with new or revised accounting standards when they are required to be adopted by public companies that are not emerging growth companies.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) ("ASU 2014-09"). The standard establishes a new recognition model that requires revenue to be recognized in a manner to depict the transfer of goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for those goods or services. We may adopt the requirements of ASU 2014-09 using either of two acceptable methods: (i) retrospective adoption to each prior period presented with the option to elect certain practical expedients; or (ii) adoption with the cumulative effect recognized at the date of initial application and providing certain disclosures. In July 2015, the FASB approved a one-year deferral of the effective date of the new standard, making it effective for our reporting periods beginning October 1, 2018. We are currently evaluating the potential impact of the adoption of this new guidance on our financial position or results of operations, including the method of adoption to be used.

In August 2014, The FASB issued ASU No. 2014-15, *Presentation of Financial Statements—Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* (Topic 205), which provides guidance on determining when and how to disclose going-concern uncertainties in the condensed consolidated financial statements. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the consolidated financial statements are issued. An entity must provide certain disclosure if "conditions or events raise substantial doubt about the entity's ability to continue as a going concern." The update applies to all entities and is effective for annual periods ending after December 15, 2016, and interim periods thereafter. We adopted this ASU in fiscal year 2017, and the adoption did not have a material impact on the consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) ("ASU 2016-02"), which provides guidance requiring lessees to recognize a right-of-use asset and a lease liability on the balance sheet for substantially all leases, with the exception of short-term leases. Leases will be classified as either financing or operating, with classification affecting the pattern of expense recognition in the statement of income. The guidance is effective for annual periods beginning after December 15, 2018, with early adoption permitted. We are currently evaluating the potential impact of the adoption of this new guidance on our consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation—Stock Compensation* (Topic 718)*—Improvements to Employee Share-Based Payment Accounting*, which simplifies several areas of accounting for share-based compensation arrangements, including the income tax impact, classification on the statement of cash flows and forfeitures. The guidance is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. We are currently evaluating the potential impact of the adoption of this new guidance on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows* (Topic 230): *Classification of Certain Cash Receipts and Cash Payments (a consensus of the FASB Emerging Issues Task Force)*, which clarifies how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The new standard is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. We are currently evaluating the impact that the standard will have on the consolidated statements of cash flows. Further, in November 2016, the FASB issued ASU No. 2016-18 that requires restricted cash and cash equivalents to be included with cash and cash equivalents on the statement cash flows. The new standard is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. We have restricted cash of $3.6 million as of September 30, 2017 and intend to adopt the new guidance in our 2019 fiscal year.

INDUSTRY BACKGROUND

Overview of the Passenger Airline Industry

According to the FAA, the number of total paying passengers in the United States that traveled on scheduled domestic and international flights, commonly referred to as "total revenue passenger enplanements," was 840.4 million in 2017, up 2.6% from 819.5 million in 2016, and enplanements in 2016 were up 4.3% from 785.8 million in 2015. Historically, airline passenger growth depends upon, but has occurred at a rate in excess of, GDP growth. The 2017 *Current Market Outlook*, a 20-year forecast of The Boeing Company, foresees average annual growth in North American enplanements of 3.0% per year over the 2017-2036 timeframe, assuming a 2.1% annual GDP growth rate.

As a result of a series of merger transactions between 2008 and 2016, there are currently five "major" airlines in the United States: American, Delta, United, Alaska and Southwest, which collectively control in excess of 85% of U.S. industry passenger capacity when including both flights operated themselves and flights operated under contract by their regional airline partners. The major airlines offer scheduled flights to many large cities within the United States and to cities in other parts of the world. These carriers benefit from wide name recognition and long operating histories. In recent years, major airlines have enjoyed sustained profitability achieved through scale efficiencies, disciplined capacity planning, profit-oriented management and increased passenger demand. The revenues of the U.S. regional airline sector are derived overwhelmingly from these financially strong major airlines, in particular American, Delta and United.

Most major airlines have adopted a "hub and spoke" system of operations. This arrangement permits travelers to fly from their point of origin to more destinations without switching airlines. Hub airports permit carriers to transport passengers between large numbers of destinations with substantially more frequent service than if each city-pair were served nonstop. The hub and spoke system also allows the airline to add service to a new destination from a large number of cities using only one or a limited number of aircraft. Regional airlines play a vital role in the major airlines' hub and spoke networks by serving markets that would be too small for the major airline to serve economically with the major carrier's larger aircraft. In addition, regional aircraft are well suited to serve larger city pairs during off-peak times when load factors on larger jets are low. Flights by regional airlines help build schedule density and "feed" passenger traffic to major airlines' hub airports that is essential for the economic viability of the entire hub operation. Regional airlines have added importance to their major airline partners because the city pairs served by regional airlines often have traffic levels and other attributes that make them very difficult to contest by the low-cost airlines that otherwise compete with major carriers on much of their route networks.

"Low-cost" airlines, such as jetBlue Airways, typically offer fewer classes of service and have lower cost structures than major airlines, thus permitting them to offer flights to many of the same destinations as the major airlines, but at lower prices. "Ultra low-cost" airlines, including Allegiant Travel Company, Spirit Airlines and Frontier Airlines, expanded upon the low-cost airline model by adding a focus on increased aircraft utilization, increased seat density and the unbundling of revenue sources by charging fees for multiple products and services previously provided free to passengers. Some ultra low-cost airlines utilize a hub and spoke strategy, while others offer predominantly point-to-point service between designated city pairs, a strategy that increases efficiency and lowers fares, but often results in less convenient flight schedules and service to fewer markets. In recent years, the business models of ultra low-cost, low-cost and major airlines have become increasingly blurred, with major airlines offering inexpensive basic economy fares with fewer amenities to compete for price-sensitive travelers, and some low-cost carriers now offering premium seating and classes of service. At present, none of the business models of the ultra-low cost or low cost airlines or Southwest Airlines include affiliation with regional air carriers, and there is no expectation that this will occur in the

near term. However, if in the future we are invited to provide regional flying to new partners in this segment, we expect to experience incremental growth.

Regional airlines operate smaller aircraft, with seating for 50-76 passengers, that have far lower trip costs than the larger aircraft operated by the major, low-cost and ultra low-cost airlines, which typically have seating for 120 passengers or more. Independent regional airlines, such as us and SkyWest Airlines, typically provide service to more than one major airline. Conversely, captive regional airlines, including Envoy (owned by American), Endeavor (owned by Delta), PSA (owned by American), Piedmont (owned by American) and Horizon (owned by Alaska), are wholly owned subsidiaries of major airlines and tend to fly exclusively in cooperation with their respective parent airlines. In contrast to low-cost and ultra low-cost airlines, regional airlines generally work cooperatively with major airlines and do not try to establish an independent route system or brand to compete with the major airlines. Regional airlines typically enter into capacity purchase agreements with one or more major airline partners under which the regional airline agrees to use its lower-cost aircraft to carry passengers booked and ticketed by the major airline between city pairs selected by the major airline partner. In exchange for such services, the regional airline is either paid a fixed-fee per flight by the major airline or receives a pro-rata portion of the total fare generated for a given passenger itinerary.

Regional Airline Industry

Regional airlines play a daily, essential role in the U.S. air travel system. According to the Regional Airline Association, 42% of all scheduled airline flights in the United States in 2016 were performed by regional airlines. Of all the U.S. airports with scheduled airline service, 64% of them are served exclusively by regional airlines. Some of the most popular U.S. airports have more than half of all their flights on regional airlines, including New York-LaGuardia, Philadelphia, Washington-Dulles, Charlotte, Houston-Bush and Chicago-O'Hare.

The regional airline industry grew rapidly from the mid-1990s until the 2007-2010 timeframe, driven by the introduction of "regional jet" aircraft, which were a significant aerospace advancement over previous regional aircraft and broadly adopted due to their high speed, range, cabin class comfort, and low noise levels. In the 2007-2010 timeframe, growth of the regional sector stalled due to a confluence of factors, including: bankruptcy filings by several U.S. major airlines that were large purchasers of regional airline capacity; rising fuel prices, which challenged the economics of small regional jet aircraft; the 2008 financial crisis; and a wave of major airline mergers that drove fleet rationalization and a reduction in the number of hub airports. These industry changes adversely affected the regional airline sector, and three of the then-largest regional airlines restructured under bankruptcy protection (us and Pinnacle Airlines) or sold their business under duress (ExpressJet Holdings).

In our case, we filed for protection under Chapter 11 of the federal bankruptcy laws on January 5, 2010 and successfully emerged from bankruptcy on March 1, 2011. We filed for protection under Chapter 11 primarily to address an excess of 50-seat CRJ-200 aircraft that were not extended by certain of our major airline partners under our prior capacity purchase agreements. The lease terms of the excess CRJ-200 aircraft extended four or more years beyond the expiration date of their related capacity purchase agreements. At the time of our Chapter 11 filing, higher fuel prices had caused the 50-seat CRJ-200 to be uneconomical for major airlines to fly, making it untenable for us to renew our capacity purchase agreements with respect to these aircraft or place them into service with other major airlines. Our restructuring did not seek to renegotiate the terms of our then-existing labor agreements, which we believe has contributed to our strong ongoing relationship with our employees and their labor representatives.

Since 2007, depending on the metric used, the overall size of the U.S. regional airline industry has been largely unchanged. The first reason for this relates to mergers, hub consolidation, and route

network rationalization among the major airlines that were the primary purchasers of regional airline capacity: Delta's combination with Northwest, United's combination with Continental, American's combination with US Airways, and US Airways' previous combination with America West. The second reason has been a pilot shortage resulting from new federal regulations implemented in August 2013 which dramatically increased minimum pilot training time. According to the Regional Airline Association, from 2007 until 2016, U.S. regional air carriers collectively grew revenue passenger miles from 72.9 billion to 75.5 billion, though passenger enplanements declined from 160.2 million to 154.9 million over the same period. The industry has changed in important ways since 2007, including: growth in average aircraft size from 51 seats to 62 seats, growth in average passenger trip length from 456 miles to 488 miles, near complete elimination of aircraft under 50-seat capacity from U.S. scheduled airline service, attrition of many smaller carriers, and significant reductions in flight frequencies and served destinations for many small and medium-sized cities across the United States.

We believe the effects of the pilot shortage and major airline consolidation are now fully reflected in the structure and trade practices of the regional airline sector, and that our sector is poised to grow again as the significant recent increases in regional airline pilot compensation draw additional qualified individuals into the profession, and once again permit fleet expansion. For the 2018-2038 timeframe, the FAA has projected revenue passenger miles for U.S. regional carriers to grow by 2.1% per year, with average aircraft size continuing to climb to 75 seats per aircraft. We believe the intensity of competition among regional air carriers for capacity-purchase contracts has lessened in recent years, due to the scarcity of pilots, and we do not expect this competitive characteristic to change in the near term. See "*Business —Our Growth Opportunities*."

Relationship Between Regional and Major Airlines

Regional airlines typically operate short- and medium-haul scheduled airline service, often connecting smaller cities with major airline hubs. Regional airlines generally enter into capacity purchase agreements with one or more major airline partners under which the regional airline uses the major airline's logos, service marks and aircraft paint schemes in providing regional flying services. Under these agreements, the major airline typically controls route selection, marketing, scheduling, pricing and seat inventories, and provides the regional airline with ground support services, airport landing slots and gate access. The regional airline, in turn, provides flight crews, flight services, maintenance and other operational functions. In most cases, the regional airline itself owns or leases the aircraft used, but there are many instances where the major airline partner will provide the aircraft.

The commercial relationship between the regional airline and its major airline partner usually involves either a capacity purchase agreement or revenue sharing arrangement, as explained below. All of our revenues are derived under capacity purchase agreements, and the overwhelming majority of revenues for the regional airline sector today are from capacity purchase agreements rather than revenue sharing arrangements.

Capacity Purchase Agreements. Under a capacity purchase agreement (also referred to as a "revenue guarantee agreement," "fixed fee contract" or "contract flying"), the major airline generally pays the regional airline a fixed fee for each departure, flight hour (measured from takeoff to landing, excluding taxi time) or block hour (measured from takeoff to landing, including taxi time) incurred, and an amount per aircraft in service each month with additional incentives based on completion of flights, on-time performance and other operating metrics. In exchange for that, the major airline keeps all of the revenue paid by the passengers travelling on that regional airline flight leg. Under these agreements the major airline bears the risk of changes in the price of fuel and certain other costs that are passed through dollar-for-dollar to the major airline partner. Regional airlines benefit from a capacity purchase agreement because they are sheltered from many of the elements that cause volatility in airline financial performance, including fuel prices, variations in ticket prices, and fluctuations in number of

passengers. Correspondingly, regional airlines in capacity purchase agreements generally do not benefit from positive trends in ticket prices (including ancillary revenue programs), the number of passengers enplaned or fuel prices.

Revenue-Sharing Arrangements. Under a revenue-sharing arrangement (also referred to as “prorate flying”), the major airline and regional airline negotiate a passenger fare proration formula, pursuant to which the regional airline receives a percentage of the ticket revenues for those passengers traveling for one portion of their trip on the regional airline and the other portion of their trip on the major airline. Substantially all costs associated with the regional airline flight are borne by the regional airline. In a revenue-sharing arrangement, the regional airline may realize increased profits as ticket prices and passenger loads increase or fuel prices decrease and, correspondingly, the regional airline may realize decreased profits as ticket prices and passenger loads decrease or fuel prices increase.

We currently have capacity purchase agreements with United, where we operate under the United Express banner, and American, where we operate under the American Eagle banner.

In order to contain the amount of flying performed by lower-cost regional airlines, major airline pilot unions have negotiated “scope clauses,” which typically prohibit regional airlines from operating aircraft with more than 76 seats. These restrictions are intended to prevent a major airline from substituting lower cost regional flights for flights now performed by the airline’s own pilots, thereby protecting the jobs and compensation levels of the major airline pilots. However, there is a long-term trend towards liberalization of scope clauses, with major airlines and their pilot groups often trading pilot compensation increases for more freedom to purchase capacity from regional airlines like us. In the absence of scope clauses, we believe the demand for regional flying by American, Delta and United would materially exceed present levels.

BUSINESS

Overview

Mesa Airlines is a regional air carrier providing scheduled passenger service to 110 cities in 37 states, the District of Columbia, Canada, Mexico and the Bahamas. All of our flights are operated as either American Eagle or United Express flights pursuant to the terms of capacity purchase agreements we entered into with American and United. We have a significant presence in several of our major airline partners' key domestic hubs and focus cities, including Dallas, Houston, Phoenix and Washington-Dulles. We have been the fastest growing regional airline in the United States over our last five fiscal years, based on fleet growth, with a cumulative increase in aircraft of 137%.

As of March 31, 2018, we operated a fleet of 145 aircraft with approximately 611 daily departures. We operate 64 CRJ-900 aircraft under our American Capacity Purchase Agreement and 20 CRJ-700 and 60 E-175 aircraft under our United Capacity Purchase Agreement. Over the last five calendar years, our share of the total regional airline fleet of American and United has increased from 7% to 11% and from 4% to 15%, respectively. Driven by this fleet growth, our total operating revenues have grown by 55% from $415.2 million in fiscal 2013 to $643.6 million in fiscal 2017, respectively. We believe we have expanded our share with our major airline partners because of our competitive cost structure, access to pilots under our labor agreements and track record of reliable performance. All of our operating revenue in our 2017 fiscal year was derived from operations associated with our American and United Capacity Purchase Agreements.

Our long-term capacity purchase agreements provide us guaranteed monthly revenue for each aircraft under contract, a fixed fee for each block hour and flight flown, and reimbursement of certain direct operating expenses, in exchange for providing regional flying on behalf of our major airline partners. Our capacity purchase agreements shelter us from many of the elements that cause volatility in airline financial performance, including fuel prices, variations in ticket prices, and fluctuations in number of passengers. In providing regional flying under our capacity purchase agreements, we use the logos, service marks, flight crew uniforms and aircraft paint schemes of our major airline partners. Our major airline partners control route selection, pricing, seat inventories, marketing and scheduling, and provide us with ground support services, airport landing slots and gate access, allowing us to focus all of our efforts on delivering safe, reliable and cost-competitive regional flying.

Regional aircraft are optimal for short and medium-haul scheduled flights that connect outlying communities with larger cities and act as "feeders" for domestic and international hubs. In addition, regional aircraft are well suited to serve larger city pairs during off-peak times when load factors on larger jets are low. The lower trip costs and operating efficiencies of regional aircraft, along with the competitive nature of the capacity purchase agreement bidding process, provide significant value to major airlines. According to the Regional Airline Association, we were the fifth largest regional airline company in the United States in 2016, as measured by passenger enplanements, and our flights accounted for approximately 8.4% of all passengers carried on U.S. regional airlines.

Regional airlines play a daily, essential role in the U.S. air travel system. According to the Regional Airline Association, 42% of all scheduled airline flights in the United States in 2016 were performed by regional airlines. Of all the U.S. airports with scheduled airline service, 64% are served exclusively by regional airlines. Some of the most popular U.S. airports have more than half of all their flights on regional airlines, including New York-LaGuardia, Philadelphia, Washington-Dulles, Charlotte, Houston-Bush and Chicago-O'Hare.

Our Competitive Strengths

We believe that our primary strengths are:

Low Cost Operator. We believe that we are among the lowest cost operators of regional jet service in the United States. There are several key elements that contribute to our cost efficiencies:

- *Efficient Fleet Composition*. We exclusively operate large regional aircraft with 70+ passenger seats on a single FAA certificate. Operating large regional aircraft allows us to enjoy unit cost advantages over smaller regional aircraft. Larger regional aircraft require less fuel and crew resources per passenger carried, and may also have maintenance cost efficiencies.
- *Cost Effective, Long-Term Collective Bargaining Agreements*. Our pilots and flight attendants ratified new four-year collective bargaining agreements effective as of July 13, 2017 and October 1, 2017, respectively, which are among the longest in the regional airline industry and include labor rate structures through 2024. We believe that our collective bargaining agreements and favorable labor relationships are critical for pilot retention and will provide more predictable labor costs into 2024. We derive cost advantages from efficient work rules and the relatively low average seniority of our pilots.
- *Low Corporate Overhead.* Our general and administrative expenses per block hour have decreased by more than 35% over the five-year period ended September 30, 2017. We have significantly reduced our overhead costs by operating with a modest administrative and corporate team, offering cost-effective benefit programs and implementing automated solutions to improve efficiency.
- *Competitive Procurement of Certain Operating Functions.* We have long-term maintenance agreements with expirations extending from December 2020 to December 2027 with AAR, GE, StandardAero, Aviall and Bombardier, respectively, to provide parts procurement, inventory and engine, airframe and component overhaul services. We expect that our long-term agreements with these and other strategic vendors will provide predictable high-quality and cost-effective solutions for most maintenance categories over the next several years. In prior periods, we also invested in long-term engine overhauls on certain aircraft, which we believe will reduce related maintenance obligations in future periods.

Advantages in Pilot Recruitment and Retention. We believe that we are well positioned to attract and retain qualified pilot candidates. Following the ratification of our collective bargaining agreements in July 2017, the average number of new pilot applications per month has increased by 43.7% compared to the six months prior to the ratification. In addition, our average pilot attrition has decreased by 12.5% over the same period. We believe that the increased number of new pilot applications per month will continue with the introduction of our CPP with United. In addition to offering competitive compensation, bonuses and benefits, we believe the following elements contribute to our recruiting advantage:

- *Career Path Program.* We recently announced our CPP with United, which is designed to provide our qualified current and future pilots a path to employment as a pilot at United. We believe that our CPP will help us continue to attract qualified pilots, manage natural attrition and further strengthen our decades-long relationship with United.
- *Modern, Large-Gauged Regional Jets*. We exclusively operate large regional aircraft with advanced flight deck avionics. We believe that pilot candidates prefer advanced flight deck avionics because they are similar to those found in the larger commercial aircraft types flown by major airlines.
- *Opportunities for Advancement.* We believe that our career progression is among the most attractive in the regional airline industry. During fiscal 2017, our pilots had the opportunity to be promoted from first officer to captain in as little as 12 months.

- *Stable Labor Relations.* Throughout our long operating history, we believe that we have had constructive relationships with our employees and their labor representatives. We have never been the subject of a labor strike or labor action that materially impacted our operations.
- *Enthusiastic and Supportive Culture.* Our “Pilots Helping Pilots” philosophy helps us attract, retain and inspire our next generation of pilots. Our team-oriented culture, as demonstrated by the mentorship of our senior pilots, is both encouraged and expected. We strive to create an environment for our personnel where open communication is customary and where we celebrate our successes together.

Stable, Long-Term Revenue-Guarantee Capacity Purchase Agreements. We have long-term capacity purchase agreements with American and United that extend beyond 2020 for 95 of our 144 current aircraft (with 34 aircraft expiring between June and December 2019 and 15 aircraft expiring between January and August 2020, if not extended prior to contract expiration). Both of our capacity purchase agreements are “capacity purchase,” rather than revenue sharing arrangements. This contractual structure provides us with a predictable revenue stream and allows us to increase our profit margin to the extent that we are able to lower our operating costs below the costs anticipated by the agreements. In addition, we are not exposed to price fluctuations for fuel, certain insurance expenses, ground operations or landing fees as those costs are either reimbursed under our capacity purchase agreements or paid directly to suppliers by our major airline partners.

Fleet Exclusively Comprised of Large, Efficient Regional Jets. We exclusively operate large regional aircraft with 70+ passenger seats. These aircraft are the highest in demand across the regional airline industry and provide us with best-in-class operating efficiencies, providing our major airline partners greater flexibility in route structuring and increased passenger revenues. As of March 31, 2018, we had 145 aircraft (owned and leased) consisting of the following:

	Embraer Regional Jet-175 (76 seats)	Canadair Regional Jet-700 (70 seats)	Canadair Regional Jet-900 (76-79 seats)	Canadair Regional Jet-200 (50 seats)(1)	Total
American Eagle	—	—	64	—	64
United Express	60	20	—	—	80
Subtotal	60	20	64	—	144
Unassigned	—	—	—	1	1
Total	60	20	64	1	145

(1) CRJ-200 is an operational spare not assigned for service under our capacity purchase agreements.

Longstanding Relationships with American and United. We began flying for United in 1991 and American, through its predecessor entities, in 1992. Since 2013, we have added 26 aircraft to our American Capacity Purchase Agreement and 60 aircraft to our United Capacity Purchase Agreement. We believe that we enjoy strong relationships with our major airline partners.

Strong Recent Record of Operational Performance. In January 2018, the DOT recognized us as the number one regional airline for on-time performance. In addition, we believe that we were the number one regional airline for on-time performance in 2016 and 2017 based on a comparison of our internal data to publicly available DOT data for reporting airlines. Under our capacity purchase agreements, we may receive financial incentives or incur penalties based upon our operational performance, including controllable on-time departures and controllable completion percentages.

Experienced, Long-Tenured Management Team. Our senior management team has extensive operating experience in the regional airline industry. Our Chief Executive Officer and President/Chief

Financial Officer have served us in senior officer positions since 1998, and our management team has helped us navigate through and emerge successfully from bankruptcy in early 2011. Since 2013, we have significantly grown the business in the following ways:

- achieved revenue growth of 55%;
- expanded the number of aircraft flown under our American Capacity Purchase Agreement from 38 to 64;
- expanded the number of aircraft flown under our United Capacity Purchase Agreement from 20 to 80;
- closed the first EETC financing by a regional airline; and
- improved our operating efficiencies and maintained our cost advantage.

Our Business Strategy

Our business strategy consists of the following elements:

Maintain Low Cost Structure. We have established ourselves as a low cost, efficient and reliable provider of regional airline services. We intend to continue our disciplined cost control approach through responsible outsourcing of certain operating functions, by flying large regional aircraft with associated lower maintenance costs and common flight crews across fleet types, and through the diligent control of corporate and administrative costs implementing company-wide efforts to improve our cost position. Additionally, we expect our long-term collective bargaining agreements to protect us from significant labor cost increases over the next four years. These efficiencies, coupled with the low average seniority of our pilots, has enabled us to compete aggressively on price in our capacity purchase agreement negotiations.

Attractive Work Opportunities. We believe our employees have been, and will continue to be, a key to our success. Our ability to attract, recruit and retain pilots has supported our industry-leading fleet growth. We intend to continue to offer competitive compensation packages, foster a positive and supportive work environment and provide opportunities to fly state-of-the-art, large-gauged regional jets to differentiate us from other carriers and make us an attractive place to work and build a career.

Maintain a Prudent and Conservative Capital Structure. We intend to continue to maintain a prudent capital structure. We believe that the strength of our balance sheet and credit profile will enable us to optimize terms with lessors and vendors and, when preferred by our major airline partners, allow us to procure and finance aircraft on competitive terms. Also, once we complete this offering, our financial resources and publicly traded securities may allow us to take advantage of attractive acquisition opportunities should they arise. We may use a portion of the offering proceeds to purchase some of our leased aircraft. The purchase of leased aircraft would allow us to lower our operating costs and avoid lease-related use restrictions and return conditions.

Eliminate Tail Risk. We have structured our aircraft leases and financing arrangements to minimize or eliminate, as much as possible, so-called “tail risk, “ which is the amount of aircraft-related debt or lease obligations existing beyond the term of that aircraft’s corresponding capacity purchase agreement. Maintaining minimal tail risk allows us to avoid lease or finance obligations on aircraft that are no longer in service under a capacity purchase agreement after expiration of the agreement. As of March 31, 2018, we had 18 aircraft with leases extending past the term of their corresponding capacity purchase agreement with an aggregate exposure of less than $33.0 million. We intend to continue to align the terms of our aircraft leases and financing agreements with the terms of our capacity purchase agreements in order to maintain low “tail risk.”

Our Growth Opportunities

During our last five fiscal years, our total operating revenues grew at a compounded annual rate of 11.6% and our fleet size increased from 59 to 140 regional aircraft, a cumulative growth rate of 137%. We believe that our cost discipline, strong operational performance and financial resources will provide additional opportunities to expand our operations, including:

Expand Flying With New and Existing Airline Partners. We enjoy strong relationships with our major airline partners and have significantly expanded our fleet size and flight operations with American and United over the last five years. As the demand for air travel among our major airline partners continues to grow, we expect that our flight services for each major airline partner will similarly increase. In addition, over the next five years, we expect that capacity purchase agreements representing up to 300 aircraft currently flown by our competitors on behalf of major airlines will expire by their terms and be subject to rebidding or replacement by more desirable types of aircraft. We believe that our cost structure and operational efficiencies position us well to compete for this flying. Additionally, we intend to pursue opportunities to provide regional flying to other major airlines, including Delta and Alaska, with hub cities that do not overlap with our existing major airline partners. In addition, if a market for regional flying on behalf of low-cost carriers materializes, we believe that we are well positioned to partner with them, as one of the lowest cost regional airlines in the United States.

Scope Relief. Major airline pilot unions have negotiated so-called “scope clauses” in their labor agreements, which place aircraft size limitations and other restrictions on major airlines’ ability to contract with regional airlines like ours. Greater liberalization of scope clauses generally creates more business opportunities for regional airlines. Since 2001, restrictive “scope clauses” have slowly been relaxed, allowing major airlines more flexibility and additional flying opportunities for regional carriers. We believe that further liberalization of these provisions, were it to occur, would create incremental opportunities for us with our existing and other potential future major airline partners.

Acquisitions of Other Regional Airlines**.** In the future, we may evaluate the strategic acquisition of other regional air carriers. The opportunity to make an acquisition may arise if, for example, a major airline makes a divestiture of a captive regional airline, as major airlines have done in the past.

Opportunities in the Air Cargo and Express Package Sector**.** We believe that our cost structure and business model may be successfully deployed in the burgeoning air cargo and express shipping sectors. Amazon.com and several of the largest integrated logistics companies, including United Parcel Service, Inc., FedEx Corporation and DHL International GmbH, utilize contractual arrangements similar to our capacity purchase agreements with regional air cargo carriers to service outlying areas. We intend to explore future regional air cargo opportunities.

Regulatory Relief. We actively support the efforts of trade organizations, industry leaders, policymakers and other airlines to encourage regulatory reforms related to the current shortage of qualified pilots, lowering the cost of pilot training and providing access to air service for small communities. While the regulatory reform agenda and policies of the current administration are not fully known, it is possible that favorable regulatory changes may take place. We believe that favorable regulatory changes by the current administration, were they to occur, could increase the number of qualified pilots, lower our operating costs and create incremental opportunities for us with our existing and other potential future major airline partners.

Aircraft Fleet

We fly only large regional jets manufactured by Bombardier and Embraer. Operating large regional aircraft allows us to enjoy operational, recruiting and cost advantages over other regional airlines that operate smaller regional aircraft.

The following table lists the aircraft we own and lease as of March 31, 2018:

	Number of Aircraft			
Type of Aircraft	Owned	Leased	Total	Passenger Capacity
E-175 Regional Jet	18	42(1)	60	76
CRJ-900 Regional Jet	39	25	64	76/79
CRJ-700 Regional Jet	8	12	20	70
CRJ-200 Regional Jet	1	—	1	50
Total	66	79	145	

(1) These aircraft are owned by United and leased to us at nominal amounts.

The Bombardier and Embraer regional jets are among the quietest commercial jets currently available and offer many of the amenities of larger commercial jet aircraft, including flight attendant service, a stand-up cabin, overhead and under seat storage, lavatories and in-flight snack and beverage service. The speed of Bombardier and Embraer regional jets is comparable to larger aircraft operated by major airlines, and they have a range of approximately 1,600 miles and 2,100 miles, respectively. We do not currently have any existing arrangements with Bombardier or Embraer to acquire additional aircraft.

Route Network

As of March 31, 2018, we served airports throughout the United States, Canada, Mexico and the Bahamas. Our flight schedules are structured to facilitate the connection of our passengers with the flights of our major airline partners at their hub airports and to maximize local and connecting service to other carriers. Under the American and United Capacity Purchase Agreements, market selection, pricing and yield management functions are performed by our respective major airline partners.

Capacity Purchase Agreements

Our capacity purchase agreements consist of the following:

- Operation of CRJ-900 aircraft under the American Capacity Purchase Agreement; and
- Operation of CRJ-700 and E-175 aircraft under the United Capacity Purchase Agreement.

The financial arrangement underlying the American and United Capacity Purchase Agreements includes a revenue-guarantee arrangement. Under the revenue-guarantee provisions of our capacity purchase agreements, our major airline partners pay us a fixed minimum monthly amount per aircraft under contract, plus additional amounts related to departures and block hours flown. We also receive direct reimbursement of certain operating expenses, including landing fees and insurance. Other expenses, including fuel and ground operations are directly paid to suppliers by our major airline partners. We are in good standing under and in material compliance with the terms of our capacity purchase agreements and enjoy good relationships with our major airline partners.

We benefit from our capacity purchase agreements and revenue guarantees because we are sheltered, to an extent, from some of the elements that cause volatility in airline financial performance, including variations in ticket prices, fluctuations in number of passengers and fuel prices. However, we do not benefit from positive trends in ticket prices (including ancillary revenue programs), the number of passengers enplaned or reductions in fuel prices. Our major airline partners retain all revenue collected from passengers carried on our flights. In providing regional flying under our capacity purchase agreements, we use the logos, service marks and aircraft paint schemes of our major airline partners.

The following table summarizes our ASMs flown and passenger revenue recognized under our capacity purchase agreements for the years ended September 30, 2016 and 2017, and the first quarter of fiscal 2018, respectively:

	Year ended September 30, 2016			Year ended September 30, 2017			Six Months Ended March 31, 2018		
	Available Seat Miles	Contract Revenue	Contract Revenue per ASM	Available Seat Miles	Contract Revenue	Contract Revenue per ASM	Available Seat Miles	Contract Revenue	Contract Revenue per ASM
	(in thousands)			(in thousands)			(in thousands)		
American	4,702,987	$366,911	$ 0.08	4,427,870	$354,614	$ 0.08		$	$
United	4,120,608	$202,462	$ 0.05	5,044,041	$264,084	$ 0.05		$	$
Total	8,823,595	$569,373	$ 0.06	9,471,911	$618,698	$ 0.07		$	$

American Capacity Purchase Agreement

As of March 31, 2018, we operated 64 CRJ-900 aircraft for American under the American Capacity Purchase Agreement. In exchange for providing flight services under the American Capacity Purchase Agreement, we receive a fixed monthly minimum amount per aircraft under contract plus certain additional amounts based upon the number of flights and block hours flown during each month. In addition, we may also receive incentives or incur penalties based upon our operational performance, including controllable on-time departures and controllable completion percentages. American also reimburses us for certain costs on an actual basis, including passenger liability and hull insurance and aircraft property taxes, all as set forth in the American Capacity Purchase Agreement. Other expenses, including fuel and certain landing fees, are directly paid to suppliers by American. In addition, American also provides, at no cost to us, certain ground handling and customer service functions, as well as airport-related facilities and gates at American hubs and cities where we operate.

Our American Capacity Purchase Agreement establishes minimum levels of flight operations. In prior periods, the FAA Qualification Standards have negatively impacted our ability to hire pilots at a rate sufficient to support required utilization levels, and, as a result, we have issued credits to American pursuant to the terms of the American Capacity Purchase Agreement. For our fiscal year ended September 30, 2017, and the six-month period ended March 31, 2018, we issued credits of approximately $5.9 million and $, respectively, under the American Capacity Agreement.

The American Capacity Purchase Agreement will terminate with respect to different tranches of aircraft between 2021 and 2025, unless otherwise extended or amended. American has the option to unilaterally extend the term of the American Capacity Purchase Agreement up to three times for one year each (on the same terms) with respect to certain aircraft by providing us prior written notice. The American Capacity Purchase Agreement is subject to termination prior to that date, subject to our right to cure, in various circumstances including:

- If either American or we become insolvent, file for bankruptcy or fail to pay our debts as they become due, the non-defaulting party may terminate the agreement;
- Failure by us or American to perform the covenants, conditions or provisions of the American Capacity Purchase Agreement, subject to 15 days' notice and cure rights;
- If we are required by the FAA or the DOT to suspend operations and we have not resumed operations within three business days, except as a result of an emergency airworthiness

directive from the FAA affecting all similarly equipped aircraft, American may terminate the agreement;

- If our controllable flight completion factor falls below certain levels for a specified period of time, subject to our right to cure; or
- Upon a change in our ownership or control without the written approval of American.

In the event that American has the right to terminate the American Capacity Purchase Agreement, American may, in lieu of termination, withdraw up to an aggregate of 14 aircraft from service under the American Capacity Purchase Agreement. Upon any such withdrawal, American's payments to us would be correspondingly reduced by the number of withdrawn aircraft.

As of March 31, 2018, American held 21.9% of our outstanding common stock (or 10.6% on a fully diluted basis). We entered into a Shareholders' Agreement and an Investor Rights Agreement on March 1, 2011 with US Airways, Inc., which later assigned its rights and obligations thereunder by operation of law to American Airlines, Inc. following the merger of US Airways, Inc. and American Airlines, Inc. See "*Certain Relationships and Related Party Transactions—Shareholders' Agreement"* and *"Description of Capital Stock—Registration Rights.*"

United Capacity Purchase Agreement

As of March 31, 2018, we operated 20 CRJ-700 and 60 E-175 aircraft for United under the United Capacity Purchase Agreement. In exchange for providing the flight services under the United Capacity Purchase Agreement, we receive a fixed monthly minimum amount per aircraft under contract plus certain additional amounts based upon the number of flights and block hours flown and the results of passenger satisfaction surveys. United also reimburses us for certain costs on an actual basis, including property tax per aircraft and passenger liability insurance. Other expenses, including fuel and certain landing fees, are directly paid to suppliers by United. We also receive a minimum profit margin based upon our operational performance. Under the United Capacity Purchase Agreement, United has purchased 42 of the 60 E-175 aircraft and leases them to us at nominal amounts. United reimburses us on a pass-through basis for all costs related to heavy airframe and engine maintenance, landing gear, APUs and component maintenance for the 42 E-175 aircraft owned by United.

The United Capacity Purchase Agreement permits United, subject to certain conditions, including the payment of certain costs tied to aircraft type, to terminate the agreement in its discretion, or remove aircraft from service, by giving us notice of 90 days or more. In February 2018, we mutually agreed with United to temporarily remove two aircraft from service under our United Capacity Purchase Agreement until we are able to fully staff flight operations. During the temporary removal, we agreed to pay the lease costs associated with the two E-175 aircraft, which totaled as of March 31, 2018. If United elects to terminate the United Capacity Purchase Agreement in its entirety or permanently remove select aircraft from service, we are permitted to return any of the affected E-175 aircraft leased from United at no cost to us. In addition, if United removes any of our 18 owned E-175 aircraft from service at its direction, United would remain obligated to assume the debt with respect to such aircraft through the end of the term of the agreement.

Our United Capacity Purchase Agreement expires between June and December 2019 with respect to 34 CRJ-700 and E-175 aircraft, between January and August 2020 with respect to 15 E-175 aircraft, and between 2021 and 2028 with respect to 31 of our E-175 aircraft, subject to United's early termination rights and right to extend (on the same terms) for a total of four additional two-year terms. We intend to work with United to extend the United Capacity Purchase Agreement with respect to these aircraft, but there can be no assurance that we will be able to extend the agreement at acceptable rates, on acceptable terms, or at all.

The United Capacity Purchase Agreement is subject to early termination under various circumstances including:

- By United if certain operational performance factors fall below a specified percentage for a specified time, subject to notice under certain circumstances;
- By United if we fail to perform the material covenants, agreements, terms or conditions of the United Capacity Purchase Agreement or similar agreements with United, subject to thirty (30) days' notice and cure rights;
- If either United or we become insolvent, file bankruptcy or fail to pay debts when due, the non-defaulting party may terminate the agreement; or
- By United if we merge with, or if control of us is acquired by another air carrier or a corporation directly or indirectly owning or controlling another air carrier.

Maintenance and Repairs

A key element of our business and low-cost strategy is the responsible outsourcing of certain aircraft maintenance and other operating functions. We use competitive bidding among qualified vendors to procure these services on the best possible terms. In March 2014, August 2015 and January 2017, we entered into long-term maintenance contracts with AAR to provide fixed-rate parts procurement and component overhaul services for our aircraft fleet. Under these agreements, AAR provides maintenance and engineering services on any aircraft that we designate during the term of the agreement, along with access to spare parts inventory pool in exchange for a fixed monthly fee. Our agreements with AAR expire in 2026, unless earlier terminated for cause. We have not experienced difficulty obtaining spare parts on a timely basis for our aircraft fleet. As of September 30, 2017, $50.8 million of parts inventory was consigned to us by AAR under long-term contracts that is not reflected on our balance sheet.

In July 2012, we entered into a heavy check maintenance contract with Bombardier, to perform heavy check maintenance on our CRJ-700 and CRJ-900 aircraft, which extends through November 2020.

In July 2013, we entered into an engine maintenance contract with GE to perform heavy maintenance on certain CRJ-700 and CRJ-900 engines based on a fixed pricing schedule. The pricing may escalate annually in accordance with the GE Engine Services' spare parts catalog for engines. The engine maintenance contract extends through 2024.

In 2014, we entered into a ten-year contract with Aviall to provide maintenance and repair services on the wheels, brakes and tires of our CRJ-700 and CRJ-900 aircraft. Under the agreement, we pay Aviall a fixed "cost per landing" fee for all landings of our aircraft during the term of the agreement, which fee is subject to annual adjustment based on increases in the cost of labor and component parts. As of September 30, 2017, $7.0 million of parts inventory was consigned to us by Aviall under long-term contracts that is not reflected on our balance sheet.

We entered into an engine maintenance contract with StandardAero, which became effective on June 1, 2015, to perform heavy maintenance on certain CRJ-700 and CRJ-900 engines based on a fixed pricing schedule. The pricing may escalate annually in accordance with the GE Engine Services' spare parts catalog for engines. The engine maintenance contract extends through 2020.

Apart from our outsourcing of certain maintenance functions, we have a FAA mandated and approved maintenance program. Our maintenance technicians undergo extensive initial and recurrent training. Aircraft maintenance and repair consists of routine and non-routine maintenance, and work performed is divided into three general categories: line maintenance, heavy maintenance and component service.

Line maintenance consists of routine daily and weekly scheduled maintenance checks on our aircraft. We categorize our line maintenance into four stations and each line maintenance station is categorized by the scope and complexity of work performed. Line maintenance is performed in Dallas, Houston, Phoenix and Washington, D.C. and represents the majority of and most extensive maintenance we perform.

Major airframe maintenance checks consist of a series of more complex tasks that can take from one to four weeks to accomplish and typically are required approximately every months. Engine overhauls and engine performance restoration events are quite extensive and can take two months. We maintain an inventory of spare engines to provide for continued operations during engine maintenance events. We expect to begin the initial planned engine maintenance overhauls on our new engine fleet approximately four to six years after the date of manufacture and introduction into our fleet, with subsequent engine maintenance every four to six years thereafter. Due to our current fleet size, we believe outsourcing all of our heavy maintenance, engine restoration and major part repair, is more economical than performing this work using our internal maintenance team.

Competition

We consider our competition to be those U.S. regional airlines that currently hold or compete for capacity purchase agreements with major airlines. Our competition includes, therefore, nearly every other domestic regional airline, including Air Wisconsin Airlines Corporation ("Air Wisconsin"); Endeavor (owned by Delta); Envoy, PSA and Piedmont (Envoy, PSA and Piedmont are owned by American); Horizon (owned by Alaska Air Group, Inc.); SkyWest Inc., parent of SkyWest Airlines, Inc. and ExpressJet Airlines, Inc. (collectively, "SkyWest"); Republic Airways Holdings Inc. ("Republic"); and Trans States Airlines, Inc. ("Trans States"). Our primary competitors are listed below:

Regional Airline[1]	2016 Passengers Enplaned	Ownership	Estimated Large Regional Aircraft in Service (greater than 50 seats)	Estimated Small Regional Aircraft in Service (50 seats or less)
SkyWest, parent of SkyWest Airlines and ExpressJet Airlines	53,518,235	Publicly traded	288	307
American Airlines Group, parent of PSA, Envoy and Piedmont regional airlines	26,161,882	Captive subsidiary of American	159	173
Republic	17,090,399	Private; majority owned by American, Delta and United	189	0
Trans States Holdings, parent of Compass, GoJet and Trans States regional airlines	14,688,699	Privately owned	110	51
Mesa Air Group	13,065,404	Publicly traded, following this transaction; 21.9% owned by American[2]	144	1
EndeavorAir	10,977,002	Captive subsidiary of Delta	93	50
HorizonAir	7,801,880	Captive subsidiary of Alaska	59	0
Air Wisconsin	5,395,587	Privately owned	0	65
CommutAir	1,341,379	Private, 40% owned by United	0	22

(1) Certain smaller independent regional airlines with some code-share or capacity purchase relationships with major airlines have been excluded due to size.
(2) Ownership reflected on a fully-diluted basis as of March 31, 2018. On a fully diluted basis, American's ownership as of March 31, 2018 was 10.6%.

Major airlines typically offer capacity purchase arrangements to regional airlines on the basis of the following criteria: availability of labor resources; proposed contract economic terms; reliable and on-time flight operations; corporate financial resources including ability to procure and finance aircraft; customer service levels; and other factors.

Certain of our competitors are larger and have significantly greater financial and other resources than we do. Moreover, economic downturns, combined with competitive pressures, have contributed to a number of reorganizations, bankruptcies, liquidations and business combinations among major and regional carriers. The effect of economic downturns is somewhat mitigated by our reliance on capacity purchase agreements with revenue-guarantee provisions, but the renewal and continued profitability of these partnerships with our major airline partners is not guaranteed.

Aircraft Fuel

Our capacity purchase agreements provide that our major airline partners source, procure and directly pay third-party vendors for all fuel used in the performance of those agreements. Accordingly, we do not recognize fuel expenses or revenues for flying under our capacity purchase agreements and we face very limited exposure to fuel price fluctuations.

Insurance

We maintain insurance policies we believe are of types customary in the airline industry and as required by the DOT, lessors and other financing parties and our major airline partners under the terms of our capacity purchase agreements. The policies principally provide liability coverage for public and passenger injury; damage to property; loss of or damage to flight equipment; fire; auto; directors' and officers' liability; advertiser and media liability; cyber risk liability; fiduciary; workers' compensation and employer's liability; and war risk (terrorism). Although we currently believe our insurance coverage is adequate, we cannot assure you that the amount of such coverage will not be changed or that we will not be forced to bear substantial losses from accidents.

Employees

As of March 31, 2018, we employed approximately 3,220 employees, consisting of 1,268 pilots or pilot recruits, 1,162 flight attendants, 67 flight dispatchers, 261 mechanics and 3,250 employees in administrative roles. Our continued success is partly dependent on our ability to continue to attract and retain qualified personnel. We have never been the subject of a labor strike or labor action that materially impacted our operations.

FAA regulations require pilots to have an ATP license with specific ratings for the aircraft to be flown, and to be medically certified as physically fit to fly. FAA and medical certifications are subject to periodic renewal requirements including recurrent training and recent flying experience. Mechanics, quality-control inspectors, and flight dispatchers must be certificated and qualified for specific aircraft. Flight attendants must have initial and periodic competency training and qualification. Training programs are subject to approval and monitoring by the FAA. Management personnel directly involved in the supervision of flight operations, training, maintenance, and aircraft inspection must also meet experience standards prescribed by FAA regulations. All safety-sensitive employees are subject to pre-employment, random, and post-accident drug testing.

The airline industry has from time to time experienced a shortage of qualified personnel, particularly with respect to pilots and maintenance technicians. In addition, as is common with most of our competitors, we have faced considerable turnover of our employees. Regional airline pilots, flight attendants and maintenance technicians often leave to work for larger airlines, which generally offer higher salaries and better benefit programs than regional airlines are financially able to offer. During fiscal 2017, we experienced higher than average turnover as a result of pilot wage increases at certain other regional air carriers and expanded hiring by major carriers. Should the turnover of employees, particularly pilots, sharply increase, the result will be significantly higher training costs than otherwise would be necessary and we may need to request a reduced flight schedule with our major airline partners, which may result in operational performance penalties under our capacity purchase agreements. We cannot assure you that we will be able to recruit, train and retain the qualified employees that we need to carry out our expansion plans or replace departing employees.

As of March 31, 2018, approximately 75.8% of our employees were represented by labor unions under collective-bargaining agreements, as set forth below. No other employees of ours or our subsidiaries are parties to any other collective bargaining agreement or union contracts.

Employee Groups	Number of Employees	Representative	Labor Agreement Expiration
Pilots	1,268	Air Line Pilots Association (ALPA)	7/13/2021(1)
Flight Attendants	1,162	Association of Flight Attendants (AFA-CWA)	10/1/2021(2)
Dispatchers	67	N/A	
Mechanics	261	N/A	
Administrative	3,250	N/A	

(1) On July 13, 2017, our pilots ratified a new 4-year collective bargaining agreement.
(2) On October 1, 2017, our flight attendants also ratified a new 4-year collective bargaining agreement.

The RLA governs our relations with labor organizations. Under the RLA, the collective bargaining agreements generally do not expire, but instead become amendable as of a stated date. If either party wishes to modify the terms of any such agreement, they must notify the other party in the manner agreed to by the parties. Under the RLA, after receipt of such notice, the parties must meet for direct negotiations, and if no agreement is reached, either party may request the NMB to appoint a federal mediator. The RLA prescribes no set timetable for the direct negotiation and mediation process. It is not unusual for those processes to last for many months, and even for a few years. If no agreement is reached in mediation, the NMB in its discretion may declare at some time that an impasse exists, and if an impasse is declared, the NMB proffers binding arbitration to the parties. Either party may decline to submit to arbitration. If arbitration is rejected by either party, a 30-day “cooling off” period commences. During that period (or after), a Presidential Emergency Board (“PEB”) may be established, which examines the parties’ positions and recommends a solution. The PEB process lasts for 30 days and is followed by another “cooling off” period of 30 days. At the end of a “cooling off” period, unless an agreement is reached or action is taken by Congress, the labor organization may strike and the airline may resort to “self-help,” including the imposition of any or all of its proposed amendments and the hiring of new employees to replace any striking workers. Congress and the President have the authority to prevent “self-help” by enacting legislation that, among other things, imposes a settlement on the parties. The table above sets forth our employee groups and status of the collective bargaining agreements.

Safety and Security

We are committed to the safety and security of our passengers and employees. We have taken many steps, both voluntarily and as mandated by governmental authorities, to increase the safety of our operations. Some of the safety and security measures we have taken with our major airline partners include: aircraft security and surveillance, positive bag matching procedures, enhanced passenger and baggage screening and search procedures, and securing of cockpit doors. We are committed to complying with future safety and security requirements.

Our ongoing focus on safety relies on training our employees to proper standards and providing them with the tools and equipment they require so they can perform their job functions in a safe and efficient manner. Safety in the workplace targets several areas of our operation including: dispatch, flight operations and maintenance.

The TSA and the U.S. Customs and Border Protection, each a division of the U.S. Department of Homeland Security, are responsible for certain civil aviation security matters, including passenger and baggage screening at U.S. airports, and international passenger prescreening prior to entry into or departure from the U.S. international flights are subject to customs, border, immigration and similar requirements of equivalent foreign governmental agencies. We are currently in compliance with all directives issued by such agencies. We maintain active, open lines of communication with the TSA at all of our locations to ensure proper standards for security of our personnel, equipment and facilities are exercised throughout the operation.

Facilities

In addition to aircraft, we have office and maintenance facilities to support our operations. Each of our facilities are summarized in the following table:

Type	Location	Ownership	Approximate Square Feet
Corporate Headquarters	Phoenix, Arizona	Leased	33,770
Office, Hangar and Warehouse	El Paso, Texas	Leased	31,292
Warehouse	Dulles, Washington	Leased	1,475
Hangar	Houston, Texas	Leased	74,524
Parts/Stores	Phoenix, Arizona	Leased	12,000
Training Center	Phoenix, Arizona	Leased	23,783
Hangar	Phoenix, Arizona	Leased	22,467
Warehouse	Tucson, Arizona	Leased	4,676
Warehouse	Dallas, Texas	Leased	3,420
Hangar	Dulles, Washington	Leased	27,235
Crew Lounge	Louisville, Kentucky	Leased	1,171
Crew Lounge	Dulles, Washington	Leased	1,834

Our corporate headquarters and training facilities in Phoenix, Arizona are subject to long-term leases expiring on November 30, 2025 and May 31, 2025, respectively.

We believe our facilities are suitable and adequate for our current and anticipated needs.

Foreign Ownership

Under DOT regulations and federal law, we must be owned and controlled by U.S. citizens. The restrictions imposed by federal law and regulations currently require that at least 75% of our voting stock must be owned and controlled, directly and indirectly, by persons or entities who are U.S.

citizens, as defined in the Federal Aviation Act, that our president and at least two-thirds of the members of our Board of Directors and other managing officers be U.S. citizens, and that we be under the actual control of U.S. citizens. In addition, at least 51% of our total outstanding stock must be owned and controlled by U.S. citizens and no more than 49% of our stock may be held, directly or indirectly, by persons or entities who are not U.S. citizens and are from countries that have entered into "open skies" air transport agreements with the U.S. which allow unrestricted access between the United States and the applicable foreign country and to points beyond the foreign country on flights serving the foreign country. We are currently in compliance with these ownership provisions. As of March 31, 2018, there were outstanding warrants to purchase shares of our common stock, with an exercise price of $0.01 per share, held by persons who are not U.S. citizens. The warrants are not exercisable in violation of the restrictions imposed by federal law requiring that no more than 24.9% of our stock be voted, directly or indirectly, or controlled by persons who are not U.S. citizens. For a discussion of the procedures we instituted to ensure compliance with these foreign ownership rules, see "*Description of Capital Stock—Anti-Takeover Provisions of Our Articles of Incorporation, Bylaws and Nevada Law—Limited Ownership and Voting by Foreign Owners*."

Government Regulation

Aviation Regulation

The DOT and FAA have regulatory authority over air transportation in the United States. The DOT has authority to issue certificates of public convenience and necessity, exemptions and other economic authority required for airlines to provide domestic and foreign air transportation. International routes and international code-sharing arrangements are regulated by the DOT and by the governments of the foreign countries involved. A U.S. airline's ability to operate flights to and from international destinations is subject to the air transport agreements between the United States and the foreign country and the carrier's ability to obtain the necessary authority from the DOT and the applicable foreign government.

The U.S. government has negotiated "open skies" agreements with many countries, which allow broad access between the United States and the applicable foreign country. With certain other countries, however, the United States has a restricted air transportation agreement. Our international flights to Mexico are governed by a recently implemented liberalized bilateral air transport agreements which the DOT has determined has all of the attributes of an "open skies" agreement. Our flights to Canada and the Bahamas are governed by bilateral air transport agreements between the United States and such countries. Changes in U.S., Mexico, Canadian or Bahamian aviation policies could result in the alteration or termination of the corresponding air transport agreement, diminish the value of our international route authorities or otherwise affect our operations to/from these countries.

The FAA is responsible for regulating and overseeing matters relating to the safety of air carrier flight operations, including the control of navigable air space, the qualification of flight personnel, flight training practices, compliance with FAA airline operating certificate requirements, aircraft certification and maintenance requirements and other matters affecting air safety. The FAA requires each commercial airline to obtain and hold an FAA air carrier certificate. We currently hold an FAR-121 air carrier certificate.

Airport Access

Flights at three major domestic airports are regulated through allocations of landing and takeoff authority (i.e., "slots" and "operating authorizations") or similar regulatory mechanisms, which limit take-offs and landings at those airports. Each slot represents the authorization to land at or take off from the particular airport during a specified time period. In the United States, the FAA currently regulates the

allocation of slots, slot exemptions, operating authorizations or similar capacity allocation mechanisms at two of the airports we serve, Ronald Reagan Washington National Airport (DCA) in Washington, D.C. and New York's LaGuardia Airport (LGA). In addition, John Wayne Airport (SNA) in Orange County, California, has a locally imposed slot system. Our operations at these airports generally require the allocation of slots or analogous regulatory authorizations, which are obtained by our major airline partners.

Consumer Protection Regulation

The DOT also has jurisdiction over certain economic issues affecting air transportation and consumer protection matters, including unfair or deceptive practices and unfair methods of competition, lengthy tarmac delays, air carriers, airline advertising, denied boarding compensation, ticket refunds, baggage liability, contracts of carriage, customer service commitments, customer complaints and transportation of passengers with disabilities. The DOT frequently adopts new consumer protection regulations, such as rules to protect passengers addressing lengthy tarmac delays, chronically delayed flights, capacity purchase disclosure and undisclosed display bias, and is reviewing new guidelines to address the transparency of airline non-ticket fees and refunding baggage fees for delayed checked baggage. The DOT also has authority to review certain joint venture agreements, code-sharing agreements (where an airline places its designator code on a flight operated by another airline) and wet-leasing agreements (where one airline provides aircraft and crew to another airline) between carriers and regulates other economic matters such as slot transactions.

Environmental Regulation

We are subject to various federal, state, local and foreign laws and regulations relating to environmental protection matters. These laws and regulations govern such matters as environmental reporting, storage and disposal of materials and chemicals and aircraft noise. We are, and expect in the future to be, involved in various environmental matters and conditions at, or related to, our properties. We are not currently subject to any environmental cleanup orders or actions imposed by regulatory authorities. We are not aware of any active material environmental investigations related to our assets or properties.

Other Regulations

Airlines are also subject to various other federal, state, local and foreign laws and regulations. For example, the U.S. Department of Justice has jurisdiction over certain airline competition matters. Labor relations in the airline industry are generally governed by the RLA. The privacy and security of passenger and employee data is regulated by various domestic and foreign laws and regulations.

The U.S. government and foreign governments may consider and adopt new laws, regulations, interpretations and policies regarding a wide variety of matters that could directly or indirectly affect our results of operations. We cannot predict what laws, regulations, interpretations and policies might be considered in the future, nor can we judge what impact, if any, the implementation of any of these proposals or changes might have on our business.

Legal Proceedings

We are subject to commercial and employment litigation claims and to administrative and regulatory proceedings and reviews. We currently believe that the ultimate outcome of such claims, proceedings and reviews will not, individually or in the aggregate, have a material adverse effect on our financial position, liquidity or results of operations. Additionally, from time to time we are subject to legal proceedings and regulatory oversight in the ordinary course of our business.

MANAGEMENT

The following table provides information regarding our executive officers and directors as of March 31, 2018:

Name	Age	Position(s)
Executive Officers and Employee Directors		
Jonathan G. Ornstein	61	Chairman of the Board and Chief Executive Officer
Michael J. Lotz	58	President and Chief Financial Officer
Brian S. Gillman	49	Executive Vice President, General Counsel and Secretary
Michael L. Ferverda	74	Chief Operating Officer
Non-Employee Directors		
Daniel J. Altobello(2)(3)	77	Director
Ellen N. Artist(1)	62	Director
Mitchell Gordon(1)	61	Director
Dana J. Lockhart(1)	71	Director
G. Grant Lyon(2)(3)	55	Director
Giacomo Picco	41	Director
Harvey Schiller(2)	79	Director
Don Skiados(3)	72	Director

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Corporate Governance/Nominating Committee.

The following are brief biographies for each current executive officer and employee director and each non-employee director. When we refer to any of such persons' service, to our company we are referring to service to Mesa Air Group, Inc. as well as our wholly owned subsidiaries, Mesa Airlines and MAG-AIM.

Executive Officers and Employee Directors

Jonathan G. Ornstein serves as our Chairman and Chief Executive Officer, and has been with us since being named President in 1998, and Chairman of the board in 1999. Mr. Ornstein co-founded Virgin Express S.A./N.V., an airline in Brussels, Belgium, where he served as chief executive officer and chairman from 1995 until 1999. In 1994, Mr. Ornstein served as chief executive officer of Continental Express, and was later named senior vice president of airport services for Continental Airlines. Mr. Ornstein's first tenure with us was from 1988 to 1994, serving as our Executive Vice President and President of our then-wholly owned subsidiary. Mr. Ornstein began his career in aviation in 1986 with AirLA, a commuter airline in Los Angeles. Mr. Ornstein attended the University of Pennsylvania.

Michael J. Lotz serves as our President and Chief Financial Officer, and has been with us since 1998, serving as President since 2000. In 1999, Mr. Lotz was named our Chief Operating Officer and served as Chief Financial Officer during that time, after joining us in 1998 as a consultant. From 1995 to 1998, Mr. Lotz worked with Mr. Ornstein, first at Continental Express as senior director of purchasing, later as vice president of airport operations, and then at Virgin Express S.A./N.V.in Brussels as chief operating officer, where the two eventually took the company public. From 1987 to 1995, Mr. Lotz served in various roles at Continental Airlines, ultimately serving as senior director of contract services and airport administration. Mr. Lotz received a B.B.A in financial accounting from Iona College.

Brian S. Gillman has served as our Executive Vice President, General Counsel and Secretary since 2013. From February 2011 to September 2013, Mr. Gillman served as executive vice president and general counsel at Global Aviation Holdings Inc. From 2001 to February 2011, Mr. Gillman served as our Executive Vice President and General Counsel. From 1996 to 2001, Mr. Gillman was vice president, general counsel and secretary at Vanguard Airlines, Inc. in Kansas City, Missouri. From 1994 to 1996, Mr. Gillman practiced corporate and securities law at Stinson, Mag & Fizzell, P.C. (now known as Stinson Leonard Street LLP) in Kansas City, Missouri. Mr. Gillman received his J.D. and B.B.A. in accounting from the University of Iowa.

Michael L. Ferverda serves as our Chief Operating Officer, and has served in a wide range of capacities across our senior management team. From 2007 to 2009, Mr. Ferverda served as chief operating officer, director of operations and chief pilot of Kunpeng Airlines, which was, at the time, our joint venture with Shenzhen Airlines, in China. Mr. Ferverda previously served as president of Freedom Airlines in 2002 and senior vice president of West Coast operations in February 2003. From 1973 to 1989, after serving as an aviator in the United States Navy, Mr. Ferverda was a pilot for Eastern Airlines. Mr. Ferverda received a B.A. in political science from Indiana University.

Non-Employee Directors

Daniel J. Altobello has served as a member of our Board of Directors since January 1998. Mr. Altobello is the retired director and chairman of Onex Food Services, Inc., the parent corporation of Caterair International, Inc., and LSG/SKY Chefs. From 1989 to 1995, Mr. Altobello served as chairman, president and chief executive officer of Caterair International Corporation. From 1979 to 1989, he held various managerial positions with the food service management and in-flight catering divisions of Marriott Corporation, including executive vice president of Marriott Corporation and president of Marriott Airport Operations Group. Mr. Altobello began his management career at Georgetown University as vice president of administration services. He is a member of the board of directors of Arlington Asset Investment Corporation (NYSE: AI), DiamondRock Hospitality Company (NYSE: DRH), Northstar Healthcare Income Inc. (NYSE: NSAM), and Mancini Holdings. Mr. Altobello also serves as a trustee of Loyola Foundation, Inc. Mr. Altobello is a member of the Compensation Committee and the Corporate Governance/Nominating Committee. We believe Mr. Altobello is qualified to serve on our Board of Directors due to his experience in the air transportation industry and his general and airline business experience.

Ellen N. Artist has served as a member of our Board of Directors since March 2011. Ms. Artist has more than 35 years of experience in aviation finance as a bankruptcy trustee, financial advisor, financial principal and commercial lender. Ms. Artist led the out-of-court restructuring of lease and loan obligations for both Independence Air and American Airlines. During the course of her career, Ms. Artist has been involved in more than $10 billion in aviation, debt, equity and lease placements. Ms. Artist was formerly a founding partner at both The Seabury Group, LLC, from 1996 to 2002, and Sky Works Capital, LLC, from 2002 to 2005, two investment banking boutiques specializing in aviation activities. Other areas of expertise for Ms. Artist include claims resolution, trust accounting, litigation and interaction with counsel. Ms. Artist is a graduate of Northwestern University with a B.A. in Economics and received an M.B.A. with distinction from New York University. Ms. Artist is the chair of the Audit Committee. We believe Ms. Artist is qualified to serve on our Board of Directors due to her experience in the aviation industry, her financial expertise and general business expertise.

Mitchell Gordon has served as a member of our Board of Directors since March 2011. Mr. Gordon has more than 30 years of experience in transportation, finance and general business management. He is the chief executive officer of Edition Capital Partners, a merchant banking firm. He was the president and chief financial officer of Cambridge Capital Acquisition Corporation (Nasdaq: CAMB), a special purpose acquisition company that focused on supply chain, logistics and transportation

companies, from 2013 to 2015. Mr. Gordon served as president of Morpheus Capital Advisors, a leading merchant banking firm serving middle market companies, from 2003 to 2013. From 1998 to 2000, Mr. Gordon served as chief financial officer, executive vice president and a member of the Office of the President of Interpool (NYSE: IPX), one of the world's largest lessors of transportation equipment. Prior to joining Interpool, Mr. Gordon founded and was president of Atlas Capital Partners from 2000 to 2003 and was managing director and co-head of Salomon Smith Barney's transportation investment banking group. Mr. Gordon's background also includes serving as senior vice president and head of the transportation and automotive groups at Furman Selz as well as vice president of investment banking at Needham & Company. Mr. Gordon has served on the boards of Interpool, Indigo Aviation (NSE: INDIGO), Merchants Fleet and Almedica, Inc. He has served on numerous nonprofit boards and is currently the chair of the Hunter College Community Advisory Board. Mr. Gordon holds a B.S.B.A. from Washington University and an M.B.A. from Harvard Business School. Mr. Gordon is a member of the Audit Committee. We believe Mr. Gordon is qualified to serve on our Board of Directors due to his experience in the transportation industry, his financial expertise and his general business experience.

Dana J. Lockhart has served as a member of our Board of Directors since March 2011. Mr. Lockhart is an independent contractor offering advisory services in financing and procurement of civil aircraft, capital markets and in- and out-of-court restructuring. Mr. Lockhart joined Lockheed Corporation while in college and in 1979 became a founding executive of Lockheed Finance Corporation. In 1982, he was recruited to develop and manage Fairchild Industries' new captive subsidiary responsible for sales financing of the company's regional aircraft. In 1987, Mr. Lockhart joined Airbus Americas as a sales finance negotiator, assuming management of the sales finance team in 1989. Mr. Lockhart was promoted to chief financial officer of Airbus Americas in 2002. Between 2008 and 2009, he led the capital markets function of GMT Global Republic Aviation. Since 2009, Mr. Lockhart has provided financial consulting services through his company DJL Advisors, LLC. Mr. Lockhart holds a B.S.B.A. in business administration from California State University and an M.B.A. from Pepperdine University. Mr. Lockhart is a member of the Audit Committee. We believe Mr. Lockhart is qualified to serve on our Board of Directors due to his experience in our industry with airlines and aircraft manufactures.

G. Grant Lyon has served as a member of our Board of Directors since March 2011. Mr. Lyon has more than 20 years of distressed management experience and has served as a financial advisor for numerous corporate restructuring engagements. Mr. Lyon's expertise includes out-of-court restructuring, claims analysis, securities valuation, debtor-in-possession financing, solvency analysis, litigation support and serving as a liquidation trustee. From 2006 to 2015, he was the managing director of Odyssey Capital Group, LLC, a financial advisory firm. From 2015 to 2017, he served as a consultant for KRyS Global USA, a fraud investigation, dispute resolution and corporate recovery firm. Since January 2018, he has served as the managing director of Atera Capital. Lyon holds a B.S. in accounting and an M.B.A. from Brigham Young University and is a Certified Public Accountant. Mr. Lyon is a member of the Compensation Committee and the Corporate Governance/Nominating Committee. We believe Mr. Lyon is qualified to serve on our Board of Directors due to his financial expertise and general business experience.

Giacomo Picco has served as a member of our Board of Directors since August 2016. He is a partner at Sound Point Capital Management LP ("Sound Point"), an asset management firm specializing in credit strategies, where he serves as co-portfolio manager of the Strategic Capital Fund and head of corporate solutions for the firm. He focuses on sourcing and structuring directly originated loans for companies requiring immediate liquidity or complex financing solutions. Mr. Picco also serves as a member of the investment committee for the Sound Point Beacon Fund and the Sound Point Credit Opportunities Fund. Prior to joining Sound Point, Mr. Picco was a partner at KS Management Corp., an event-driven hedge fund, from 2005 to 2014. Before becoming a partner there, Mr. Picco served as co-head of research. From 2001 to 2002, Mr. Picco was an associate at the Carlyle Group (Nasdaq: CG),

where he worked on leveraged buyout transactions. From 1991 to 2001, he worked at Lazard Fréres & Co. as a banker in their mergers and acquisitions group. Mr. Picco also serves on the board of directors of OmniMax International, Inc. and was appointed to be the independent non-executive chairman of Seismic Library Enterprises LLC, which operates a seismic mapping library, by Morgan Stanley Smith Barney. Mr. Picco serves as a guest lecturer for Columbia Business School's Value Investing Program and for its Private Equity Program. He serves on the investment committee for the Resurrection Episcopal Day School in New York City. Mr. Picco holds a B.A. from Columbia University and an M.B.A. from Harvard Business School. We believe Mr. Picco is qualified to serve on our Board of Directors due to his financial expertise and general business experience.

Brigadier General Harvey Schiller, USAF, Ret., has served as a member of our Board of Directors since March 2011. He has a varied history of experience that includes a decorated military career as a pilot to various leadership positions in business and sports. Mr. Schiller previously served as the president of Turner Sports (from 1994 to 2000), the Atlanta Thrasher NHL Club (from 1997 to 2000), executive director of the U.S. Olympic Committee (from 1990 to 1994), commissioner of the Southeastern Conference (from 1986 to 1990), and chairman of the security company Global Options Group (from 2004 to 2012). He has served on the national board of directors for the Boys and Girls Clubs and as director of IDT Corporation. Mr. Schiller was appointed as permanent professor at the United States Air Force Academy and the White House Commission on Presidential Scholars. Mr. Schiller is a graduate of The Citadel and earned a PhD in Chemistry from the University of Michigan. We believe Mr. Schiller is qualified to serve on our Board of Directors due to his extensive general business experience.

Don Skiados has served as a member of our Board of Directors since March 2011. Mr. Skiados is currently the president of Leadership Communication & Training (“LCT”), an aviation industry consulting company with a focus on advising boards of directors on proper governance procedures, management and labor relations and strategic planning. Prior to retiring in June 2009, Mr. Skiados served as the executive director of the Air Line Pilots Association (“ALPA”), the world’s largest pilots’ union. He had previously served as the ALPA’s director of communication and was continuously employed by ALPA for 40 years. Mr. Skiados is the recipient of the Paul Whalen Education Award for his role in the formation of the Council on Aviation Accreditation (“CAA”, now known as the Aviation Accreditation Board International (“AABI”)) and the Richard W. Taylor Industry Award, which is presented annually to a member of AABI who volunteers time and effort to further the goals of that organization. Mr. Skiados has successfully completed the Wharton Executive Development Program at the Wharton School, University of Pennsylvania, and attended the University of Maryland. Mr. Skiados serves as Chair of the Corporate Governance/Nominating Committee. We believe Mr. Skiados is qualified to serve on our Board of Directors due to his corporate governance expertise, labor and management expertise and general and airline business experience.

Board Composition

Our business and affairs are managed under the direction of our Board of Directors. The number of directors will be fixed by our Board of Directors, subject to the terms of our amended and restated articles of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of this offering. Our Board of Directors is presently comprised of nine members.

If authorized by a resolution of our Board of Directors, directors may be elected to fill any vacancy on the Board of Directors, regardless of how such vacancy shall have been created. Newly created directorships, resulting from any increase in the number of authorized directors, or from any vacancy in the Board of Directors, may be filled only by a majority vote of the directors then in office, though less than a quorum, or by the sole remaining director, or, to the extent required by the amended and restated articles of incorporation or if there are no directors, by the shareholders, and directors so

chosen shall hold office until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors shall shorten the term of any incumbent director.

Director Independence

With the assistance of legal counsel, the Board of Directors has determined that each of the members of the Board of Directors, except Mr. Ornstein, is currently an "independent director" for purposes of the Nasdaq Listing Rules and Rule 10A-3(b)(1) under the Exchange Act, as the term applies to membership on the Board of Directors and the various committees of the Board. Nasdaq's independence definition includes a series of objective tests, such as that the director has not been our employee within the past three years and has not engaged in various types of business dealings with us. In addition, as further required by Nasdaq rules, our Board of Directors has made an affirmative subjective determination as to each independent director that no relationships exist which, in the opinion of our Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, our Board of Directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities as they may relate to us and our management. On an annual basis, each director and executive officer is obligated to complete a director and officer questionnaire that requires disclosure of any transactions with us in which the director or officer, or any member of his or her family, has a direct or indirect material interest.

Family Relationships

There are no family relationships among any of our directors or executive officers.

Board Committees

Our Board of Directors has established the following committees to assist the Board of Directors in discharging its responsibilities: an Audit Committee, a Compensation Committee and a Corporate Governance/Nominating Committee. The composition of each committee is determined by our Board of Directors, after consultation with the Chairman/Chief Executive Officer and the Corporate Governance/Nominating Committee. The composition and responsibilities of each committee are described below.

Audit Committee

Our Audit Committee oversees all aspects of our control, reporting and audit functions, with a particular focus on the qualitative aspects of financial reporting to shareholders and on our processes for the management of business and financial risk and for compliance with significant applicable legal, ethical and regulatory requirements. Among other matters, the Audit Committee:

- facilitates communication between the independent registered public accountants, members of senior management, our internal audit function and our Board of Directors;
- reviews, assesses and reports to the board on the independence of the registered public accountant, and maintains an active dialogue with the independent registered public accountant;
- receives reports from senior management regarding the internal audit function and relays this information directly to the board;
- evaluates and assesses significant risks or exposures and ensures that the yearly audit plan addresses such risks;

- reviews and coordinates audit efforts to ensure completeness of coverage and effective use of audit resources;
- considers and reviews with the internal audit function and independent registered public accountants issues relating to the internal audit plan;
- meets four times per year or more frequently as circumstances may require;
- meets at least annually with the independent registered public accountant, the internal audit function and management, including the Chief Financial Officer, in separate executive sessions to discuss matters privately with the Audit Committee;
- reviews the audited financial statements and considers the matters required to be discussed by Statement of Accounting Standards No. 14 and Rule 2-07 of Regulation S-X; and
- reports periodically to the Board of Directors on significant results of the foregoing activities.

The current members of our Audit Committee are Ellen N. Artist, who is the chair of the committee, Mitchell Gordon and Dana J. Lockhart. Pursuant to the Audit Committee charter, committee membership shall consist of at least three board members, all of whom qualify as independent within the meaning of our corporate governance guidelines and satisfy the independence requirements of the Nasdaq Listing Rules and Rule 10A-3(b)(1) under the Exchange Act. Our Audit Committee charter also requires members to have financial literacy and familiarity with fundamental financial statements that would allow them to understand key business and financial controls in the primary industries in which we operate. Our board has determined that Ms. Artist is an Audit Committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of FINRA, and the remaining Audit Committee members are independent directors as defined under the applicable rules and regulations of the SEC and FINRA. The Audit Committee operates under a written charter that satisfies the applicable standards of the SEC and the Nasdaq Global Select Market. Pursuant to Rule 10A-3 of the Exchange Act, our Audit Committee will consist of at least one board member that is independent upon the effectiveness of our registration statement of which this prospectus forms a part, a majority of members that are independent within 90 days thereafter and all members that are independent within one year thereafter.

Compensation Committee

Our Compensation Committee carries out the Board of Directors' overall responsibility relating to executive compensation. Among other matters, the Compensation Committee:

- assists the board in developing and evaluating potential candidates for executive positions and oversees the development of executive succession plans;
- reviews and approves annually the corporate goals and objectives regarding compensation for the Chief Executive Officer;
- reviews and approves annually the evaluation process and compensation structure for our officers, including salary, bonus, incentive and equity compensation for our senior officers, while providing oversight of management's decisions in this area;
- reviews our incentive compensation and other equity plans and recommends changes to the board as needed; and
- maintains regular contact with our leadership.

The current members of our Compensation Committee are Harvey Schiller, who is the chair of the committee, Daniel J. Altobello and G. Grant Lyon.

Pursuant to our Compensation Committee charter, members of the Compensation Committee will consist of a minimum of three directors, and all such members will be independent directors and satisfy the applicable independence requirements of the Nasdaq Listing Rules. Members of the committee will be appointed and removed by the board in the board's discretion, and the committee must be composed of a majority of independent directors within 90 days from the date our common stock is listed on the Nasdaq Global Select Market and entirely of independent directors within one year from the date our common stock is listed on the Nasdaq Global Select Market. Our Board of Directors has affirmatively determined that each of Messrs. Schiller, Altobello and Lyon meets the definition of "independent director" for purposes of the listing rules and is and will be a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act, and an "outside director" as that term is defined in Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended.

Corporate Governance/Nominating Committee

Our Corporate Governance/Nominating Committee assists our Board of Directors in identifying qualified individuals to become board members, nominates directors to serve on and to chair the board committees, and recommends to the board any improvements to our corporate governance guidelines as it deems appropriate. The committee also assists the Board of Directors in continuing education, new director orientation, assessment of board effectiveness and strategic planning. Among other matters, the Corporate Governance/Nominating Committee:

- leads the search for individuals qualified to become members of the board by making its own inquiries and receiving suggestions from other directors, shareholders, and other sources;
- retains and a search firm to assist in searching for a director and approves their fees;
- evaluates the suitability of potential nominees for membership on the board;
- recommends to the Board of Directors the number and names of proposed nominees for election as director at the annual meeting of shareholders, as well as naming individuals to fill a vacancy on the board;
- monitors trends and best practices in corporate governance and reviews our corporate governance guidelines, and recommends changes to corporate governance guidelines when necessary;
- annually reviews and makes recommendations to the Board of Directors regarding its process for evaluating the effectiveness of the Board of Directors and its committees;
- periodically reviews and makes recommendations to the board regarding strategic initiatives and new director orientation and director continuing education; and
- annually recommends to the Board of Directors, following the annual meeting of shareholders, committee membership and chairs, and reviews periodically with the Board of Directors its committee rotation practices.

The current members of our Corporate Governance/Nominating Committee are Don Skiados, who is the chair of the committee, Daniel J. Altobello and G. Grant Lyon.

Pursuant to our Corporate Governance/Nominating Committee charter, the committee shall consist of at least three directors. The members of the Corporate Governance/Nominating Committee and its chair shall be appointed by the Board of Directors, and may be removed by the Board of Directors at its discretion. All members of the Corporate Governance/Nominating Committee charter shall, in the board's judgment, meet the applicable independence requirements of the Nasdaq Listing Rules. In order for our Corporate Governance/Nominating Committee to continue to make recommendations or determinations with respect to the composition of our Board of Directors, the committee must be

composed of a majority of independent directors within 90 days from the date our common stock is listed on the Nasdaq Global Select Market and entirely of independent directors within one year from the date our common stock is listed on the Nasdaq Global Select Market. Our Board of Directors has affirmatively determined that each of Messrs. Skiados, Altobello and Lyon meets definition of "independent director" for purposes of the Nasdaq Listing Rules.

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee is or has at any time during the past year been an officer or employee of ours. None of our executive officers currently serves or in the past year has served as a member of the Board of Directors or Compensation Committee of any entity that has one or more executive officers serving on our board or Compensation Committee.

Director Compensation

Fees. The following fees were paid to our non-employee directors during fiscal year 2017. Directors who are our full-time employees receive no additional compensation for serving as directors. Board members also are reimbursed for all expenses associated with attending board or committee meetings.

Annual retainer	$20,000
Quarterly fee	$ 8,750
Fee for each board meeting	$ 1,500
Fee for each telephonic board meeting	$ 750
Compensation Committee Chair retainer	$10,000
Nominating/Corporate Governance Chair retainer	$10,000
Audit Committee Chair retainer	$15,000

Additionally, members of our committees receive $1,500 for each in-person meeting and $750 for each telephonic meeting.

Equity Awards. Equity awards are made to our non-employee directors on an annual basis. The types and amounts of such awards are set by the Compensation Committee. During fiscal year 2017, each non-employee director received a combination of restricted stock and SARs in the aggregate amount of $74,700.

Other benefits. As is common in the airline industry, we provide flight benefits to members of our Board of Directors, whereby each non-employee director and certain family members of directors receive free or reduced-fare travel on our major airline parnters at no cost to us or the director. We believe that the directors' use of free air travel is "de minimis" and did not maintain any records of non-employee directors' travel during fiscal year 2017.

Director Compensation Table

The following table sets forth information regarding compensation earned by the non-employee directors during the fiscal year ended September 30, 2017.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Total ($)
Daniel J. Altobello	75,250	74,700	149,950
Ellen N. Artist	82,250	74,700	156,950
Mitchell Gordon	70,000	74,700	144,700
Dana J. Lockhart	68,500	74,700	143,200
G. Grant Lyon	73,750	74,700	148,250
Giacomo Picco(2)	—	—	—
Harvey Schiller	80,000	74,700	154,700
Don Skiados	80,000	74,700	154,700

(1) Represents the aggregate grant date fair value of restricted stock and SARs awarded to each non-employee director during fiscal year 2017.

(2) Mr. Picco became a paid board member in January 2018.

Code of Conduct and Ethics

Our Board of Directors has adopted a code of conduct and ethics. The code of conduct and ethics applies to all of our officers and employees as well as all members of the Board of Directors and all subsidiaries. The code of conduct and ethics will be available in the Corporate Governance section on our website (which is located under the “About Mesa” tab on homepage) at www.mesa-air.com under “Code of Conduct and Ethics” at or around the time of this offering. The information included on our website is not incorporated into this prospectus. The code of conduct and ethics addresses, among other matters, issues relating to conflicts of interests, including internal reporting of violations and disclosures, and compliance with applicable laws, rules and regulations. The purpose of the code of conduct and ethics is to ensure that we and our subsidiaries and affiliated companies continue to follow the highest standards of business and personal ethics, while at all times promoting our best interests, and performing our duties in an honest, courteous manner while abiding by all applicable laws, regulations and Company policies. We intend to promptly post on our website all disclosures that are required by law or the listing standards concerning any amendments to, or waivers from, any provision of the code.

Limitation of Liability and Indemnification

Nevada law provides that our directors and officers will not be individually liable to us, our shareholders or our creditors for any damages for any act or omission of a director or officer other than in circumstances where it is proven that the director or officer breaches his or her fiduciary duty to us or our shareholders and such breach involves intentional misconduct, fraud or a knowing violation of law.

Nevada law also allows a corporation to indemnify officers and directors for actions for which a director or officer either would not be liable pursuant to the limitation of liability provisions of Nevada law or where he or she acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to our best interests, and, in the case of an action not by or in the right of the company and with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. Our amended and restated articles of incorporation and amended and restated bylaws provide indemnification for our directors and officers to the fullest extent permitted by Nevada law. We have entered into, and expect to continue to enter into, agreements to indemnify our directors as determined by our Board of Directors. Prior to the completion of this offering, we intend to enter into

indemnification agreements with each of our directors that may, in some cases, be broader than the specific indemnification provisions under Nevada law. In addition, as permitted by Nevada law, our amended and restated articles of incorporation include provisions that eliminate the personal liability of our directors and officers for monetary damages resulting from certain breaches of fiduciary duties as a director or officer. The effect of these provisions is to restrict our rights and the rights of our shareholders in derivative suits to recover monetary damages against a director for breach of fiduciary duties as a director, except that a director will be personally liable for acts or omissions not in good faith or in a manner which he or she did not reasonably believe to be in or not opposed to our best interest if, subject to certain exceptions, the act or failure to act constituted a breach of fiduciary duty and such breach involved intentional misconduct, fraud or knowing violations of law. We are also authorized to carry directors' and officers' insurance to protect our directors, officers, employees and agents against certain liabilities.

The limitation of liability and indemnification provisions in our amended and restated articles of incorporation, amended and restated bylaws and indemnification agreements may discourage shareholders from bringing a lawsuit against directors or officers for breach of their fiduciary duties. These provisions may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our shareholders. A shareholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. However, these provisions do not limit or eliminate our rights, or those of any shareholder, to seek non-monetary relief such as injunction or rescission in the event of a breach of a director's or officer's fiduciary duties. Moreover, the provisions do not alter the liability of directors under federal securities laws. At present, there is no pending litigation or proceeding involving any of our directors or officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

EXECUTIVE COMPENSATION

This section discusses the material components of our 2017 compensation program for our principal executive officer and next two most highly compensated officers. These "named executive officers" ("NEOs") and their positions are:

- Jonathan G. Ornstein, Chairman and Chief Executive Officer;
- Michael J. Lotz, President and Chief Financial Officer; and
- Brian S. Gillman, Executive Vice President, General Counsel and Secretary.

2017 Summary Compensation Table

The following table sets forth all of the compensation awarded to, earned by or paid to our NEOs during our 2017 fiscal year.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards(1)	Option Awards	Non-Equity Incentive Plan Compensation ($)(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation ($)(3)	Total ($)
Jonathan G. Ornstein, Chairman & CEO	2017	600,000	—	588,159	—	750,000	—	6,074	1,948,367
Michael J. Lotz, President & CFO	2017	533,333	—	465,816	—	587,963	—	24,496	1,611,608
Brian S. Gillman, EVP, General Counsel & Secretary	2017	275,000	—	91,897	—	200,000	—	1,895	568,792

(1) Includes the dollar amount of the aggregate grant date fair value of restricted stock granted to Messrs. Ornstein, Lotz and Gillman during fiscal year 2017 pursuant to the terms of their respective employment agreements, each of which is discussed under "Employment and Separation Agreements with Named Executive Officers" below. These grants were made under the Mesa Air Group, Inc. 2017 Stock Plan, as discussed in "Equity Compensation Plans" below. These shares of restricted stock vest in three equal annual installments beginning on June 1, 2018. These amounts are determined in accordance with the provisions of FASB ASC Topic 718, rather than an amount paid to or realized by the executive officer. The assumptions used in calculating the grant-date fair value of the stock awards reported in this column are set forth in the notes to our consolidated financial statements included elsewhere in this prospectus.

(2) Includes incentive bonuses earned by each of the NEOs during our fiscal year 2017. These bonuses were paid pursuant to the terms of each NEO's respective employment agreement.

(3) Mr. Lotz was paid non-cash fringe benefits in the amount of $24,496 during our fiscal year 2017, consisting of our portion of the premium on a term life insurance policy maintained for Mr. Lotz pursuant to the terms of his employment agreement and our portion of the premium on a disability insurance policy maintained for Mr. Lotz pursuant to the terms of his employment agreement. The non-cash fringe benefits paid to Messrs. Ornstein and Gillman represent our portion of the premiums on disability policies maintained for them pursuant to the terms of their respective employment agreements.

Components of Compensation for Fiscal Year 2017

Base Salary. The base salary payable to each NEO is intended to provide a fixed component of compensation that adequately reflects the executive's qualifications, experience, role and responsibilities. Base salary amounts are established based on consideration of, among other factors, the scope of the NEO's position, responsibilities and years of service and our Compensation Committee's general knowledge of the competitive market, based on, among other things, experience with other similarly situated companies and our industry and market data reviewed by the Compensation Committee.

Base salaries and broad-based benefits for Messrs. Ornstein, Lotz and Gillman are set forth in their respective employment agreements, which are described below in the "Employment and Change of

Control Arrangements" section. The following table represents our NEOs' base salaries in effect for our fiscal year 2017.

Name	Base Salary for 2017 ($)
Jonathan G. Ornstein, Chairman and Chief Executive Officer	600,000
Michael J. Lotz, President and Chief Financial Officer	533,333
Brian S. Gillman, EVP, General Counsel and Secretary	275,000

Performance-Based Cash Incentives. As a cornerstone of our compensation policy, we aim to create a direct correlation between the executive's role and responsibilities and the ability to earn variable pay. Our cash incentive compensation plans are designed to reward individuals for the achievement of certain defined financial and operational objectives. We provide cash bonuses to reward and incentivize superior individual and business performance, resulting in a performance-based organizational culture. Our performance-based cash incentive plans are designed to motivate our executives to achieve both corporate targets and individual goals, thereby tying the executives' goals and interests to those of our company and its shareholders.

Incentive bonuses for our NEOs, which are set forth in their respective employment agreements, are payable quarterly, based upon our quarterly and annual achievement of certain financial and operational goals identified by the Compensation Committee at the beginning of the fiscal year. The following table summarizes incentive bonuses that were potentially payable to each of our NEOs for our fiscal year 2017:

NEO	Bonus Level	Quarterly Amount ($)	Annual Amount ($)	Actual Annual Amount ($)
Jonathan G. Ornstein	Guaranteed	15,432	77,160	—
	Minimum	36,111	180,556	—
	Threshold	56,790	283,951	—
	Target	98,148	490,741	—
	Maximum	150,000	750,000	750,000
Michael J. Lotz	Guaranteed	12,731	63,657	—
	Minimum	29,167	145,833	—
	Threshold	45,448	227,238	—
	Target	78,086	390,432	—
	Maximum	117,593	587,963	587,963
Brian S. Gillman	Target	50,000	200,000	200,000

We also, at times, pay discretionary cash bonuses to our NEOs. In our fiscal year 2017, we did not pay any discretionary cash bonuses to our NEOs.

Equity-Based Incentives. Our Compensation Committee fosters an environment of executive ownership that encourages and incentivizes long-term investment and engagement by our NEOs through the use of equity-based awards. Our aim is to promote long-term, sustainable growth and align executive performance and behaviors to create a culture conducive to shareholder investment.

In order to attract and retain the best available management and other personnel with the training, experience and ability to make substantial contributions to the success of our business and to motivate and provide additional incentives to our employees, non-employee board members and consultants, we maintain four equity compensation plans, discussed under "Equity Compensation Plans" below. Employees, officers, and directors of, and other individuals providing bona fide services to or for, us are eligible to receive awards under our equity compensation plans, and awards are issued at the discretion of the Compensation Committee.

During our fiscal year 2017, we made certain grants of restricted stock and RSUs to Messrs. Ornstein, Lotz and Gillman, as set forth in the 2017 Summary Compensation Table above. These awards were made pursuant to the employment agreements with these individuals, discussed in more detail under “Employment and Separation Agreements with Named Executive Officers,” below, which require annual equity grants with grant date values of not less than the amounts set forth in their respective agreements.

After the end of our fiscal year 2017, on October 17, 2017, we granted to Messrs. Ornstein, Lotz and Gillman the following RSUs under the Mesa Air Group, Inc. Restricted Phantom Stock Units Plan, which relate to each NEO’s service during our fiscal year 2017 and which vest in three equal annual installments commencing June 1, 2018:

NEO	Number of RSUs(1)	Grant Date Value ($)(2)
Jonathan G. Ornstein	27,484	357,292
Michael J. Lotz	21,768	282,984
Brian S. Gillman	4,295	55,835

(1) Awards vest in three equal annual installments beginning on June 1, 2018. All vesting is conditioned on continuous service. Awards may be settled in cash at the holder’s option.

(2) Reflects the dollar amount of the aggregate grant date fair value of each award, determined in accordance with the provisions of FASB ASC Topic 718, rather than an amount paid to or realized by the executive officer. The assumptions used in calculating the grant-date fair value of the stock awards reported in this column are set forth in the notes to our consolidated financial statements included elsewhere in this prospectus.

Benefits and Perquisites. Our NEOs are eligible to participate, to the same extent as our other full-time employees generally and subject to the terms and eligibility requirements of those plans, in our employee benefit plans and programs, which include the following:

- medical, dental and vision insurance;
- life insurance, accidental death and dismemberment and business travel and accident insurance;
- health and dependent care flexible spending accounts; and
- short and long-term disability insurance.

We determine perquisites on a case-by-case basis and will provide a perquisite to a NEO when we believe it is necessary to attract or retain the executive officer. Any perquisites we provide are reasonable and consistent with market trends.

Retirement Benefits. We maintain a 401(k) tax-deferred retirement savings plan, in which our NEOs are eligible to participate on the same terms as other fulltime employees (the “401(k) Plan”). Under the 401(k) Plan, employees may contribute up to 85% of their pretax annual compensation, subject to certain Internal Revenue Code limitations. Employer contributions are made at our discretion. During fiscal year 2017, we made matching contributions of 30% of employee contributions up to 10% of such employee’s annual compensation. The employee vests 20% per year in employer contributions. Employees become fully vested in employer contributions after completing six years of employment.

Outstanding Equity Awards at Fiscal Year End

The following table lists all outstanding equity awards held by our NEOs as of September 30, 2017.

		Option Awards				Stock Awards	
Name	Vesting Commencement Date	Number of Securities Underlying Unexercised Options (#)[1] Exercisable	Number Of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Equity incentive plan awards: number of unearned shares, units or other rights that have not vested (#)[2]	Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested ($)
Jonathan G. Ornstein	1/21/2014	100,000	—	4.00	1/21/2024	—	—
	7/21/2015	66,666	33,334	17.00	7/21/2025	—	—
	7/21/2015	—	—	—	—	45,000	585,000
	1/19/2016	33,333	66,667	17.75	1/19/2026		
	6/1/2016	—	—	—	—	46,377	602,901
	6/1/2017	—	—	—	—	45,243	588,159
Michael J. Lotz	7/21/2015	48,000	24,000	17.00	7/21/2025	—	—
	7/21/2015	—	—	—	—	32,400	421,200
	1/19/2016	24,000	48,000	17.75	1/19/2026	—	—
	6/1/2016	—	—	—	—	36,731	477,503
	6/1/2017	—	—	—	—	35,832	465,816
Brian S. Gillman	9/3/2013	—	—	—	—	10,000	130,000
	7/21/2015	6,666	3,334	17.00	7/21/2025	—	—
	7/21/2015	—	—	—	—	9,000	117,000
	1/19/2016	5,555	11,112	17.75	1/19/2026	—	—
	6/1/2016	—	—	—	—	7,247	94,211
	6/1/2017	—	—	—	—	7,069	91,897

(1) The SARs granted on January 21, 2014 and on January 19, 2016 vest and become exercisable with respect to 1/3 of the shares underlying each respective award on each anniversary of the vesting commencement date, such that all shares will be vested on the third anniversary of the vesting commencement date, subject to the holder continuing to provide services to us through each such vesting date. The SARs granted in 2015 vest and become exercisable with respect to 1/3 of the shares underlying each respective award on each of January 21, 2016, January 21, 2017 and January 21, 2018, subject to the holder continuing to provide services to us through each such vesting date. SARs are settled in cash.

(2) The restricted stock award granted to Mr. Gillman with a vesting commencement date of September 3, 2013 vests in five equal annual installments beginning on September 3, 2014. The restricted stock awards granted to Messrs. Ornstein, Lotz and Gillman on July 21, 2015 vest in five equal annual installments beginning on June 1, 2016. The restricted stock awards granted to Messrs. Ornstein, Lotz and Gillman on June 1, 2016 vest in three equal annual installments beginning on June 1, 2017. The restricted stock granted to Messrs. Ornstein, Lotz and Gillman on

June 1, 2017 vest in three equal annual installments beginning on June 1, 2018. All vesting is conditioned on continuous service to us.

Employment and Separation Agreements with Named Executive Officers

Jonathan G. Ornstein. We entered into an employment agreement with Mr. Ornstein on February 23, 2011, effective as of March 1, 2011, to serve as the Chairman of the Board of Directors and as our Chief Executive Officer, which agreement was amended first effective as of January 22, 2014, and again effective as of June 1, 2016. Under the employment agreement, as amended, we may terminate Mr. Ornstein's employment at any time with prior written notice at least one year before the intended termination date. Mr. Ornstein's employment agreement entitles him to a base salary and an opportunity to earn a cash incentive bonus, paid on a quarterly basis based upon achievement of certain benchmarks mutually agreed upon by the Board of Directors and Mr. Ornstein. Mr. Ornstein is also entitled to receive an annual equity award pursuant to the terms of our then-existing equity incentive plan, as determined by the Board of Directors or the Compensation Committee in its sole discretion, provided that such award shall have a grant date value of not less than $800,000 for fiscal year 2016 and any fiscal year thereafter during the term of the agreement. The employment agreement entitles Mr. Ornstein to participate in all employee benefit plans and arrangements available to our executive officers, including the flight benefits discussed above. It also contains certain confidential information covenants prohibiting Mr. Ornstein from using or disclosing any Company confidential information for non-company purposes during the term of his employment and for two years thereafter.

Mr. Ornstein's employment agreement also provides him with severance in the event his employment is terminated without Cause (as defined below) by us (or, in certain circumstances, by our successor-in-interest) or if he resigns for Good Reason (as defined below). If Mr. Ornstein's employment is terminated by us without Cause or he resigns for Good Reason he is entitled to payment equal to two times the sum of his base salary, plus an amount equal to the greater of (i) his target annual performance bonus or (ii) half the bonuses (incentive or otherwise) earned by Mr. Ornstein with respect to the two fiscal years immediately preceding his termination. If Mr. Ornstein is terminated by us or our successor-in-interest without Cause or he resigns for Good Reason within 12 months following a Change of Control (as defined below), he is entitled to payment equal to three times the sum of his base salary, plus the greater of (i) his target performance bonus for the fiscal year in which the termination occurs or (ii) the highest amount of the bonuses (incentive or otherwise) paid to Mr. Ornstein with respect to the three fiscal years immediately preceding the year in which his termination occurs. Upon Mr. Ornstein's termination without Cause or resignation for Good Reason, he is also entitled to the payment of continued health, dental and vision insurance premiums for Mr. Ornstein and any covered dependents for 24 months following termination, and he is entitled to immediate vesting of any equity awards.

For purposes of Mr. Ornstein's employment agreement, "Cause" means (i) Mr. Ornstein's willful misconduct, including but not limited to misappropriation of trade secrets, fraud or embezzlement; (ii) Mr. Ornstein's commission of a felony offense or any crime involving dishonesty or physical harm to any person; (iii) Mr. Ornstein's material breach of his employment agreement that, if curable, is not cured within 30 days following written notice from us; or (iv) Mr. Ornstein's willful refusal to follow a lawful directive of us, which refusal is not cured within 30 days following written notice from us. "Change of Control" means that (i) any person acquires more than 50% of the voting power of our then-outstanding securities; (ii) a majority of the members of our Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of our Board of Directors before the date of appointment or election; (iii) a tender offer or exchange offer is made where the intent of such offer is to take over control of our company, and such offer is consummated for the securities representing more than 50% of the combined voting power of our then-outstanding voting securities over a twelve-month period; (iv) a reorganization, merger, consolidation,

or sale or other disposition of all or substantially all of our assets. Finally, “Good Reason” means any of the following, if not cured within 20 days of our receipt of a notice of termination by Mr. Ornstein: (i) any change by us in Mr. Ornstein’s title, or any significant diminishment in Mr. Ornstein’s function, duties or responsibilities from those associated with his functions, duties or responsibilities as of January 1, 2011; (ii) any material breach of the employment agreement or any other agreement between us and Mr. Ornstein which remains uncured for a period of 10 days after Mr. Ornstein gives us notice of such breach; (iii) except with Mr. Ornstein’s prior written consent, relocation of Mr. Ornstein’s principal place of employment to a location greater than 50 miles from Phoenix, Arizona, or requiring Mr. Ornstein to provide his services outside of Maricopa County, Arizona, for more than 50% of his working days during any consecutive six-month period; or (iv) any reduction of Mr. Ornstein’s base salary, bonus opportunity or benefits, other than under circumstances in which we have imposed cuts in salary of other officers on an across-the-board basis (in which case the cuts to Mr. Ornstein’s compensation must not be in a greater percentage than the reduction imposed on any other officer).

Michael J. Lotz. We entered into an employment agreement with Mr. Lotz on February 23, 2011, effective as of March 1, 2011, as our President and Chief Financial Officer, which agreement was amended first effective as of January 22, 2014, and again effective as of June 1, 2016. Under Mr. Lotz’s employment agreement, as amended, we may terminate Mr. Lotz’s employment at any time with prior written notice at least one year before the intended termination date. Mr. Lotz’s employment agreement entitles him to a base salary and an opportunity to earn a cash incentive bonus paid on a quarterly basis based upon achievement of certain benchmarks mutually agreed upon by the Board of Directors and Mr. Lotz. Mr. Lotz is also entitled to receive an annual equity award pursuant to the terms of our then-existing equity incentive plan, as determined by the Board of Directors or the Compensation Committee in its sole discretion, provided that such award shall have a grant date value of not less than $633,600 for any fiscal year following fiscal year 2016. The employment agreement entitles Mr. Lotz to participate in all employee benefit plans and arrangements available to our executive officers, including the flight benefits discussed above. It also contains certain confidential information covenants prohibiting Mr. Lotz from using or disclosing any of our confidential information for non-company purposes during the term of his employment and for two years thereafter.

Mr. Lotz’s employment agreement also provides him with severance in the event his employment is terminated without Cause by us (or, in certain circumstances, by our successor-in-interest) or if he resigns for Good Reason. If Mr. Lotz’s employment is terminated by us without Cause or if he resigns with Good Reason, he is entitled to payment equal to two times the sum of his base salary, plus the greater of (i) his target annual performance bonus or (ii) half the sum of the bonuses (incentive or otherwise) earned by Mr. Lotz with respect to the two fiscal years immediately preceding the year in which his resignation occurs. If Mr. Lotz is terminated by us or our successor-in-interest without Cause or he resigns for Good Reason within 12 months following a Change of Control, Mr. Lotz is entitled to payment equal to three times the sum of his base salary, plus the greater of (i) his target performance bonus for the fiscal year in which the termination occurs or (ii) the highest amount of the bonuses (incentive or otherwise) paid to Mr. Lotz with respect to the three fiscal years immediately preceding the year in which his termination occurs. Upon Mr. Lotz’s termination without Cause or resignation for Good Reason, he is also entitled to the payment of continued health, dental and vision insurance premiums for Mr. Lotz and any covered dependents for 24 months following termination, and immediate vesting of any unvested Company equity awards.

For purposes of Mr. Lotz’s employment agreement, “Cause,” “Change of Control” and “Good Reason” have identical meanings to those contained in Mr. Ornstein’s employment agreement, as set forth above.

Brian S. Gillman. We entered into an employment agreement with Mr. Gillman on April 23, 2014, effective as of September 3, 2013, as our Executive Vice President, General Counsel and Secretary,

which agreement was amended effective as of June 1, 2016. Under Mr. Gillman's employment agreement, as amended, we may terminate Mr. Gillman's employment at any time with prior written notice at least one year before the intended termination date. Mr. Gillman's employment agreement entitles him to a base salary and an opportunity to earn a cash incentive bonus paid on a quarterly basis based upon achievement of certain benchmarks identical to those in Mr. Lotz's and Mr. Ornstein's employment agreements. Mr. Gillman is also entitled to receive an annual equity award pursuant to the terms of our then-existing equity incentive plan, as determined by the Board of Directors or the Compensation Committee in its sole discretion, provided that such award shall have a grant date value of not less than $125,000 for any fiscal year following fiscal year 2016. The employment agreement entitles Mr. Gillman to participate in all employee benefit plans and arrangements available to our executive officers, including the flight benefits discussed above. It also contains certain confidential information covenants prohibiting Mr. Gillman from using or disclosing any of our confidential information for non-company purposes during the term of his employment and for two years thereafter.

Mr. Gillman's employment agreement also provides him with severance in the event his employment is terminated without Cause by us (or, in certain circumstances, by our successor-in-interest) or if he resigns for Good Reason. If Mr. Gillman is terminated without Cause or if he resigns with Good Reason, he is entitled to payment equal to two times the sum of his base salary, plus an amount equal to the greater of (i) his target annual performance bonus or (ii) half the sum of the bonuses (incentive or otherwise) earned by Mr. Gillman with respect to the two fiscal years immediately preceding the year in which his termination occurs. If Mr. Gillman is terminated by us or our successor-in-interest or he resigns with Good Reason within 12 months following a Change of Control, he is entitled to payment equal to three times the sum of his base salary, plus the greater of (i) his maximum target performance bonus for the fiscal year in which the termination occurs or (ii) the amount of all bonuses (incentive or otherwise) paid to Mr. Gillman with respect to the three fiscal years immediately preceding the year in which his termination occurs. Upon Mr. Gillman's termination without Cause or resignation for Good Reason, he is also entitled to the payment of continued health, dental and vision insurance premiums for Mr. Gillman and any covered dependents for 24 months following termination, and he is entitled to immediate vesting of any unvested equity awards.

For purposes of Mr. Gillman's employment agreement, "Cause," "Change of Control" and "Good Reason" have identical meanings to those contained in Mr. Ornstein's employment agreement, as set forth above.

Equity Compensation Plans

The principal features of our equity incentive plans are summarized below. These summaries are qualified in their entirety by reference to the text of the plans or agreements, which are filed as exhibits to the registration statement.

2018 Plan

Prior to the completion of this offering, our Board of Directors will adopt, and we expect our shareholders will approve, our 2018 Equity Incentive Plan, or the 2018 Plan. We expect that our 2018 Plan will be effective on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a part and will replace all prior equity plans. It is intended to make available incentives that will assist us to attract, retain and motivate employees, including officers, consultants and directors. We may provide these incentives through the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares and units and other cash-based or stock-based awards.

A total of shares of our common stock will be initially authorized and reserved for issuance under the 2018 Plan. This reserve will automatically increase on January 1, 2019, and each subsequent anniversary through 2028, by an amount equal to the smaller of (a) 3% of the number of shares of common stock issued and outstanding on the immediately preceding December 31, or (b) an amount determined by the board.

Appropriate adjustments will be made in the number of authorized shares and other numerical limits in the 2018 Plan and in outstanding awards to prevent dilution or enlargement of participants' rights in the event of a stock split or other change in our capital structure. Shares subject to awards which expire or are cancelled or forfeited will again become available for issuance under the 2018 Plan. The shares available will not be reduced by awards settled in cash or by shares withheld to satisfy tax withholding obligations. Only the net number of shares issued upon the exercise of stock appreciation rights or options exercised by means of a net exercise or by tender of previously owned shares will be deducted from the shares available under the 2018 Plan.

The 2018 Plan will be generally administered by the Compensation Committee of our Board of Directors. Subject to the provisions of the 2018 Plan, the Compensation Committee will determine in its discretion the persons to whom and the times at which awards are granted, the sizes of such awards and all of their terms and conditions. However, the Compensation Committee may delegate to one or more of our officers the authority to grant awards to persons who are not officers or directors, subject to certain limitations contained in the 2018 Plan and award guidelines established by the Compensation Committee. The Compensation Committee will have the authority to construe and interpret the terms of the 2018 Plan and awards granted under it. The 2018 Plan provides, subject to certain limitations, for indemnification by us of any director, officer or employee against all reasonable expenses, including attorneys' fees, incurred in connection with any legal action arising from such person's action or failure to act in administering the 2018 Plan.

The 2018 Plan authorizes the Compensation Committee, without further shareholder approval, to provide for the cancellation of stock options or stock appreciation rights with exercise prices in excess of the fair market value of the underlying shares of common stock in exchange for new options or other equity awards with exercise prices equal to the fair market value of the underlying common stock or a cash payment.

The 2018 Plan limits the grant date fair value of all equity awards and the amount of cash compensation that may be provided to a non-employee director in any fiscal year to an aggregate of $.

Awards may be granted under the 2018 Plan to our employees, including officers, directors or consultants or those of any present or future parent or subsidiary corporation or other affiliated entity. All awards will be evidenced by a written agreement between us and the holder of the award and may include any of the following:

- *Stock options.* We may grant nonstatutory stock options or incentive stock options (as described in Section 422 of the Internal Revenue Code, or Code), each of which gives its holder the right, during a specified term (not exceeding 10 years) and subject to any specified vesting or other conditions, to purchase a number of shares of our common stock at an exercise price per share determined by the administrator, which may not be less than the fair market value of a share of our common stock on the date of grant.
- *Stock appreciation rights.* A stock appreciation right gives its holder the right, during a specified term (not exceeding 10 years) and subject to any specified vesting or other conditions, to receive the appreciation in the fair market value of our common stock between the date of grant of the award and the date of its exercise. We may pay the appreciation in shares of our common stock or in cash.

- *Restricted stock.* The administrator may grant restricted stock awards either as a bonus or as a purchase right at such price as the administrator determines. Shares of restricted stock remain subject to forfeiture until vested, based on such terms and conditions as the administrator specifies. Holders of restricted stock will have the right to vote the shares and to receive any dividends paid, except that the dividends will be subject to the same vesting conditions as the related shares.
- *Restricted stock units.* Restricted stock units represent rights to receive shares of our common stock (or their value in cash) at a future date without payment of a purchase price, subject to vesting or other conditions specified by the administrator. Holders of restricted stock units have no voting rights or rights to receive cash dividends unless and until shares of common stock are issued in settlement of such awards. However, the administrator may grant restricted stock units that entitle their holders to dividend equivalent rights subject to the same vesting conditions as the related units.
- *Performance shares and performance units.* Performance shares and performance units are awards that will result in a payment to their holder only if specified performance goals are achieved during a specified performance period. Performance share awards are rights denominated in shares of our common stock, while performance unit awards are rights denominated in dollars. The administrator establishes the applicable performance goals based on one or more measures of business or personal performance enumerated in the 2018 Plan, such as revenue, gross margin, net income or total shareholder return, or otherwise determined by the administrator. To the extent earned, performance share and unit awards may be settled in cash or in shares of our common stock. Holders of performance shares or performance units have no voting rights or rights to receive cash dividends unless and until shares of common stock are issued in settlement of such awards. However, the administrator may grant performance shares that entitle their holders to dividend equivalent rights subject to the same vesting conditions as the related units.
- *Cash-based awards and other stock-based awards.* The administrator may grant cash-based awards that specify a monetary payment or range of payments or other stock-based awards that specify a number or range of shares or units that, in either case, are subject to vesting or other conditions specified by the administrator. Settlement of these awards may be in cash or shares of our common stock, as determined by the administrator. Their holder will have no voting rights or right to receive cash dividends unless and until shares of our common stock are issued pursuant to the award. The administrator may grant dividend equivalent rights with respect to other stock-based awards.

In the event of a change in control as described in the 2018 Plan, the acquiring or successor entity may assume or continue all or any awards outstanding under the 2018 Plan or substitute substantially equivalent awards. Any awards which are not assumed or continued in connection with a change in control or are not exercised or settled prior to the change in control will terminate effective as of the time of the change in control. The Compensation Committee may provide for the acceleration of vesting of any or all outstanding awards upon such terms and to such extent as it determines, except that the vesting of all awards held by members of the board of directors who are not employees will automatically be accelerated in full. The 2018 Plan will also authorize the Compensation Committee, in its discretion and without the consent of any participant, to cancel each or any outstanding award denominated in shares upon a change in control in exchange for a payment to the participant with respect to each share subject to the cancelled award of an amount equal to the excess of the consideration to be paid per share of common stock in the change in control transaction over the exercise price per share, if any, under the award.

The 2018 Plan will continue in effect until it is terminated by the administrator, provided, however, that all awards will be granted, if at all, within 10 years of its effective date. The administrator may amend,

suspend or terminate the 2018 Plan at any time, provided that without shareholder approval, the plan cannot be amended to increase the number of shares authorized, change the class of persons eligible to receive incentive stock options, or effect any other change that would require shareholder approval under any applicable law or listing rule.

2017 Plan

Our 2017 Stock Plan, or 2017 Plan, became effective on January 23, 2017. Our 2017 Plan permits the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees and any parent and subsidiary corporation's employees, and for the grant of nonstatutory stock options, restricted stock and restricted stock unit awards to our to our employees, including officers, directors or consultants or those of any present or future parent or subsidiary corporation.

Authorized Shares. The aggregate number of shares of common stock reserved for issuance pursuant to awards granted under the 2017 Plan is 50,000. We will not grant any additional awards under our 2017 Plan following the completion of this offering. Instead, we will grant equity awards under our 2018 Plan. However, the 2017 Plan will continue to govern the terms and conditions of all outstanding awards granted under the 2017 Plan.

Administration. Our Board of Directors is authorized to administer the 2017 Plan, but consistent with its authority under the 2017 Plan, the board of directors has the authority to appoint one or more committees to administer the 2017 Plan. Subject to the terms and conditions of the 2017 Plan, the plan administrator will determine in its discretion the persons to whom and the times at which awards are granted, the sizes of such awards and all of their terms and conditions. The plan administrator will have the authority to construe and interpret the terms of the 2017 Plan and awards granted under it. The 2017 Plan provides, subject to certain limitations, for indemnification by us of any director, officer or employee against all reasonable expenses, including attorneys' fees, incurred in connection with any legal action arising from such person's actions or failure to act in administrating the 2017 Plan.

Stock Options. We may grant nonstatutory stock options or incentive stock options (as described in Section 422 of the Internal Revenue Code, or Code), each of which gives its holder the right, during a specified term (not exceeding 10 years) and subject to any specified vesting or other conditions, to purchase a number of shares of our common stock at an exercise price per share determined by the administrator, which may not be less than the fair market value of a share of our common stock as of the date of grant.

Restricted Stock. The plan administrator may grant restricted stock awards either as a bonus or as a purchase right at a price determined by the plan administrator. Shares of restricted stock remain subject to forfeiture until vested, based on such terms and conditions as the plan administrator specifies. Holders of restricted stock will have the right to vote the shares and to receive any dividends paid, except that the dividends may be subject to the same vesting conditions as the related shares.

Restricted Stock Units. Restricted stock units represent rights to receive shares of our common stock (or their value in cash) at a future date without payment of a purchase price, subject to vesting or other conditions specified by the plan administrator. Holders of restricted stock units have no voting rights to receive cash dividends unless and until shares of our common stock are issued in settlement of such awards. However, the plan administrator may grant restricted stock units that entitle their holders to dividend equivalent rights.

Change in Control Transactions. In the event of a change in control as described in our 2017 Plan, the acquiring or successor entity may assume or continue all or any awards outstanding under the 2017 Plan or substitute substantially equivalent awards. Any awards which are not assumed or continued in

connection with a change in control or are not exercised or settled prior to the change in control will terminate effective as of the time of the change in control. The plan administrator may provide for the acceleration of vesting of any or all outstanding awards upon such terms and to such extent as it determines. The 2017 Plan will also authorize the plan administrator, in its discretion and without the consent of any participant, to cancel each or any outstanding award denominated in shares upon a change in control in exchange for a payment to the participant with respect to each share subject to the cancelled award of an amount equal to the excess of the consideration to be paid per share of common stock in the change in control transaction over the exercise price per share, if any, under the award. If any portion of such consideration may be received by holders of awards pursuant to the change in control on a contingent or delayed basis, the plan administrator may, in its discretion, determine such fair market value per share as of the time of the change in control on the basis of the plan administrator's good faith estimate of the present value of the probable future payment of such consideration. Notwithstanding the foregoing, shares acquired upon exercise of an award prior to the change in control and any consideration received pursuant to the change in control with respect to such shares shall continue to be subject to all applicable provisions of the award agreement evidencing such award except as otherwise provided in such award.

Certain Adjustments. Appropriate adjustments will be made in the number of authorized shares and other numerical limits in the 2017 Plan and in outstanding awards to prevent dilution or enlargement of award recipients' rights in the event of a stock split or other change in our capital structure. Shares subject to awards which expire or are cancelled or forfeited will again become available for issuance under the 2017 Plan. The shares available will not be reduced by awards settled in cash or by shares withheld to satisfy tax withholding obligations. Only the net number of shares issued upon the exercise of stock options exercised by means of a net exercise or by tender of previously owned shares will be deducted from the shares available under the 2017 Plan.

Non-Transferability of Awards. With limited exceptions for the laws of descent and distribution, awards under the 2017 Plan are generally exercisable only by the grantee or the grantee's guardian or legal representative. Unless the plan administrator provides otherwise, the 2017 Plan generally does not allow for the transfer of awards other than by will or the laws of descent and distribution.

Amendment and Termination. The 2017 Plan will continue in effect until it is terminated by the plan administrator, provided, however, that all awards will be granted, if at all, within 10 years of its effective date. The plan administrator may amend, suspend or terminate the 2017 Plan at any time, provided that without shareholder approval, the 2017 Plan cannot be amended to increase the number of shares authorized, change the class of persons eligible to receive incentive stock options, or effect any other change that would require shareholder approval under any applicable law or listing rule.

2011 Plan

Our 2011 Stock Incentive Plan, or our 2011 Plan, became effective on March 1, 2011. Our 2011 Plan permits the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code, or Code, to our employees and any parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options, stock appreciation rights, restricted or unrestricted stock, phantom stock units, performance awards and other stock based awards to our employees, officers, and directors of, and other individuals providing services to or for us or any of our affiliates, as may be selected by the plan administrator from time to time.

Authorized Shares. The aggregate number of shares of common stock reserved for issuance pursuant to awards granted under the 2011 Plan is 1,000,000. We will not grant any additional awards under our 2011 Plan following the completion of this offering. Instead, we will grant equity awards under our 2018 Plan. However, the 2011 Plan will continue to govern the terms and conditions of all outstanding awards granted under the 2011 Plan.

Administration. Our Board of Directors is authorized to administer the 2011 Plan, but consistent with its authority under the 2011 Plan, the board of directors has delegated some of its administrative authority to our compensation committee. Subject to the terms and conditions of the 2011 Plan, the plan administrator has the authority to select persons to whom awards are to be made, determine the types of awards to be made, determine the number of shares subject to awards and all of their terms and conditions and to make all other determination and take all other actions necessary or advisable for the administration of the 2011 Plan. The plan administrator is authorized to interpret the provisions of the 2011 Plan and individual award agreements, and all decisions of the plan administrator are final and binding on all persons.

Options. Stock options may be granted under our 2011 Plan. Stock options must have an exercise price at least equal to fair market value on the date of grant and may not have a term in excess of ten years' duration. Subject to the provisions of our 2011 Plan, the administrator determines the other terms of stock options.

Stock Appreciation Rights. Stock appreciation rights, or SARs, may be granted under our 2011 Plan. A SAR entitles the grantee to receive, subject to the provisions of the 2011 Plan and the applicable award agreement, the appreciation in the fair market value of our common stock between the exercise date and the date of grant. The base price per share specified in a SAR award agreement may not be less than the lower of the fair market value on the grant date or the exercise price of any tandem stock option award to which the SAR is related. A SAR may not have a term exceeding 10 years. Subject to the provisions of the 2011 Plan, the administrator determines the other terms of a SAR, including when such rights become exercisable and whether to pay any increased appreciation in cash, with shares of our common stock, or a combination thereof. No fractional shares shall be used for such payment and the plan administrator will determine whether cash will be given instead of such fractional shares or whether such fractional shares will be eliminated.

Stock Awards. The plan administrator may from time to time grant restricted or unrestricted stock awards in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as required by law, as the plan administrator may determine. A stock award may be paid in our common stock, in cash, or in a combination thereof, as determined in the sole discretion of the plan administrator.

Phantom Stock Units. The plan administrator may from time to time grant awards denominated in stock-equivalent units or restricted stock units, collectively referred to as phantom stock units, in such amounts and on such terms and conditions as the plan administrator may determine. Phantom stock units are credited to a bookkeeping reserve account solely for accounting purposes and do not require a segregation of any of our assets. An award of phantom stock units may be settled in our common stock, in cash, or in a combination thereof, as determined in the sole discretion of the plan administrator. Except as otherwise provided in the applicable award agreement, the grantee of phantom stock units does not have the rights of a shareholder with respect to any shares of our common stock represented by a phantom stock unit solely as a result of the grant of a phantom stock unit to the grantee.

Performance Awards. The plan administrator may grant performance awards which become payable on account of attainment of one or more performance goals established by the plan administrator. Performance awards may be paid by the delivery of our common stock or cash, or any combination thereof, as determined in the sole discretion of the plan administrator. The plan administrator established performance goals may be based on the our or our affiliate's selected business criteria that apply to an individual or group of individuals, a business unit, or us or our affiliate as a whole, over such performance period as the plan administrator may designate.

Other Stock Based Awards. The plan administrator may grant other stock-based awards in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be require by law, as the plan administrator may determine. Other stock-based awards may be denominated in cash, our common stock or other securities, in stock-equivalent units, in stock appreciation units, in securities or debentures convertible into our common stock, or in any combination of the foregoing and may be paid in our common stock or other securities, in cash, or in a combination thereof, as determined in the sole discretion of the plan administrator.

Change in Control Transactions. In the event of any transaction resulting in a change in control as defined in the 2011 Plan, outstanding awards that are payable in or convertible into our common stock under the 2011 Plan will terminate on the effective time of such change in control unless provision is made in connection with the transaction for the continuation or assumption of such awards by, or for the substitution of equivalent awards, as determined by the plan administrator, of, the surviving or successor entity or a parent thereof. In the event of such termination, the holders of awards under the 2011 Plan will be permitted, immediately before the change in control, to exercise or convert all portions of such awards under the 2011 Plan that are then exercisable or convertible or which become exercisable or convertible upon or prior to the effective time of the change in control. If, immediately before the change in control, no common stock of ours is readily tradeable on an established securities market or otherwise, and the vesting of an award would be treated as a “parachute payment” under Section 280G of the Code, then such award will not vest unless the requirements of the shareholder approval exemption of Section 280G of the Code are satisfied with respect to such award.

Certain Adjustments. In the event of a stock dividend of, or stock split or reverse stock split affecting our common stock, the maximum number of shares of such common stock as to which awards may be granted under the 2011 Plan and the number of shares covered by and exercise price and other terms of outstanding awards, will, without further action by the board of directors, be adjusted to reflect such event. In addition, in the event of any change affecting our common stock or our capitalization, by reason of a spin-off, split-up, dividend, recapitalization, merger, consolidation or share exchange, other than any such change that is part of a transaction resulting in a change in control, the plan administrator, in its sole discretion, may make appropriate adjustments to the maximum number and kind of shares reserved for issuance or with respect to which awards may be granted under the 2011 Plan and any adjustments in outstanding awards, including to modify the number, kind and price of securities subject to awards as the plan administrator determines to be appropriate and equitable. The plan administrator is authorized to make, in its sole discretion, adjustments in the terms and conditions of, and the criteria included in, awards in recognition of unusual or nonrecurring events affecting us or our affiliates or our or our affiliates’ financial statements, or of changes in applicable laws, regulations, or accounting principles, whenever the plan administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the 2011 Plan.

Non-Transferability of Awards. Unless the plan administrator provides otherwise, our 2011 Plan generally does not allow for the transfer of awards other than by will or the laws of descent and distribution and only the recipient of an award may exercise an award during his or her lifetime or, during a period the grantee is under a legal disability, by the grantee’s guardian or legal representative.

Amendment and Termination. The board of directors may terminate, amend or modify the 2011 Plan or any portion thereof at any time. Except as otherwise determined by the board of directors, termination of the 2011 Plan will not affect the plan administrator’s ability to exercise the powers granted to the plan administrator with respect to awards granted under the 2011 Plan prior to the date of such termination.

RSU Plan

Our Restricted Phantom Stock Units Plan, or RSU Plan, became effective on October 17, 2017. Our RSU Plan permits the grant of restricted stock units to employees, officers and directors of, and other individuals providing services to us or any of our affiliates, as may be selected by the plan administrator from time to time.

Authorized Shares. The aggregate number of shares of common stock reserved for issuance pursuant to awards granted under the RSU Plan is 500,000. We will not grant any additional awards under our RSU Plan following the completion of this offering. Instead, we will grant equity awards under our 2018 Plan. However, the RSU Plan will continue to govern the terms and conditions of all outstanding awards granted under the RSU Plan.

Administration. Our Board of Directors is authorized to administer the RSU Plan, but consistent with its authority under the RSU Plan, the board has delegated some of its administrative authority to our compensation committee. Subject to the terms and conditions of the RSU Plan, the plan administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the RSU Plan. The plan administrator is authorized to interpret the provisions of the RSU Plan and individual award agreements, and all decisions of the plan administrator are final and binding on all persons.

Awards. The RSU Plan provides for the grant of awards denominated in stock-equivalent units or restricted stock units in such amounts and on such terms and conditions as the plan administrator may determine. Restricted stock units are credited to a bookkeeping reserve account solely for accounting purposes and will not require a segregation of any of our assets. An award of restricted stock units may be settled in our common stock, in cash, or in a combination thereof, as determined by the plan administrator. Except as otherwise provided in the applicable award agreement, the recipient of an award will not have the rights of a shareholder with respect to any shares of our common stock represented by a restricted stock unit as a result of the grant or payment of a restricted stock unit.

Change in Control Transactions. In the event of any transaction resulting in a change in control, as defined in our RSU Plan, outstanding awards will immediately vest upon such change in control. If, immediately before the change in control, no common stock of ours is readily tradeable on an established securities market or otherwise, and the vesting of an award would be treated as a “parachute payment” under Section 280G of the Internal Revenue Code, or Code, then such award will not vest unless the requirements of the shareholder approval exemption of Section 280G of the Code are satisfied with respect to such award.

Certain Adjustments. In the event of a stock dividend of, or stock split or reverse stock split affecting our common stock, the maximum number of shares of such common stock as to which awards may be granted under the RSU Plan and the number of shares covered by and other terms of outstanding awards, will, without further action by the board of directors, be adjusted to reflect such event. In addition, in the event of any change affecting our common stock or our capitalization, by reason of a spin-off, split-up, dividend, recapitalization, merger, consolidation or share exchange, other than any such change that is part of a transaction resulting in a change in control, the plan administrator, in its sole discretion, may make appropriate adjustments to the maximum number and kind of shares reserved with respect to which awards may be granted under the RSU Plan and any adjustments in outstanding awards, including to modify the number, kind and price of securities subject to awards as the plan administrator determines to be appropriate and equitable. The plan administrator is authorized to make, in its sole discretion, adjustments in the terms and conditions of, and the criteria included in, awards in recognition of unusual or nonrecurring events affecting us or our affiliates or our or our

affiliates' financial statements, or of changes in applicable laws, regulations, or accounting principles, whenever the plan administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the RSU Plan.

Non-Transferability of Awards. Unless the plan administrator provides otherwise, our RSU Plan generally does not allow for the transfer of awards other than by will or the laws of descent and distribution.

Amendment and Termination. Our Board of Directors may terminate, amend or modify the RSU Plan or any portion thereof at any time. Except as otherwise determined by the board of directors, termination of the RSU Plan will not affect the plan administrator's ability to exercise the powers granted to the plan administrator with respect to awards granted under the RSU Plan prior to the date of such termination.

SAR Plan

Our Amended and Restated Stock Appreciation Rights Plan, or SAR Plan, became effective on February 2014. Our SAR Plan permits the grant of stock appreciation rights to all employees, officers, and directors of, and other individuals providing services to or for us or our affiliates, as may be selected by the plan administrator from time to time.

Authorized Shares. The aggregate number of shares of common stock subject to awards granted under the SAR Plan is 2,000,000. We will not grant any additional awards under our SAR Plan following the completion of this offering. Instead, we will grant equity awards under our 2018 Plan. However, the SAR Plan will continue to govern the terms and conditions of all outstanding awards granted under the SAR Plan.

Administration. Our Board of Directors is authorized to administer the SAR Plan, but consistent with its authority under the SAR Plan, the board of directors has delegated some of its administrative authority to our compensation committee. Subject to the terms and conditions of the SAR Plan, the plan administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the SAR Plan. The plan administrator is authorized to interpret the provisions of the SAR Plan and individual award agreements, and all decisions of the plan administrator are final and binding on all persons.

Stock Appreciation Rights. The plan administrator may from time to time grant awards of stock appreciation rights. A stock appreciation right entitles the recipient to receive, subject to the provisions of the SAR Plan and the award agreement, a payment having an aggregate value equal to the product of the excess of the fair market value on the exercise date of one share of our common stock over the base or exercise price per share specified in the award agreement, multiplied by the number of shares specified by the stock appreciation right, or any portion thereof, which is exercised. The base or exercise price per share specified in the award agreement may not be less than the fair market value of our common stock on the grant date. The stock appreciation right may not have a term longer than 10 years. Payment of the amount receivable upon any exercise of a stock appreciation right must be made in cash. No shares of our common stock may be issued, paid or delivered under this SAR Plan or any stock appreciation right.

Change in Control Transactions. In the event of any transaction resulting in a change in control, as defined in our SAR Plan, outstanding awards will terminate on the effective time of such change in control unless provision is made in connection with the transaction for the continuation or assumption

of such awards by, or for the substitution of equivalent awards, as determined by the plan administrator, of, the surviving or successor entity or a parent thereof. In the event of such termination, the holders of awards under the SAR Plan will be permitted, immediately before the change in control, to exercise all portions of such awards under the SAR Plan that are then exercisable or which become exercisable upon or prior to the effective time of the change in control. If, immediately before the change in control, no common stock of ours is readily tradeable on an established securities market or otherwise, and the vesting of an award would be treated as a “parachute payment” under Section 280G of the Internal Revenue Code, or Code, then such award will not vest unless the requirements of the shareholder approval exemption of Section 280G of the Code are satisfied with respect to such award.

Certain Adjustments. In the event of a stock dividend of, or stock split or reverse stock split affecting our common stock, the maximum number of shares of such common stock as to which awards may be granted under the SAR Plan and the maximum number of shares with respect to which awards may be granted during any one fiscal year to any individual and the number of shares covered by and the exercise price and other terms of outstanding awards, will, without further action by the board of directors, be adjusted to reflect such event. In addition, in the event of any change affecting our common stock or our capitalization, by reason of a spin-off, split-up, dividend, recapitalization, merger, consolidation or share exchange, other than any such change that is part of a transaction resulting in a change in control, the plan administrator, in its sole discretion, may make appropriate adjustments to the maximum number and kind of shares reserved for issuance or with respect to which awards may be granted under the SAR Plan, in the aggregate and with respect to any individual during any one fiscal year as provided in the SAR Plan and any adjustments in outstanding awards, including to modify the number, kind and price of securities subject to awards as the plan administrator determines to be appropriate and equitable. The plan administrator is authorized to make, in its sole discretion, adjustments in the terms and conditions of, and the criteria included in, awards in recognition of unusual or nonrecurring events affecting us or our affiliates or our or our affiliates’ financial statements, or of changes in applicable laws, regulations, or accounting principles, whenever the plan administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the SAR Plan.

Non-Transferability of Awards. Unless the plan administrator provides otherwise, our SAR Plan generally does not allow for the transfer of awards other than by will or the laws of descent and distribution and only the recipient of an award may exercise an award during his or her lifetime or, during a period the grantee is under a legal disability, by the grantee’s guardian or legal representative.

Amendment and Termination. Our Board of Directors may terminate, amend or modify the SAR Plan or any portion thereof at any time. Except as otherwise determined by the board of directors, termination of the SAR Plan will not affect the plan administrator’s ability to exercise the powers granted to the plan administrator with respect to awards granted under the SAR Plan prior to the date of such termination.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We describe below transactions and series of similar transactions, during our last three fiscal years, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers, holders of more than 5% of our common stock or any member of their immediate family had or will have a direct or indirect material interest.

Each agreement described below is filed as an exhibit to the registration statement of which this prospectus forms a part, and the following descriptions are qualified by reference to such agreements.

Shareholders' Agreements

We entered into a shareholders' agreement on March 1, 2011 with US Airways, Inc. (the "American Shareholders' Agreement"), which later assigned its rights and obligations thereunder by operation of law to American Airlines, Inc. following the merger of US Airways, Inc. and American Airlines, Inc. Under the American Shareholders' Agreement, as amended by those certain letter agreements dated as of February 27, 2014 and March 22, 2017, American has agreed to vote any shares of our common stock that exceed American's fully-diluted interest (which, as of March 31, 2018, was 10.6%) in us in the manner directed by our Board of Directors. To secure such voting obligations, our Board of Directors has been appointed as American's proxy to vote such shares of our common stock owned by American in the manner prescribed in the American Shareholders' Agreement. The voting requirements of the American Shareholders' Agreement will expire upon the completion of this offering or at the election of American.

On June 1, 2016, we entered into an amended and restated shareholders' agreement with Citigroup Global Markets Inc. (the "Citigroup Shareholders' Agreement) whereby Citigroup Global Markets Inc. ("Citigroup"), in consideration for our extension of its outstanding warrants and our approval of its purchase of additional shares of our capital stock, agreed to vote certain shares of our common stock in such manner as directed by our Board of Directors. Specifically, any shares of our capital stock held by Citigroup that exceed Citigroup's fully diluted percentage interest in the Company must be voted in such manner. To secure such voting obligations, our Board of Directors has been appointed as Citigroup's proxy to vote such shares of our common stock owned by Citigroup in the manner prescribed in the Citigroup Shareholders' Agreement. The Citigroup Shareholders' Agreement terminates when all of our outstanding warrants have been exercised or are expired, as the case may be, or upon our agreement.

We entered into a shareholders' agreement with Penguin Lax, Inc. on August 15, 2016, which agreement was amended and restated in December 2017. Under such agreement, as amended and restated (the "Penguin Shareholders' Agreement"), Penguin Lax, Inc. ("Penguin") agreed to identical voting covenants as those contained in the Citigroup Shareholders' Agreement described above. The Penguin Shareholders' Agreement also contains an irrevocable proxy identical to that contained in the Citigroup Shareholders' Agreement. The Penguin Shareholders' Agreement terminates when all of our outstanding warrants have been exercised or are expired, as the case may be, or upon our agreement.

During the last three fiscal years, we have also entered into agreements with holders of less than 5% of our common stock, which agreements contain voting covenants and an irrevocable proxy substantially identical to those in the Citigroup Shareholders' Agreement and Penguin Shareholders' Agreement described above.

American Capacity Purchase Agreement

For a summary of the terms of our American Capacity Purchase Agreement, see "*Business—Capacity Purchase Agreements—American Capacity Purchase Agreement.*"

On March 1, 2011, we entered into an Investor Rights Agreement with US Airways, Inc. (the "Investor Rights Agreement"), which later assigned its rights and obligations thereunder by operation of law to American Airlines, Inc. following the merger of US Airways, Inc. and American. The American Investor Rights Agreement contains certain registration rights that are described in "*Description of Capital Stock—Registration Rights*" below. The agreement also grants American approval rights over (i) related party transactions; (ii) payment of dividends to shareholders or repurchases or redemptions of shares of our capital stock (except pursuant to our equity incentive plans); (iii) amendments to our articles of incorporation or bylaws that adversely impact American relative to any other security holder and (iv) increases to the number of shares available for grant under our equity incentive plans. These approval rights terminate at such time as our common stock is listed on the NYSE or Nasdaq and American no longer holds the greater of 62.5% of the Shares (as defined in the Investor Rights Agreement) or 4.9% of our outstanding common stock.

Other Related Party Transactions

Under the terms of the Investor Rights Agreement with American, we are prohibited from increasing the number of shares available for grant under our equity incentive plans. In December 2016, we obtained approval from our Board of Directors to acquire 50,000 shares of our capital stock in a private transaction in order to have such shares available for grant under our 2017 Plan. We sought and obtained American's approval to purchase such shares and use them for future equity grants.

Policies and Procedures for Related Party Transactions

We will enter into future business arrangements with related parties only where such arrangements are approved by a majority of disinterested directors and are on terms at least as favorable as available from unaffiliated third parties.

Our Board of Directors intends to adopt a written related party policy to set forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we (or any of our subsidiaries) are to be a participant, the amount involved exceeds $120,000 and a related party had or will have a direct or indirect material interest, including purchases of goods or services by or from the related party or entities in which the related party has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related party.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth, as of March 31, 2018, information regarding beneficial ownership of our capital stock by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our voting securities;
- each of our named executive officers;
- each of our directors;
- all of our executive officers and directors as a group; and
- the selling shareholder.

Beneficial ownership is determined according to the rules of the SEC and generally means that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power of that security, including options and warrants that are currently exercisable or exercisable within 60 days. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons named in the table below have sole voting and investment power with respect to all shares of common stock shown that they beneficially own, subject to community property laws where applicable.

Common stock subject to stock options and warrants currently exercisable or exercisable within 60 days of , are deemed to be outstanding for computing the percentage ownership of the person holding these options and warrants and the percentage ownership of any group of which the holder is a member but are not deemed outstanding for computing the percentage of any other person.

We have based our calculation of the percentage of beneficial ownership prior to the offering on shares of common stock outstanding on . We have based our calculation of the percentage of beneficial ownership after the offering on shares of our common stock outstanding immediately after the completion of this offering (assuming no exercise of the underwriters' option to purchase additional shares of our common stock from the selling shareholder).

Unless otherwise noted below, the address for each of the shareholders in the table below is c/o Mesa Air Group, Inc., 410 North 44th Street, Suite 700, Phoenix, Arizona 85008.

The information in the table below with respect to each selling shareholder has been obtained from that selling shareholder. When we refer to the "selling shareholder" in this prospectus, we mean the entity listed in the table below as offering shares, as well as the pledgees, donees, assignees, transferees, successors and others who may hold any of the selling shareholder's interest.

	Beneficial Ownership Prior to the Offering				Beneficial Ownership After the Offering			Beneficial Ownership After the Offering if the Option to Purchase Shares is Exercised	
Name and Address of Beneficial Owner	Common Stock	Options Exercisable within 60 days	Number of Shares Beneficially Owned	Percent	Shares Offered in the Offering	Number of Shares Beneficially Owned	Percent	Number of Shares Beneficially Owned	Percent
5% Shareholder and Selling Shareholder:									
American Airlines, Inc.	1,000,000	—	1,000,000	21.9%					
Citigroup Global Markets Inc.(1)	661,101		661,101	13.6%					
Penguin Lax Inc.	489,301	—	489,301	10.7%					
USDR Investment Management(2)	436,610	—	436,610	9.6%					
JP Morgan Securities LLC	351,595	—	351,595	7.7%					
Momar Corp. and Marneu Holdings(3)	276,830	—	276,830	6.1%					
Named Executive Officers and Directors:		—							
Daniel J. Altobello(4)	595	—	595	*					
Ellen N. Artist(4)	595	—	595	*					
Mitchell Gordon(4)	595	—	595	*					
Dana J. Lockhart(4)	595	—	595	*					
G. Grant Lyon(4)	595	—	595	*					
Giacomo Picco(4)	0	—	0	*					
Harvey Schiller(4)	595	—	595	*					
Don Skiados(4)	595	—	595	*					
Jonathan Ornstein(4)	179,095	—	179,095	3.9%					
Michael J. Lotz(4)	62,550	—	62,550	1.4%					
Brian S. Gillman(4)	24,634	—	24,634	*					
All executive officers and directors as a group (12 persons)	273,396	—	273,396	6.0%					

* Represents beneficial ownership of less than one percent (1%) of the outstanding common stock.

(1) Citigroup Global Markets Inc. holds a warrant for 301,940 shares of our common stock, with an exercise price of $0.01 per share. The address for Citigroup Global Markets Inc. is 390 Greenwich St., 4th Floor, New York, New York 10013.

(2) United States Debt Recovery, L.P. ("USDR L.P.") holds 3,302 shares of our common stock. United States Debt Recovery VIII ("USDR VIII") holds 257,308 shares of our common stock. United States Debt Recovery X, L.P. ("USDR X") holds 50,000 shares of our common stock. United States Debt Recovery XI, L.P. ("USDR XI") holds 110,000 shares of our common stock. United States Debt Recovery XII, L.P. ("USDR XII") holds 16,000 shares of our common stock. WJ Investments, LLC, doing business as USDR Investment Management ("USDR") is the general partner of USDR L.P., USDR VIII, USDR X, USDR XI and USDR XII and has sole voting and dispositive power over these shares. The address for USDR is 5575 Kietzke Lane, Suite A, Reno, NV 89511.

(3) Represents shares of our common stock held by Momar Corp. and Marneu Holdings Co. Momar Corp. is owned by Moses Marx's two daughters and his 10 grandchildren. Mr. Marx is the president of Momar Corp. and a member of its board of directors. Mr. Marx's two sons-in-law are also members of Momar Corp.'s board of directors. Mr. Marx owns 50% of the equity in Marneu Holdings Co., and the other 50% is owned by United Equities Realty Associates, which is owned by Mr. Marx and his two sons-in-law. Mr. Marx may be deemed to be the beneficial owner and have voting and dispositive power with respect to the shares of our common stock held by Momar Corp. and Marneu Holdings Co. The address for Momar Corp. and Marneu Holdings Co. is 160 Broadway, New York, New York 10038.

(4) Does not reflect any shares that may be issued upon settlement of outstanding RSUs.

DESCRIPTION OF CAPITAL STOCK

The following summary describes our capital stock and our amended and restated articles of incorporation and our amended and restated bylaws to be in effect immediately prior to the consummation of this offering, and certain relevant provisions of Nevada corporate law. Because the following is only a summary, it does not contain all of the information that may be important to you. For a complete description, you should refer to our amended and restated articles of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering, copies of which are incorporated by reference as exhibits to the registration statement of which this prospectus is part, and to the applicable provisions of Nevada law.

General

Upon the completion of this offering, our amended and restated articles of incorporation will authorize us to issue up to shares of common stock, no par value per share, and shares of preferred stock, no par value per share.

As of March 31, 2018, there were outstanding shares of our capital stock held by shareholders of record.

Also as of March 31, 2018, there were outstanding no shares of preferred stock.

Common Stock

Dividend Rights. Holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our Board of Directors out of legally available funds, subject to preferences that may be applicable to any then-outstanding preferred stock and limitations under our Investor Rights Agreement, RASPRO Lease Facility, GECAS Lease Facility and Nevada law.

Voting Rights. Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the shareholders, including the election of directors. Our shareholders do not have cumulative voting rights in the election of directors.

Liquidation. In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to the net assets legally available for distribution to shareholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

Rights and Preferences. Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate in the future.

Fully Paid and Nonassessable. All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering will be, fully paid and nonassessable

Preferred Stock

Our Board of Directors has the authority, without further action by our shareholders, to issue up to 2,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights,

conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of common stock. Our issuance of preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control of our company or other corporate action. Upon the closing of this offering, there will be no shares of preferred stock outstanding, and we have no present plan to issue any such shares of preferred stock.

Warrants

In connection with our emergence from bankruptcy in 2011, we issued 6,366,251 warrants to purchase shares of our common stock with an exercise price of $0.01 per share, to 60 claimholders in our bankruptcy proceedings who were not “U.S. Citizens” under applicable regulations. The warrants may be exercised in whole or in part, by cash purchase or cashless net exercise, only if the holder is a “citizen of the United States” as defined in 49 U.S.C. Section 40102(a)(15).They are freely transferable, subject to applicable securities laws and ownership and transfer restrictions in our amended and restated articles of incorporation, and expire on June 21, 2023. The shares of our common stock issuable pursuant to exercise of a warrant are subject to a shareholders’ agreement between the warrant holder and us, pursuant to which the warrant holder must vote certain shares of common stock acquired upon exercise of such warrant as directed by a majority of our board of directors and grant the board of directors an irrevocable proxy to do so.

In June 2014, we issued a warrant to purchase 100,000 shares of our common stock to GE in consideration for restructuring eight CRJ-700 aircraft leases and nine CRJ-900 aircraft leases (the “GE Warrant”). The GE Warrant has an exercise price of $8.00 per share and expires on June 19, 2019. The GE Warrant may be exercised in whole or in part, by cash purchase or cashless net exercise. The GE Warrant is transferable, subject to the transfer restrictions in our amended and restated articles of incorporation.

Registration Rights

On March 1, 2011, we entered into an Investor Rights Agreement with US Airways, Inc. (now known as American Airlines, Inc.), which provides that if we become eligible to file a registration statement on Form S-3 and we receive a written request from any Initiating Holder (defined therein to effectively only include American), American will be entitled to certain demand registration rights. If and when American, pursuant to the Investor Rights Agreement, proposes through a written request to register securities the aggregate offering price of which, net of underwriting discounts and commissions, exceeds $500,000, American will be able to seek demand registration rights. In addition, should we decide to register certain securities, American will have “piggyback” registration rights, subject to lock-up arrangements and to certain restrictions. These demand and “piggyback” registration rights are described below.

Demand Registration Rights. If at any time we become eligible to file a registration statement on Form S-3, and we receive a written request from American to effect a registration statement on Form S-3, in accordance with the procedures outlined in the Investor Rights Agreement, and within 20 days of receiving notice from us regarding the registration, we will be required to: (i) promptly deliver written notice of the proposed registration to any other Holders (as defined therein) and (ii) use our reasonable best efforts to effect the registration statement on Form S-3 as soon as practicable (but in any event within 45 days after receiving the request) for the Registrable Securities (defined therein) proposed to be registered pursuant to the Investor Rights Agreement (subject to certain restrictions and limitations). We intend to obtain a lock-up agreement from American, the terms of which are described under “Shares Eligible for Future Sale—Lock-Up Agreements.”

Piggyback Registration Rights. If we decide to register any of our securities, either for our own account or for the account of a security holder (subject to certain exceptions), we are required to: (i) promptly deliver (but in any event at least 10 days prior to filing any registration statement) written notice to American of the registration and any underwriting and (ii) use our reasonable best efforts (subject to certain exceptions) to include in such registration, which includes American's participation in any underwriting, the Registrable Securities specified by American in a written request that we receive within 20 days after we have given them notice of our intent to register the securities. As of the date of this prospectus, we have provided such notice. In the event of an underwriting, American's right to participate will be conditioned on its participation in such underwriting and including its Registrable Securities therein, as well as entering into and complying with the underwriter agreement we enter into with the managing underwriter, who may make a good faith determination that, because marketing factors require a limitation on the number of shares, American's proposed number of Registrable Securities to be included in the underwriting is limited to not less than 20% of the Registrable Securities proposed by American. However, we reserve the right under the Investor Rights Agreement to terminate or withdraw any registration we have initiated prior to the effectiveness of such registration regardless of whether American has elected to include its Registrable Securities in the offering (provided we promptly notify American).

Expenses of Registration, Restriction and Indemnification. We will pay all Registration Expenses (defined therein) incurred from registering securities pursuant to the Investor Rights Agreement, while all Selling Expenses (defined therein) relating to securities registered on behalf of American shall be borne by American. The demand and "piggyback" registration rights are subject to customary restrictions such as blackout periods and any limitations on the number of shares to be included in the underwritten offering imposed by the managing underwriter. We and American have also agreed to customary indemnification provisions.

The covenants set forth in the Investor Rights Agreement, other than the registration rights described above, terminate and are of no further force or effect upon: (i) the listing of common stock on the Nasdaq Global Select Market, and (ii) American (including its affiliates) no longer holding the greater of 62.5% of our Shares (as defined in the Investor Rights Agreement) or 4.9% of our Common Stock (defined therein) then outstanding. As of the date of this prospectus, American owns 21.9% of our issued and outstanding common stock.

Anti-Takeover Provisions of Our Articles of Incorporation, Bylaws and Nevada Law

Certain provisions of Nevada corporate law to which we are subject deter hostile takeovers. Specifically, Sections 78.411-444 of the NRS prohibit a publicly-held Nevada corporation from engaging in a "combination" with an "interested stockholder" for a period of two years following the date the person first became an interested shareholder, unless (with certain exceptions) the "combination" or the transaction by which the person became an interested shareholder is approved in a prescribed manner. Generally, a "combination" includes a merger, asset or stock sale, or certain other transactions resulting in a financial benefit to the interested shareholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, beneficially owns or within two years prior to the determination of interested shareholder status, did own, 10% or more of a corporation's voting power. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the Board of Directors, including discouraging attempts that might result in a premium over the market price for the shares of Common Stock held by shareholders.

In order to ensure that our capacity purchase agreements are not subject to early termination, our articles of incorporation prohibit the sale, transfer or assignment of our capital stock to the extent that such transfer would result in a change of control. Our articles of incorporation also grant the Board of

Directors the ability to authorize undesignated preferred stock, making it possible for the board to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of our company. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of our company.

Limited Ownership and Voting by Foreign Owners

To comply with restrictions imposed by federal law on foreign ownership of U.S. airlines, our amended and restated articles of incorporation to be in effect immediately prior to the consummation of this offering restrict the transfer of shares of our common stock to non-U.S. citizens. The restrictions imposed by federal law currently require that no more than 24.9% of our stock be voted, directly or indirectly, or controlled by persons who are not U.S. citizens, that no more than 49.0% of our stock be held, directly or indirectly, by persons who are not U.S. citizens and that our president and at least two-thirds of the members of our Board of Directors and senior management be U.S. citizens. Our amended and restated articles of incorporation to be in effect immediately prior to the consummation of this offering prohibit the transfer of shares of our capital stock that would result in our losing its status as a "citizen of the United States" within the meaning of 49 U.S.C. § 40102(a). That statute defines "citizen of the United States" as, among other things, a U.S. corporation, of which the president and at least two-thirds of the Board of Directors and other managing officers are citizens of the United States, which is under the actual control of citizens of the United States, and in which at least 75 percent of the voting interest is owned or controlled by persons that are citizens of the United States. We are currently in compliance with all applicable foreign ownership restrictions.

Limitations of Liability and Indemnification

See "*Management—Limitation of Liability and Indemnification*."

Market Listing

We intend to apply to have our common stock approved for quotation on the Nasdaq Global Select Market under the symbol " ."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is ComputerShare and its telephone number is (212) 805-7100.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Based on the number of shares outstanding as of September 30, 2017 and giving effect to the completion of this offering, million shares of common stock will be outstanding, assuming no exercise of the underwriters' option to purchase additional shares. Of these shares, the shares sold in this offering by us, plus any shares sold upon exercise of the underwriters' option to purchase additional shares of our common stock from the selling shareholder, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 of the Securities Act.

In addition, as described below, 2,633,749 shares of common stock issued in reliance on Section 1145(a)(1) of the Bankruptcy Code pursuant to our Plan of Reorganization may be resold without registration unless the seller is an "underwriter" with respect to those securities.

After this offering, million shares of common stock will be restricted as a result of securities laws or lock-up agreements as described below. Following the expiration of the various lock-up periods, all shares will be eligible for resale in compliance with Rule 144 or Rule 701, if then available, to the extent such shares have been released from any repurchase option that we may hold. "Restricted securities" as defined under Rule 144 were issued and sold by us in reliance on exemptions from the registration requirements of the Securities Act. These shares may be sold in the public market only if registered pursuant to an exemption from registration, such as Rule 144 or Rule 701 under the Securities Act.

In connection with our emergence from bankruptcy in 2011, we issued 6,366,251 warrants to purchase shares of our common stock with an exercise price of $0.01 per share, to claimholders in our bankruptcy proceedings who were not "U.S. Citizens" under applicable regulations. In addition, we issued the GE Warrant in June 2014 in connection with the restructuring eight CRJ-700 aircraft leases and nine CRJ-900 aircraft leases. The GE Warrant has an exercise price of $8.00 per share and expires on June 19, 2019.

The share amounts set forth in this section are subject to change and will depend primarily on the price per share at which our common stock is sold in this offering and the total size of the offering. See "*Use of Proceeds*" elsewhere in this prospectus.

Shares of Common Stock Issued in Reliance on Section 1145 of the Bankruptcy Code

We relied on Section 1145(a)(1) of the Bankruptcy Code to exempt from the registration requirements of the Securities Act the offer and sale of certain shares of common stock issued pursuant to our Plan of Reorganization. Section 1145(a)(1) exempts the offer and sale of securities under a plan of reorganization from registration under Section 5 of the Securities Act and state laws if certain requirements are satisfied. At March 31, 2018, we had 4,569,172 shares of common stock issued and outstanding, of which were issued pursuant to our Plan of Reorganization and may be resold

without registration unless the seller is an “underwriter” with respect to those securities. Section 1145(a)(1) defines an “underwriter” as any person who:

- purchases a claim against, an interest in, or a claim for an administrative expense against the debtor, if that purchase is with a view to distributing any security received in exchange for such a claim or interest;
- offers to sell securities offered under the plan for holders of those securities; offers to buy those securities from the holders of the securities, if the offer to buy is (i) with a view to distributing those securities; and (ii) under an agreement made in connection with the plan, the consummation of the plan, or with the offer or sale of securities under the plan; or
- is an “affiliate” of the issuer.

To the extent a person is deemed to be an “underwriter,” resales by such person would not be exempted by Section 1145 from registration under the Securities Act or other applicable law. Those persons would, however, be permitted to sell our shares of common stock without registration if they are able to comply with the provisions of Rule 144, as described further below.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, a person (or persons whose shares are required to be aggregated) who is not deemed to have been one of our “affiliates” for purposes of Rule 144 at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than one of our “affiliates,” is entitled to sell those shares in the public market (subject to the lock-up agreements referred to below, if applicable) without complying with the manner of sale, volume limitations or notice provisions of Rule 144, but subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than “affiliates,” then such person is entitled to sell such shares in the public market without complying with any of the requirements of Rule 144 (subject to the lock-up agreements referred to below, if applicable). In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, our “affiliates,” as defined in Rule 144, who have beneficially owned the shares proposed to be sold for at least six months are entitled to sell in the public market, upon expiration of any applicable lock-up agreements and within any three-month period, a number of those shares of our common stock that does not exceed the greater of:

- 1% of the number of common shares then outstanding, which will equal approximately shares of common stock immediately after this offering (calculated on the basis of the number of shares of our common stock outstanding as of September 30, 2017, the assumptions described above and assuming no exercise of the underwriter’s option to purchase additional shares and no exercise of outstanding options); or
- the average weekly trading volume of our common stock on the Nasdaq Global Select Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Such sales under Rule 144 by our “affiliates” or persons selling shares on behalf of our “affiliates” are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced below and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 under the Securities Act before the effective date of the registration statement of which this prospectus is a part (to the extent such common stock is not subject to a lock-up agreement) is entitled to rely on Rule 701 to resell such shares in reliance on Rule 144. Accordingly, subject to any applicable lock-up agreements, under Rule 701 persons who are not our "affiliates," as defined in Rule 144, may resell those shares without complying with the minimum holding period or public information requirements of Rule 144, and persons who are our "affiliates" may resell those shares without compliance with Rule 144's minimum holding period requirements (subject to the terms of the lock-up agreement referred to below, if applicable).

Lock-Up Agreements

In connection with this offering, we have agreed with the underwriters not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such aforementioned transaction is to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, without, in each case, the prior written consent of Raymond James & Associates, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated for a period of 180 days after the date of this prospectus.

In connection with this offering, the selling shareholder, our officers, directors and holders of substantially all of our outstanding shares of capital stock and other securities have agreed with the underwriters not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such aforementioned transaction is to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Raymond James & Associates, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated for a period of 180 days after the date of this prospectus. Subject to certain requirements, the foregoing restrictions are not applicable to (i) transfers of shares of capital stock (a) as a bona fide gift or gifts, (b) to any trust for the direct or indirect benefit of the applicable selling party or the immediate family of such party or (c) by will or intestacy to such party's legal representative, heir or legatee and (ii) distributions of shares of capital stock to members, limited partners or shareholders of the applicable party, (iii) transfers of shares of capital to such party's affiliates or to any investment fund or other entity controlled or managed by such party, and (iv) transfers of shares of capital stock to us as forfeitures to satisfy tax withholding and remittance obligations in connection with the vesting or exercise of equity awards granted pursuant to our equity incentive plans or pursuant to a net exercise or cashless exercise by the shareholder of outstanding equity awards pursuant to our equity incentive plans, subject to certain requirements.

Registration Statements

As soon as practicable after the completion of this offering, we intend to file a Form S-8 registration statement under the Securities Act to register shares of our common stock subject to awards outstanding or reserved for issuance under our Stock Appreciation Rights Plan. This registration statement will become effective immediately upon filing, and shares covered by this registration statement will thereupon be eligible for sale in the public markets, subject to vesting restrictions, the lock-up agreements described above and Rule 144 limitations applicable to affiliates. For a more complete discussion of our stock plans, see "*Executive Compensation—Equity Compensation Plans*."

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- persons subject to special tax accounting rules under Section 451(b) of the Code;
- banks, insurance companies, and other financial institutions;
- brokers, dealers or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code; and
- tax-qualified retirement plans.

If an entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS

TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our common stock that is neither a "U.S. person" nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (i) is subject to the primary supervision of a U.S. court and all substantial decisions of which are subject to the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (ii) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section entitled "Dividend Policy," we do not anticipate declaring or paying any cash dividends on our common stock. However, if we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "—Sale or Other Taxable Disposition."

Subject to the discussion below on effectively connected income, dividends paid to a Non-U.S. Holder will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable tax treaties.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a

branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

Subject to the discussions below under "—Information Reporting and Backup Withholding" and "—Additional Withholding Tax on Payments Made to Foreign Accounts," a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a non-resident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest ("USRPI") by reason of our status as a U.S. real property holding corporation ("USRPHC") for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by certain U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of our common stock will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of dividends on our common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the Non-U.S. Holder is a United States person and the Non-U.S. Holder either certifies its non-U.S. status, such as by

furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such Non-U.S. Holder is a United States person, or the Non-U.S. Holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker that does not have certain enumerated relationships with the United States generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act (the "FATCA")) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or gross proceeds from the sale or other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (i) the foreign financial institution undertakes certain diligence and reporting obligations, (ii) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (i) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock, and will apply to payments of gross proceeds from the sale or other disposition of such stock on or after January 1, 2019.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

UNDERWRITING

Raymond James & Associates, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as representatives of each of the underwriters named below. Subject to the conditions set forth in an underwriting agreement among us, the selling shareholder and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us the number of shares of our common stock set forth opposite its name below:

Underwriter	Number of Shares
Raymond James & Associates, Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Total	

The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at that price less a concession not in excess of $ per share. After the initial offering of the shares of common stock, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the U.S. may be made by affiliates of the underwriters.

Option to Purchase Additional Shares of Common Stock

The selling shareholder has granted the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

Discounts and Expenses

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us and the selling shareholder.

	Per Share	Total (Full Exercise)
Public offering price	$	$
Underwriting discounts	$	$
Proceeds, before expenses, to us	$	$
Proceeds, before expenses, to selling shareholder if overallotment option is exercised	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $ million. We have agreed to reimburse the underwriters for expenses of up to $ related to the clearance of this offering with the Financial Industry Regulatory Authority, Inc. and compliance with state securities or "blue sky" laws.

Indemnification

We and the selling shareholder have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

Lock-Up Agreements

In connection with this offering, we have agreed with the underwriters not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such aforementioned transaction is to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, without, in each case, the prior written consent of Raymond James & Associates, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated for a period of 180 days after the date of this prospectus.

In connection with this offering, the selling shareholder, our officers, directors and holders of substantially all of our outstanding shares of capital stock and other securities have agreed with the underwriters not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such aforementioned transaction is to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Raymond James & Associates, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated for a period of 180 days after the date of this prospectus. Subject to certain requirements, the foregoing restrictions are not applicable to (i) transfers of shares of capital stock (a) as a bona fide gift or gifts, (b) to any trust for the direct or indirect benefit of the applicable selling party or the immediate family of such party or (c) by will or intestacy to such party's legal representative, heir or legatee, (ii) distributions of shares of capital stock to members, limited partners or shareholders of the applicable party, (iii) transfers of shares of

capital stock to such party's affiliates or to any investment fund or other entity controlled or managed by such party or (iv) transfers of shares of capital stock to us as forfeitures to satisfy tax withholding and remittance obligations in connection with the vesting or exercise of equity awards granted pursuant to our equity incentive plans or pursuant to a net exercise or cashless exercise by the shareholder of outstanding equity awards pursuant to our equity incentive plans, subject to certain requirements.

Stabilization

Until this offering is completed, rules of the SEC may limit the ability of the underwriters and various selling group members to bid for and purchase the shares of our common stock. As an exception to these rules and in accordance with Regulation M under the Exchange Act, the underwriters may engage in activities that stabilize, maintain or otherwise affect the price of our common stock in order to facilitate the offering of the common stock, including: short sales; syndicate covering transactions; imposition of penalty bids; and purchases to cover positions created by short sales.

Stabilizing transactions may include making short sales of shares of our common stock, which involve the sale by the underwriters of a greater number of shares than it is required to purchase in this offering and purchasing shares of common stock from us by exercising the option or in the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' option referred to above, or may be "naked" shorts, which are short positions in excess of that amount.

Each underwriter may close out any covered short position either by exercising its option, in whole or in part, or by purchasing shares of common stock in the open market after the distribution has been completed. In making this determination, each underwriter will consider, among other things, the price of shares of our common stock available for purchase in the open market compared to the price at which the underwriter may purchase shares of our common stock pursuant to the underwriters' option.

A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of shares of our common stock in the open market after pricing that could adversely affect investors who purchased in this offering. To the extent that the underwriters create a naked short position, they will purchase shares of our common stock in the open market to cover the position after the pricing of this offering.

The underwriters also may impose a penalty bid on selling group members. This means that if the underwriters purchase shares of our common stock in the open market in stabilizing transactions or to cover short sales, the underwriters can require the selling group members that sold those shares as part of this offering to repay the selling concession received by them.

As a result of these activities, the price of shares of our common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them without notice at any time. The underwriters may carry out these transactions on the Nasdaq Global Select Market or otherwise.

The underwriters are not required to engage in these activities and may end any of these activities at any time.

Relationships and Conflicts of Interest

Certain of the underwriters and their affiliates may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates, and for the selling shareholder and its affiliates, in the ordinary course of their business, for

which they will receive customary fees and commissions, as applicable, and reimbursement for out-of-pocket expenses. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Listing

Currently, no public market exists for our shares. We intend to apply to have our common stock listed on the Nasdaq Global Select Market under the symbol “ .”

Electronic Prospectus

A prospectus in electronic format may be made available by e-mail or on the websites or through other online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of common units for sale to online brokerage account holders. Any such allocation for online distributions will be made by the representatives on the same basis as other allocations.

Other than the prospectus in electronic format, the information on the underwriters’ websites and any information contained on any other website maintained by any of the underwriters is not part of this prospectus or the registration statement of which this prospectus forms a part, has not been approved or endorsed by the underwriters or us and should not be relied upon by investors.

Selling Restrictions

General

Other than in the U.S., no action has been taken by us or the underwriters that would permit a public offering of the shares of common stock offered by this prospectus in any jurisdiction where action for that purpose is required. The shares offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such shares be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any shares offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area, each a “Member State,” no offer of the shares of common stock which are the subject of the offering has been, or will be made to the public in that Member State, other than under the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the shares of common stock referred to in (a) to (c) above shall result in a requirement for us or any representative to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person located in a Member State to whom any offer of shares of our common stock is made or who receives any communication in respect of an offer of shares of our common stock, or who initially acquires any of our shares of common stock will be deemed to have represented, warranted, acknowledged and agreed to and with each representative and us that (i) it is a "qualified investor" within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive; and (ii) in the case of any shares of common stock acquired by it as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, the shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or where shares of our common stock have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those shares of common stock to it is not treated under the Prospectus Directive as having been made to such persons.

We, the representatives and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgments and agreements.

This prospectus has been prepared on the basis that any offer of shares of our common stock in any Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Member State of shares of our common stock which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for us or any of the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the representatives have authorized, nor do they authorize, the making of any offer of shares of our common stock in circumstances in which an obligation arises for us or the representatives to publish a prospectus for such offer.

For the purposes of this provision, the expression an "offer of shares of our common stock to the public" in relation to any shares of our common stock in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares of our common stock to be offered so as to enable an investor to decide to purchase or subscribe the shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Member State.

The above selling restriction is in addition to any other selling restrictions set out below.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons").

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom,

any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in Switzerland

The shares of our common stock may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, us, or the shares of our common stock have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares of our common stock will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA and the offer of shares of our common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares of our common stock applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in

circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in Hong Kong

The shares of our common stock offered in this prospectus may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares of our common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The shares of our common stock offered in this prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (including any corporation or other entity organized under the laws of Japan), except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares of our common stock may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where shares of our common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notice to Prospective Investors in Canada

The shares of our common stock offered in this prospectus may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts ("NI 33-105") the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

LEGAL MATTERS

The validity of the common stock offered by this prospectus will be passed upon for us by Brownstein Hyatt Farber Schreck, LLP, Las Vegas, Nevada, and certain other legal matters will be passed upon for us by DLA Piper LLP (US), Phoenix, Arizona. The underwriters are being represented by Mayer Brown LLP, New York, New York, in connection with the offering.

EXPERTS

The consolidated financial statements as of September 30, 2016 and September 30, 2017, and for each of the two years in the period ended September 30, 2017, included in this prospectus, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such consolidated financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to this offering of our common stock. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some items of which are contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The exhibits to the registration statement should be referenced for the complete contents of these contracts and documents. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above.

GLOSSARY OF AIRLINE TERMS

Set forth below is a glossary of industry terms used in this prospectus:

"Available seat miles" or "ASMs" means the number of seats available for passengers multiplied by the number of miles the seats are flown.

"Average aircraft" means the average number of aircraft used in flight operations, as calculated on a daily basis.

"Average stage length" means the average number of statute miles flown per flight segment.

"Block hours" means the number of hours during which the aircraft is in revenue service, measured from the time of gate departure before take-off until the time of gate arrival at the destination.

"CASM" or "unit costs" means operating expenses divided by ASMs.

"DOT" means the United States Department of Transportation.

"FAA" means the United States Federal Aviation Administration.

"FARs" means the Federal Aviation Regulations and rules prescribed by the FAA.

"FTE" means full-time equivalent employee.

"Load factor" means the percentage of aircraft seat miles actually occupied on a flight (RPMs divided by ASMs).

"Mesa" means Mesa Air Group, Inc. and its predecessors, direct and indirect subsidiaries and affiliates.

"NMB" means the National Mediation Board.

"Pass-Through Revenue" means costs from our major airline partners under our capacity purchase agreements that we equally recognize as both a revenue and an expense, including passenger and hull insurance, aircraft property taxes, landing fees, catering and certain maintenance costs related to our E-175 aircraft.

"RASM" or "unit revenue" means total operating revenue divided by ASMs.

"TSA" means the United States Transportation Security Administration.

"Utilization" means the percentage derived from dividing (i) the number of block hours actually flown during a given month under a particular capacity purchase agreement by (ii) the maximum number of block hours that could be flown during such month under the particular capacity purchase agreement.

MESA AIR GROUP, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Mesa Air Group, Inc.
Phoenix, Arizona

We have audited the accompanying consolidated balance sheets of Mesa Air Group, Inc. and its subsidiaries (the "Company") as of September 30, 2017 and 2016, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the two years in the period ended September 30, 2017. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Mesa Air Group, Inc. and its subsidiaries as of September 30, 2017 and 2016, and the results of their operations and their cash flows for each of the two years in the period ended September 30, 2017, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

Phoenix, Arizona
May 3, 2018

MESA AIR GROUP, INC.
Consolidated Balance Sheets

(in thousands)

	September 30, 2016	September 30, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 37,686	$ 56,788
Restricted cash	3,513	3,559
Receivables, net ($0 and $1,329 from related party)	9,297	8,853
Expendable parts and supplies, net	12,154	15,114
Prepaid expenses and other current assets	42,517	61,525
Total current assets	105,167	145,839
Property and equipment, net	1,153,350	1,192,448
Intangibles, net	12,107	11,724
Lease and equipment deposits	4,244	1,945
Other assets	8,362	5,693
Total assets	$ 1,283,230	$ 1,357,649
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Current portion of long-term debt	$ 109,901	$ 140,466
Accounts payable ($4,875 and $2,644 to related party)	52,959	44,738
Accrued compensation	8,839	9,080
Other accrued expenses	20,150	23,929
Total current liabilities	191,849	218,213
Long-term debt, excluding current portion	803,115	803,874
Deferred credits ($6,175 and $7,370 to related party)	16,876	17,189
Deferred income taxes	35,921	56,436
Other noncurrent liabilities	46,318	39,713
Total noncurrent liabilities	902,230	917,212
Total liabilities	1,094,079	1,135,425
Commitments and contingencies (Notes 15 and 16)		
Shareholders' equity:		
Preferred stock of no par value, 2,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock of no par value and additional paid-in capital, 15,000,000 shares authorized; 4,517,633 (2017) and 4,147,857 (2016) shares issued and outstanding, and 4,892,250 (2017) and 5,260,244 (2016) warrants issued and outstanding	114,211	114,456
Retained earnings	74,940	107,768
Total shareholders' equity	189,151	222,224
Total liabilities and shareholders' equity	$ 1,283,230	$ 1,357,649

See accompanying notes to the consolidated financial statements.

MESA AIR GROUP, INC.
Consolidated Statements of Operations

(in thousands, except per share amounts)

	Years Ended September 30,	
	2016	2017
Operating revenues:		
Contract revenue ($366,911 and $354,614 from related party)	$569,373	$618,698
Pass-through and other ($8,885 and $7,920 from related party)	18,463	24,878
Total operating revenues	587,836	643,576
Operating expenses:		
Flight operations	141,422	155,516
Fuel	753	766
Maintenance	225,130	210,729
Aircraft rent	71,635	72,551
Aircraft and traffic servicing	3,936	3,676
General and administrative	42,182	38,996
Depreciation and amortization	46,020	61,048
Total operating expenses	531,078	543,282
Operating income	56,758	100,294
Other (expense) income, net:		
Interest expense	(32,618)	(46,110)
Interest income	325	32
Other income (expense), net	381	(514)
Total other (expense) income, net	(31,912)	(46,592)
Income before taxes	24,846	53,702
Income tax expense	9,926	20,874
Net income	$ 14,920	$ 32,828
Net income per share attributable to common shareholders:		
Basic	$ 3.90	$ 7.52
Diluted	$ 1.54	$ 3.51
Weighted-average common shares outstanding:		
Basic	3,823	4,368
Diluted	9,707	9,350

See accompanying notes to the consolidated financial statements.

MESA AIR GROUP, INC.
Consolidated Statements of Shareholders' Equity

(in thousands)

	Number of Shares	Number of Warrants	Common Stock and Additional Paid-In Capital	Retained Earnings	Total
Balance at September 30, 2015, as previously reported	3,146,464	6,466,251	$114,076	$ 57,768	$171,844
Prior period adjustment (See note 2)	—	—	—	2,252	2,252
Balance at September 30, 2015, as corrected	3,146,464	6,466,251	$114,076	$ 60,020	$174,096
Stock compensation expense	—	—	1,546	—	1,546
Repurchased shares	(92,834)	—	(1,411)	—	(1,411)
Forfeited warrants	—	(321,880)	—	—	—
Warrants converted to common stock	884,127	(884,127)	—	—	—
Restricted shares issued	210,100	—	—	—	—
Net income	—	—	—	14,920	14,920
Balance at September 30, 2016	4,147,857	5,260,244	$114,211	$ 74,940	$189,151
Stock compensation expense	—	—	1,288	—	1,288
Repurchased shares	(91,494)	—	(1,043)	—	(1,043)
Warrants converted to common stock	367,994	(367,994)	—	—	—
Restricted shares issued	93,276	—	—	—	—
Net income	—	—	—	32,828	32,828
Balance at September 30, 2017	4,517,633	4,892,250	$114,456	$107,768	$222,224

See accompanying notes to the consolidated financial statements.

MESA AIR GROUP, INC.
Consolidated Statements of Cash Flows

(in thousands)

	Years Ended September 30, 2016	2017
Cash flows from operating activities:		
Net income	$ 14,920	$ 32,828
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	46,020	61,048
Stock compensation expense	1,546	1,288
Deferred income taxes	9,513	20,515
Amortization of unfavorable lease liabilities and deferred credits	(9,626)	(10,626)
Amortization of debt financing costs and accretion of interest on non-interest-bearing subordinated notes	1,990	2,689
Loss on disposal of assets	428	533
Provision for obsolete expendable parts and supplies	41	419
Provision for doubtful accounts	575	(86)
Changes in assets and liabilities:		
Receivables	1,908	530
Expendable parts and supplies	(1,675)	(3,379)
Prepaid expenses and other current assets	1,554	(17,243)
Accounts payable	29,673	(17,336)
Accrued liabilities	7,625	3,547
Net cash provided by operating activities	104,492	74,727
Cash flows from investing activities:		
Capital expenditures	(490,081)	(84,500)
Proceeds from sale of rotable spare parts	196	18
Withdrawal (deposit) of restricted cash	807	(46)
(Payments) net returns of lease and equipment deposits	(2,049)	406
Net cash used in investing activities	(491,127)	(84,122)
Cash flows from financing activities:		
Proceeds from long-term debt	452,841	185,912
Principal payments on long-term debt	(75,496)	(152,995)
Debt financing costs	(10,086)	(3,377)
Repurchase of stock	(1,411)	(1,043)
Net cash provided by financing activities	365,848	28,497
Net change in cash and cash equivalents	(20,787)	19,102
Cash and cash equivalents at beginning of period	58,473	37,686
Cash and cash equivalents at end of period	$ 37,686	$ 56,788
Supplemental cash flow information		
Cash paid for interest	$ 28,693	$ 43,798
Cash paid for income taxes—net	$ 196	$ 332
Supplemental non-cash investing and financing activities		
Accrued capital expenditures	$ 418	$ 9,533

See accompanying notes to the consolidated financial statements.

MESA AIR GROUP, INC.
Notes to Consolidated Financial Statements

1. Organization and Operations

The Company

Mesa Air Group, Inc. ("Mesa" or the "Company") is a holding company whose principal subsidiary operates as a regional air carrier, providing scheduled passenger service. As of September 30, 2017, the Company served 110 cities in 37 states, the District of Columbia, Canada, Mexico, and the Bahamas and operated a fleet of 140 aircraft with approximately 611 daily departures.

The Company's airline operations are conducted by its regional airline subsidiary, Mesa Airlines, Inc. ("Mesa Airlines"), providing services to major air carriers under capacity purchase agreements. Mesa Airlines operates as American Eagle (formerly US Airways Express) under a capacity purchase agreement with American Airlines, Inc. ("American") and as United Express under a capacity purchase agreement with United Airlines, Inc. ("United"). All of the Company's consolidated contract revenues for 2016 and 2017 were derived from operations associated with these two capacity purchase agreements.

The financial arrangements between the Company and its major airline partners involve a revenue-guarantee arrangement (i.e., a "capacity purchase agreement"). Under the capacity purchase agreements, the major airline generally pays a monthly guaranteed amount. Under the terms of these agreements, the major carrier controls marketing, scheduling, ticketing, pricing, and seat inventories. The Company receives a guaranteed payment based upon a fixed minimum monthly amount per aircraft, plus amounts related to departures and block hours flown, plus direct reimbursement for expenses, such as certain landing fees, and insurance; the major airline pays certain expenses directly to suppliers, such as fuel, ground operations and certain landing fees. The capacity purchase agreements reduce the Company's exposure to fluctuations in passenger traffic, fare levels, and fuel prices.

American Capacity Purchase Agreements

As of September 30, 2017, the Company operated 64 CRJ-900 aircraft for American under a capacity purchase agreement. Unless otherwise extended or amended, the capacity purchase agreement for the aircraft expires between 2021 and 2025. In exchange for providing flights and all other services under the agreement, the Company receives a fixed monthly minimum amount per aircraft, plus certain additional amounts based upon the number of flights and block hours flown during the month. In addition, the Company may also receive incentives or pay penalties based upon the Company's operational performance, including controllable on-time departure and controllable completion percentages. American also reimburses the Company for the actual amount incurred for certain items such as passenger liability and hull insurance, and aircraft property taxes. In addition, American also provides, at no cost to the Company, certain ground handling and customer service functions, as well as airport-related facilities and fuel. The Company also receives a monthly profit margin payment from American based on the number of aircraft operating. The capacity purchase agreement is subject to early termination for cause under specified circumstances and subject to the Company's right to cure under certain conditions. American (formerly US Airways) has a 10.6% ownership interest in the Company on a fully-diluted basis. The related party amounts presented on the Consolidated Balance Sheets and Statements of Operations pertain to American.

United Capacity Purchase Agreement

As of September 30, 2017, the Company operated 20 CRJ-700 and 53 E-175 aircraft for United under a capacity purchase agreement. Subject to certain early termination rights, the capacity purchase

agreement for each of the 20 CRJ-700 aircraft expires between August and December 2019. Subject to early termination rights, the capacity purchase agreement for 30 of the E-175 aircraft (owned by United) expires between June 2019 and August 2020, subject to United's right to extend for four additional two-year terms (maximum of eight years). Subject to early termination rights, the capacity purchase agreement for 18 of the E-175 aircraft (owned by Mesa) expires between January 2028 and November 2028. During fiscal 2017, Mesa and United expanded the capacity purchase agreement to include an additional 12 E-175 aircraft (to be purchased by United) with the aircraft entering service through January 2018 for five-year terms, subject to United's right to extend for four additional two-year terms (maximum of eight years). As of September 30, 2017, Mesa has taken delivery of seven E-175 aircraft, of which, five are in service. In exchange for performing the flight services under such agreement, the Company receives from United a fixed monthly minimum amount per aircraft, plus certain additional amounts based upon the number of flights and block hours flown during the month. Additionally, certain costs incurred by the Company in performing the flight services are "pass-through" costs, whereby United agrees to reimburse the Company for the actual amounts incurred for the following items: property tax per aircraft, landing fees, and additionally for the E-175 aircraft owned by United, heavy airframe and engine maintenance, landing gear, APUs and component maintenance. The Company also receives a profit margin based upon certain reimbursable costs under the agreement, as well as its operational performance in addition to a fixed profit margin. The capacity purchase agreement is also subject to early termination for cause under specified circumstances and subject to the Company's right to cure under certain circumstances.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the accounts of the Company and its wholly owned operating subsidiaries. Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the ASC and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

Segment Information

The Company is organized as a single operating segment, whereby its chief operating decision maker assesses the performance of and allocates resources to the business as a whole.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted Cash

Restricted cash primarily includes deposits in trust accounts to collateralize letters of credit and to fund workers' compensation claims, landing fees, and other business needs. Restricted cash is stated at cost, which approximates fair value.

The Company has an agreement with a financial institution for a $6.0 million letter of credit facility to issue letters of credit for landing fees, workers' compensation insurance, and other business needs. Pursuant to such agreement, $3.5 million and $3.6 million of outstanding letters of credit are required to be collateralized by amounts on deposit as of September 30, 2016 and 2017, respectively, which are classified as restricted cash.

Expendable Parts and Supplies

Expendable parts and supplies are stated at the lower of cost (using the first-in, first-out method) or market, and are charged to expense as they are used. The Company provides an allowance for obsolescence for such parts and supplies over the useful life of its aircraft after considering the useful life of each aircraft fleet, the estimated cost of expendable parts expected to be on hand at the end of the useful life, and the estimated salvage value of the parts. This allowance was $1.2 million and $1.6 million as of September 30, 2016 and 2017, respectively.

Prepaid Expenses

Prepaid expenses consist primarily of the excess of aircraft lease payments over the straight-lined lease expense. The straight-lined lease expense is net of estimated rebates to be received from the lessor during the term of the agreements, contingent on the Company performing certain engine restorations.

Property and Equipment

Property and equipment are stated at cost, net of manufacturer incentives, and depreciated over their estimated useful lives to their estimated salvage values, which are 20% for aircraft and rotable spare parts, using the straight-line method.

Estimated useful lives of the various classifications of property and equipment are as follows:

Property and Equipment	Estimated Useful Life
Buildings	30 years
Aircraft	25 years from manufacture date
Flight equipment	7-20 years
Equipment	5-9 years
Furniture and fixtures	3-5 years
Vehicles	5 years
Rotable spare parts	Life of the aircraft or term of the lease, whichever is less
Leasehold improvements	Life of the aircraft or term of the lease, whichever is less

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may be impaired. The Company records an impairment loss if (i) the undiscounted future cash flows are found to be less than the carrying amount of the asset or asset group, and (ii) the carrying amount of the asset or asset group exceeds fair value. If an impairment loss has occurred, a charge is recorded to reduce the carrying amount of the asset to its estimated fair value. The Company recognized no impairment charges on property and equipment for the years ended September 30, 2016 and 2017.

Fair Value Measurements

The Company accounts for assets and liabilities in accordance with accounting standards that define fair value and establish a consistent framework for measuring fair value on either a recurring or a nonrecurring basis. Fair value is an exit price representing the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability.

The Company did not measure any of its assets or liabilities at fair value on a recurring or nonrecurring basis as of September 30, 2016 and 2017.

The carrying values of cash and cash equivalents, unrestricted cash, accounts receivable, and accounts payable included on the accompanying consolidated balance sheets approximated fair value at September 30, 2016 and 2017.

The fair value of the Company's long-term debt was approximately $951.2 million as of September 30, 2016, as compared to the carrying amount of $923.5 million. The fair value of the Company's long-term debt was approximately $975.0 million as of September 30, 2017, as compared to the carrying amount of $956.9 million. The fair value of the Company's debt is determined using level 3 inputs.

Prepaid Maintenance Deposits

Prepaid maintenance deposits consist of payments made on a monthly basis to cover certain future maintenance events for leased flight equipment. The deposits are contractual obligations that are held in trust by the lessors. The deposits are only to be used to cover maintenance events, which include, among other things, c-checks, engine restoration events, engine life limited parts, landing gear repairs, and auxiliary power unit overhauls. The Company expenses the service as it is performed and receives reimbursement from the reserve trust account. The current portion is included in prepaid expenses and other current assets and the noncurrent portion is included in other assets on the consolidated balance sheet.

Debt Financing Costs

Debt financing costs consist of payments made to issue debt related to the purchase of aircraft, flight equipment, and certain flight equipment maintenance costs. The Company defers the costs and amortizes them over the term of the debt agreement. Debt financing costs related to a recognized debt liability are presented as a direct deduction from the carrying amount of the related long-term debt on the consolidated balance sheet. Debt financing costs with no related recognized debt liability are presented as assets, with the current portion included in prepaid expenses and other current assets and the noncurrent portion included in other assets on the consolidated balance sheet.

Unutilized Manufacturer Credits

Manufacturer credits received in connection with aircraft purchases that can be used for the future purchase of certain goods and services are recorded as a prepaid asset based on the value of the credits expected to be utilized, and the Company reduces the asset as the credits are utilized to fund such purchases. The current portion is included in prepaid expenses and other current assets and the noncurrent portion is included in other assets on the consolidated balance sheet.

Intangibles

Identifiable intangible assets consist of the American (formerly US Airways) customer relationship with a 25-year life, which is being amortized in a manner consistent with the timing and amount of cash flows that the Company expects to generate from this customer relationship.

In accordance with Accounting Standards Codification (“ASC”) 360, Property, Plant and Equipment, an intangible asset with a finite life that is being amortized is reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may be impaired. The Company records an impairment loss if the undiscounted future cash flows are found to be less than the carrying amount of the asset and if the carrying amount of the asset exceeds fair value. If an impairment loss has occurred, a charge is recorded to reduce the carrying amount of the asset to its estimated fair value.

Information about the intangible assets of the Company at September 30, 2016 and 2017, are as follows (in thousands):

	September 30,	
	2016	2017
Customer relationship	$ 43,800	$ 43,800
Accumulated amortization	(31,693)	(32,076)
	$ 12,107	$ 11,724

Total amortization expense recognized was approximately $0.4 million for each of the years ended September 30, 2016 and 2017. The Company expects to record amortization expense of $0.4 million, $1.8 million, $1.5 million, $1.2 million, $1.0 million, and $5.8 million for 2018, 2019, 2020, 2021, 2022, and thereafter, respectively.

Other Assets

Other long-term assets primarily consist of noncurrent deferred reimbursed costs, debt financing costs, and prepaid maintenance deposits.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in future years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records deferred tax assets for the value of benefits expected to be realized from the utilization of alternative minimum tax credit carryforwards, capital loss carryforwards, and state and federal net operating loss carryforwards. The Company periodically reviews these assets to determine the likelihood of realization. To the extent the Company believes some portion of the benefit may not be realizable, an estimate of the unrealized position is made and a valuation allowance is recorded. The Company and its consolidated subsidiaries file a consolidated federal income tax return.

Deferred Credits

Deferred credits consist of cost reimbursements from major airline partners related to aircraft modifications per revised capacity purchase agreements and costs associated with pilot training. The deferred credits are amortized on a straight-line basis as a component of revenue over the term of the respective capacity purchase agreements.

Other Noncurrent Liabilities

Other non-current liabilities consist of the remaining fair value adjustment for unfavorable aircraft operating leases related to a previous bankruptcy and related accounting. This adjustment to fair value is being amortized on a straight-line basis over the remaining initial lease terms for these aircraft. During each of the years ended September 30, 2016 and 2017, the Company recorded amortization of this unfavorable lease liability of $6.8 million as a reduction of lease expense.

Revenue Recognition

Under the Company's capacity purchase agreements, the major airline generally pays a fixed monthly minimum amount per aircraft, plus certain additional amounts based upon the number of flights and block hours flown. The contracts also include reimbursement of certain costs incurred by the Company in performing flight services. These costs, known as "pass-through costs," may include passenger and hull insurance, aircraft property taxes, as well as landing fees, catering and additionally for the E-175 aircraft owned by United, heavy airframe and engine maintenance, landing gear, APUs and component maintenance. The Company records reimbursement of pass-through costs as pass-through and other revenue in the consolidated statements of operations as service is provided. In addition, the Company's major airline partners also provide, at no cost to the Company, certain ground handling and customer service functions, as well as airport-related facilities and gates at their hubs and other cities. Services and facilities provided by major airline partners at no cost to the Company are presented net in the Company's consolidated financial statements; hence, no amounts are recorded for revenue or expense for these items. The contracts also include a profit component that may be determined based on a percentage of profits on the Company flown flights, a profit margin on certain reimbursable costs, as well as a profit margin, incentives and penalties based on certain operational benchmarks. The Company recognizes revenue under its capacity purchase agreements when the transportation is provided, including an estimate of the profit component based upon the information available at the end of the accounting period. All revenue recognized under these contracts is presented at the gross amount billed.

Under the Company's capacity purchase agreements with American and United, the Company receives guaranteed monthly revenue for each aircraft under contract, a fixed fee for each block hour or flight actually flown and reimbursement of certain direct operating expenses. The amount deemed to be rental income during fiscal 2016 and 2017 was $190.1 million and $217.6 million, respectively, and has been included in contract revenue on the Company's consolidated statements of operations. The Company has not separately stated aircraft rental income and aircraft rental expense in the consolidated statements of operations since the use of the aircraft is not a separate activity of the total service provided.

The American and United capacity purchase agreements contain an option that allows the major airlines to assume the contractual responsibility for procuring and providing the fuel necessary to operate the flights that the Company operates for them. Both airlines have exercised this option and therefore at this time, Mesa does not recognize fuel expense or revenue for fuel on passenger flight services.

Maintenance Expense

The Company operates under a Federal Aviation Administration (FAA) approved continuous inspection and maintenance program. The Company uses the direct expense method of accounting for its maintenance of regional jet engine overhauls, airframe, landing gear, and normal recurring maintenance wherein the expense is recognized when the maintenance work is completed, or over the period of repair, if materially different. For leased aircraft, the Company is subject to lease return

provisions that require a minimum portion of the “life” of an overhaul be remaining on the engine at the lease return date. The Company estimates the cost of maintenance lease return obligations and accrues such costs over the remaining lease term when the expense is probable and can be reasonably estimated.

Engine overhaul expense totaled $90.9 million and $63.7 million for the years ended September 30, 2016 and 2017, respectively, and airframe check expense totaled $13.2 million and $22.6 million for the years ended September 30, 2016 and 2017, respectively.

Correction of immaterial misstatement

Subsequent to the issuance of the Company’s 2016 consolidated financial statements, management determined that a payment the Company received in 2017 of $4.6 million from a former vendor for engine maintenance support credits should have been recorded as a receivable and a reduction in engine maintenance expense in prior years, and also identified other minor prior period adjustments for under-accrued property tax. Accordingly, the Company made a prior period adjustment to increase retained earnings by $2.3 million as of September 30, 2015 and adjusted accounts receivable, accrued property taxes, and deferred tax liability (for related income tax effects) as of September 30, 2016, to correct such amounts. These adjustments had no effect on the Company’s previously-reported results of operations or net cash flows from operating, investing, or financing activities for the year ended September 30, 2016. The Company evaluated these adjustments considering both quantitative and qualitative factors and concluded they were immaterial to previously issued financial statements.

3. Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) (“ASU 2014-09”). The standard establishes a new recognition model that requires revenue to be recognized in a manner to depict the transfer of goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for those goods or services. The Company may adopt the requirements of ASU 2014-09 using either of two acceptable methods: (1) retrospective adoption to each prior period presented with the option to elect certain practical expedients; or (2) adoption with the cumulative effect recognized at the date of initial application and providing certain disclosures. In July 2015, the FASB approved a one-year deferral of the effective date of the new standard, making it effective for our reporting periods beginning October 1, 2018. The Company is currently evaluating the potential impact of the adoption of this new guidance on its financial position or results of operations, including the method of adoption to be used.

In August 2014, The FASB issued ASU No. 2014-15, *Presentation of Financial Statements—Going Concern: Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern* (Topic 205), which provides guidance on determining when and how to disclose going-concern uncertainties in the condensed consolidated financial statements. The new standard requires management to perform interim and annual assessments of an entity’s ability to continue as a going concern within one year of the date the consolidated financial statements are issued. An entity must provide certain disclosure if “conditions or events raise substantial doubt about the entity’s ability to continue as a going concern.” The update applies to all entities and is effective for annual periods ending after December 15, 2016, and interim periods thereafter. The Company adopted this ASU in fiscal year 2017, and the adoption did not have a material impact on the consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) (“ASU 2016-02”), which provides guidance requiring lessees to recognize a right-of-use asset and a lease liability on the balance sheet for substantially all leases, with the exception of short-term leases. Leases will be

classified as either financing or operating, with classification affecting the pattern of expense recognition in the statement of income. The guidance is effective for annual periods beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the potential impact of the adoption of this new guidance on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation—Stock Compensation* (Topic 718)*—Improvements to Employee Share-Based Payment Accounting*, which simplifies several areas of accounting for share-based compensation arrangements, including the income tax impact, classification on the statement of cash flows and forfeitures. The guidance is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. The Company is currently evaluating the potential impact of the adoption of this new guidance on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows* (Topic 230): *Classification of Certain Cash Receipts and Cash Payments (a consensus of the FASB Emerging Issues Task Force)*, which clarifies how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The new standard is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Company is currently evaluating the impact that the standard will have on the consolidated statements of cash flows. Further, in November 2016, the FASB issued ASU No. 2016-18 that requires restricted cash and cash equivalents to be included with cash and cash equivalents on the statement cash flows. The new standard is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Company has restricted cash of $3.6 million as of September 30, 2017 and intends to adopt the new guidance in fiscal 2019.

4. Concentrations

At September 30, 2017, the Company had capacity purchase agreements with American and United. All of the Company's consolidated revenue for fiscal 2016 and 2017 and accounts receivable at the end of each of these years was derived from these agreements. The terms of both the American and United capacity purchase agreements are not aligned with the lease obligations on the aircraft performing services under such agreements.

Amounts billed by the Company under capacity purchase agreements are subject to the Company's interpretation of the applicable capacity purchase agreement and are subject to audit by the Company's partners. Periodically, the Company's major airline partners dispute amounts billed and pay amounts less than the amount billed. Ultimate collection of the remaining amounts not only depends upon the Company prevailing under audit, but also upon the financial well-being of the major airline partner. As such, the Company periodically reviews amounts past due and records a reserve for amounts estimated to be uncollectible. The allowance for doubtful accounts was $0.6 million and $0.7 million at September 30, 2016 and 2017, respectively. If the Company's ability to collect these receivables and the financial viability of our partners is materially different than estimated, the Company's estimate of the allowance could be materially impacted.

American accounted for approximately 64% and 56% of the Company's total revenue in fiscal 2016 and 2017, respectively. United accounted for approximately 36% and 44% of the Company's revenue in fiscal 2016 and 2017, respectively. A termination of either the American or the United capacity purchase agreement would have a material adverse effect on the Company's business prospects, financial condition, results of operations, and cash flows.

5. Prepaid expenses and other current assets

Prepaid expenses and other current assets as of September 30, 2016 and 2017, consists of the following (in thousands):

	September 30, 2016	September 30, 2017
Prepaid aircraft rent	$32,397	$53,645
Unutilized manufacturer credits	4,180	—
Deferred reimbursed costs	1,237	1,863
Maintenance deposits	400	3,529
Other	4,303	2,488
Total prepaid expenses and other current assets	$42,517	$61,525

6. Property and Equipment

Property and equipment as of September 30, 2016 and 2017, consists of the following (in thousands):

	September 30, 2016	September 30, 2017
Aircraft and other flight equipment substantially pledged	$1,293,438	$1,388,990
Other equipment	3,817	3,383
Leasehold improvements	2,693	2,746
Vehicles	728	744
Building	699	699
Furniture and fixtures	384	251
Total property and equipment	1,301,759	1,396,813
Less accumulated depreciation and amortization	(148,409)	(204,365)
Property and equipment—net	$1,153,350	$1,192,448

Depreciation and amortization expense totaled approximately $45.6 million and $60.7 million for the years ended September 30, 2016 and 2017, respectively.

7. Other Assets

Other assets at September 30, 2016 and 2017, consists of the following (in thousands):

	September 30, 2016	September 30, 2017
Noncurrent deferred reimbursed costs, net	$3,672	$4,249
Noncurrent debt financing costs, net	1,791	841
Noncurrent prepaid maintenance deposits	2,884	588
Other items	15	15
Total other assets	$8,362	$5,693

8. Other Accrued Expenses

Other accrued expenses at September 30, 2016 and 2017, were as follows (in thousands):

	September 30, 2016	2017
Accrued property taxes	$ 5,756	$ 6,484
Accrued interest	3,901	4,036
Accrued vacation	2,464	2,663
Accrued wheels, brakes and tires	1,328	2,477
Other	6,701	8,269
Total accrued expenses	$20,150	$23,929

9. Long-Term Debt and Other Borrowings

Long-term debt as of September 30, 2016 and 2017, consists of the following (in thousands):

	September 30, 2016	September 30, 2017
Notes payable to financial institution, collateralized by the underlying aircraft, due 2019(1)(2)	$ 90,408	$ 58,254
Notes payable to financial institution, collateralized by the underlying aircraft, due 2022(3)(4)	135,094	113,611
Notes payable to financial institution, collateralized by the underlying aircraft, due 2024(5)	92,820	82,776
Senior and subordinated notes payable to secured parties, collateralized by the underlying aircraft, due 2027(6)	147,883	137,028
Notes payable to secured parties, collateralized by the underlying aircraft, due 2028(7)	242,680	226,399
Senior and subordinated notes payable to secured parties, collateralized by the underlying aircraft, due 2028(8)	194,494	181,115
Notes payable to financial institution, collateralized by the underlying equipment, due 2022(9)	0	93,031
Notes payable to financial institution, collateralized by the underlying equipment, due 2020(10)	6,635	4,976
Notes payable to financial institution due 2020(11)	8,421	6,390
Notes payable to financial institution, collateralized by the underlying equipment, due 2020(12)	5,054	9,158
Notes payable to financial institution due 2019(13)	0	18,530
Working capital draw loan, collateralized by certain flight equipment and spare parts(14)	0	25,650
Total long-term debt	923,489	956,918
Less current portion	(109,901)	(140,466)
Less unamortized debt issuance costs	(10,473)	(12,578)
Long-term debt—excluding current portion	$ 803,115	$ 803,874

(1) In fiscal 2005, the Company permanently financed five CRJ-900 aircraft with $118 million in debt. The debt bears interest at the monthly London InterBank Offered Rate (“LIBOR”), plus 3% (4.232% at September 30, 2017) and requires monthly principal and interest payments.

(2) In fiscal 2004, the Company permanently financed five CRJ-700 and six CRJ 900 aircraft with $254.7 million in debt. The debt bears interest at the monthly LIBOR plus 3% (4.232% at September 30, 2017) and requires monthly principal and interest payments.

(3) In fiscal 2007, the Company permanently financed three CRJ-900 and three CRJ-700 aircraft for $120.3 million. The debt bears interest at the monthly LIBOR plus 2.25% (3.482% at September 30, 2017) and requires monthly principal and interest payments.
(4) In fiscal 2014, the Company permanently financed 10 CRJ-900 aircraft for $88.4 million. The debt bears interest at the monthly LIBOR plus a spread ranging from 1.95% to 7.25% (3.182% to 8.482% at September 30, 2017) and requires monthly principal and interest payments.
(5) In fiscal 2014, the Company permanently financed eight CRJ-900 aircraft with $114.5 million in debt. The debt bears interest at 5% and requires monthly principal and interest payments.
(6) In fiscal 2015, the Company financed seven CRJ-900 aircraft with $170.2 million in debt. The senior notes payable of $151 million bear interest at monthly LIBOR plus 2.71% (3.942% at September 30, 2017) and require monthly principal and interest payments. The subordinated notes payable are noninterest-bearing and become payable in full on the last day of the term of the notes. The Company has imputed an interest rate of 6.25% on the subordinated notes payable and recorded a related discount of $8.1 million, which is being accreted to interest expense over the term of the notes.
(7) In fiscal 2016, the Company financed 10 E-175 aircraft with $246 million in debt under an EETC financing arrangement (see discussion below). The debt bears interest ranging from 4.75% to 6.25% and requires semi-annual principal and interest payments.
(8) In fiscal 2016, the Company financed eight E-175 aircraft with $195.3 million in debt. The senior notes payable of $172 million bear interest at the three-month LIBOR plus a spread ranging from 2.20% to 2.32% (3.533% to 3.654% at September 30, 2017) and require quarterly principal and interest payments. The subordinated notes payable bear interest at 4.50% and require quarterly principal and interest payments.
(9) In fiscal 2017, the Company financed certain flight equipment with $99.1 million in debt. The debt bears interest at the monthly LIBOR (rounded to the nearest 16th) plus 7.25% (8.50% at September 30, 2017) and requires monthly principal and interest payments.
(10) In fiscal 2015, the Company financed certain flight equipment with $8.3 million in debt. The debt bears interest at 5.163% and requires monthly principal and interest payments.
(11) In fiscal 2015 and 2016, the Company financed certain flight equipment maintenance costs with $10.2 million in debt. The debt bears interest at the monthly LIBOR plus 3.07% (4.302% at September 30, 2017) and requires quarterly principal and interest payments.
(12) In fiscal 2016 and 2017, the Company financed certain flight equipment maintenance costs with $11.9 million in debt. The debt bears interest at the three-month LIBOR plus a spread ranging from 2.93% to 2.96% (4.264% to 4.294% at September 30, 2017) and requires quarterly principal and interest payments. The debt is subject to a fixed charge ratio covenant. As of September 30, 2017, the Company was in compliance with this covenant.
(13) In fiscal 2017, the Company financed certain flight equipment maintenance costs with $25 million in debt. The debt bears interest at the three-month LIBOR plus 3.30% (4.634% at September 30, 2017) and requires quarterly principal and interest payments. The debt is subject to a fixed charge ratio covenant. As of September 30, 2017, the Company was in compliance with this covenant.
(14) In fiscal 2016, the Company obtained a $35 million working capital draw loan, which terminates in August 2019. Interest is assessed on drawn amounts at one month LIBOR plus 4.25% (5.482% at September 30, 2017). The line was drawn upon during fiscal 2017. The working capital draw loan is subject to an interest and rental coverage ratio covenant. As of September 30, 2017, the Company was in compliance with this covenant.

Principal maturities of long-term debt as of September 30, 2017, for each of the next five years are as follows (in thousands):

Years Ending September 30	Total Principal Amount
2018	$ 140,466
2019	$ 154,472
2020	$ 111,635
2021	$ 102,751
2022	$ 111,235

The net book value of collateralized equipment as of September 30, 2017 is $1,126.1 million.

In December 2015, an Enhanced Equipment Trust Certificate (“EETC”) pass-through trust was created to issue pass-through certificates to obtain financing for new E-175 aircraft. Mesa has $226.4 million of equipment notes outstanding issued under the EETC financing included in long-term debt on the consolidated balance sheets. The structure of the EETC financing consists of a pass-through trust created by Mesa to issue pass-through certificates, which represent fractional undivided interests in the pass-through trust and are not obligations of Mesa.

The proceeds of the issuance of the pass-through certificates were used to purchase equipment notes which were issued by Mesa and secured by its aircraft. The payment obligations under the equipment notes are those of Mesa. Proceeds received from the sale of pass-through certificates were initially held by a depositary in escrow for the benefit of the certificate holders until Mesa issued equipment notes to the trust, which purchased such notes with a portion of the escrowed funds.

The Company records the debt obligation upon issuance of the equipment notes rather than upon the initial issuance of the pass-through certificates. Mesa received all proceeds from the pass-through trust during fiscal 2016.

Mesa evaluated whether the pass-through trust formed for its EETC financing is a Variable Interest Entity (“VIE”) and required to be consolidated. The pass-through trust was determined to be a VIE, however, the Company has determined that it does not have a variable interest in the pass-through trust, and therefore, has not consolidated the pass-through trust with its financial statements.

10. Earnings Per Share and Equity

Calculations of net income per common share attributable to Mesa Air Group are as follows (in thousands, except per share data):

	For the years ended September 30,	
	2016	2017
Net income attributable to Mesa Air Group	$14,920	$32,828
Basic weighted average common shares outstanding	3,823	4,368
Add: Incremental shares for:		
Dilutive effect of warrants	5,786	4,945
Dilutive effect of restricted stock	98	37
Diluted weighted average common shares outstanding	$ 9,707	$ 9,350
Net income per common share attributable to Mesa Air Group Corporation:		
Basic	$ 3.90	$ 7.52
Diluted	$ 1.54	$ 3.51

Basic income per common share is computed by dividing net income attributable Mesa Air Group Corporation by the weighted average number of common shares outstanding during the period.

11. Common Stock

The Company has issued warrants to third parties, which had a five-year term to be converted to common stock at an exercise price of $0.01 per share. Outstanding warrants to purchase shares of common stock are held by persons who are not U.S. citizens. The warrants are not exercisable due to restrictions imposed by federal law requiring that no more than 24.9% of our stock be voted, directly or indirectly, or controlled by persons who are not U.S. citizens. The warrants can be converted to common stock upon warrant holders demonstrating U.S. citizenship. During fiscal 2016, we extended the term of outstanding warrants set to expire that year for two years (through fiscal year 2018), and any such warrants not extended were forfeited. In fiscal 2014, 100,000 warrants were issued to a third party, which had a five-year term to be converted to common stock at an exercise price of $8.00 per share.

Holders of the Company's common stock are entitled to receive dividends, if any, as may be declared from time to time by the Board of Directors out of legally available funds, subject to preferences that may be applicable to any then-outstanding preferred stock and limitations under the Company's Investor Rights Agreement, RASPRO Lease Facility, GECAS Lease Facility and Nevada law.

12. Income Taxes

Income tax expense for the years ended September 30, 2016 and 2017, consists of the following (in thousands):

	September 30,	
	2016	2017
Current:		
Federal	$ —	$ —
State	413	359
	413	359
Deferred:		
Federal	8,982	17,713
State	531	2,802
	9,513	20,515
Total		
Federal	8,982	17,713
State	944	3,161
Income tax expense	$9,926	$20,874

The difference between the actual income tax expense and the statutory tax expense (computed by applying the U.S. federal statutory income tax rate of 35% to income before income taxes) for the years ended September 30, 2016 and 2017 is as follows (in thousands):

	2016	2017
Statutory tax expense	$8,696	$18,796
Increase in income taxes resulting from:	792	1,397
State taxes, net of federal tax benefit	71	92
Permanent items	249	531
Change in valuation allowance	(673)	(353)
Impact of change in rates on deferred tax assets	380	409
Expired tax attributes	411	2
Other	—	—
Income tax expense	$9,926	$20,874

As of September 30, 2016 and 2017, the Company's deferred tax assets and liabilities were as follows (in thousands):

	September 30,	
	2016	2017
Deferred tax assets	$ 116,242	$ 136,805
Deferred tax liabilities	(150,108)	(190,655)
Valuation allowance	(2,055)	(2,586)
Net deferred tax liabilities	$ (35,921)	$ (56,436)

As of September 30, 2016 and 2017, the Company has alternative minimum tax credit carryforwards of approximately $2.5 million that do not expire. The Company also has federal and state net operating loss carryforwards of approximately $299.8 million and $172.3 million, respectively, that expire in years 2027—2036 (federal) and 2018—2037 (state).

Under ASC 740-10, *Income Taxes*, the tax benefit from an uncertain tax position may be recognized only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. The determination is based on the technical merits of the position and presumes that each uncertain tax position will be examined by the relevant taxing authority that has full knowledge of all relevant information. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. The beginning and ending balance of unrecognized tax benefits for the year ended September 30, 2016, was $7.5 million. The beginning and ending balance of unrecognized tax benefits for the year ended September 30, 2017, was $7.5 million. The Company is subject to taxation in the U.S. and various states. As of September 30, 2017, the Company is no longer subject to U.S. federal or state examinations by taxing authorities for years prior to 1998.

Subsequent to our fiscal year end, the U.S. Senate joined the U.S. House of Representatives in passing tax reform legislation. Reconciliation of the provisions in the U.S. Senate bill and the U.S. House of Representatives bill concluded on December 20, 2017. On December 22, 2017, the President signed into law the Tax Cuts and Jobs Act ("Act"). The Act incorporates several new provisions into the law that will have an impact on the Company's financial statements. Most notably, the Act will decrease the Company's federal income tax rate, resulting in a tax benefit due to the re-measurement of the Company's deferred tax assets and liabilities. The Company's federal income tax rate for the year ended September 30, 2017 is 35%; however, it is expected that the Company's federal income tax rate will decrease to approximately 24.5% for the year ended September 30, 2018, and will be 21% for each subsequent fiscal year. It is estimated that the Company will recognize an

income tax benefit within the range of $20 million to $25 million in the first quarter of fiscal 2018 as a result of the tax effect of reducing the net deferred income tax liability due to the tax reform legislation.

Additional provisions in the Act that will affect the Company's financial statements include full expensing of the cost of qualified property acquired and placed in service after September 27, 2017 and before January 1, 2023, refundable minimum tax credits over a four year period, net interest expense deductions limited to thirty percent of earnings before interest, taxes, depreciation, and amortization through 2021 and of earnings before interest and taxes thereafter, and net operating losses incurred in tax years beginning after December 31, 2017 are only allowed to offset a taxpayer's taxable income by eighty percent, but those net operating losses are allowed to be carried forward indefinitely with no expiration. The Company is still evaluating the impact of these provisions.

13. Share-Based Compensation

Restricted Stock

The Company's Board of Directors is authorized to issue 1,000,000 shares of common stock to management. All management shares are subject to a three to five-year vesting schedule, with the initial vesting date on March 1, 2012. On January 23 2017, the Company's Board of Directors was authorized to issue an additional 50,000 shares of common stock for issuance to management and directors. The Company has the right to withhold shares to satisfy tax withholding obligations and the withheld shares become available for future grants. The shares are valued at grant date based upon recent share transactions. As of September 30, 2017, approximately 57,936 shares are available to grant. Since inception of the plans, 992,064 shares have been granted and 681,763 shares have vested.

The restricted stock activity for the years ended September 30, 2016 and 2017 is summarized as follows:

	Number of Shares	Weighted-Average Grant Date Fair Value
Restricted shares unvested at September 30, 2015	382,500	$ 13.09
Granted	140,531	11.66
Vested	(210,100)	11.36
Forfeited	(10,000)	17.00
Restricted shares unvested at September 30, 2016	302,931	13.49
Granted	100,646	11.34
Vested	(93,276)	12.65
Forfeited	—	—
Restricted shares unvested at September 30, 2017	310,301	13.05

Stock Appreciation Rights

In 2014, the Company implemented a share-based payment plan under which certain executives and directors are eligible to receive grants of SARs (the "SARs Plan"). The SARs provide a participant with the right to receive the aggregate appreciation in stock price over the market price of the Company's common stock at the date of grant, payable in cash. The participant may exercise his or her SARs quarterly after the grant is vested but no later than 10 years after the date of grant. The SARs awards vest ratably over a three year period from the date of grant. The Company has elected to use the intrinsic value method to account for its share-based payment awards that are payable in cash, and

therefore classified as liability awards. Under the intrinsic value method, the compensation expense associated with these awards is measured by the difference between the exercise price of the SAR and the estimated fair value of the Company's common stock on the valuation date and is recognized ratably over the vesting period. Upon the exercise of a SAR, compensation cost is adjusted to the amount of the cash payment. The Company estimates the fair value of its common stock based on recent share transactions. The Company has authorized 2,000,000 shares available under this plan and has granted 1,681,997 since inception of the plan. Since inception of the plan, 1,225,992 of SARs have vested and 835,333 of SARs have been exercised.

The SARs activity for the years ended September 30, 2016 and 2017 is summarized as follows:

	Number of Shares	Weighted-Average Intrinsic Value Per Share
SARs unvested at September 30, 2015	949,000	$ 9.14
Granted	331,000	—
Vested	(310,667)	8.99
Forfeited	(80,000)	6.49
SARs unvested at September 30, 2016	889,333	2.97
Granted	153,664	—
Vested	(584,325)	4.90
Forfeited	(2,667)	—
SARs unvested at September 30, 2017	456,005	—

As of September 30, 2016 and 2017, there was $4.7 million and $3.6, respectively, of total unrecognized compensation cost related to unvested share-based compensation arrangements. That cost is expected to be recognized over a weighted-average period of 1.8 years from the grant date.

Compensation cost for share-based awards are recognized on a straight-line basis over the vesting period. Share-based compensation expense for the years ended September 30, 2016 and 2017 was $4.7 million and $2.3 million, respectively and recorded in general and administrative expenses in the consolidated statements of income.

14. Retirement Plans

The Company has a 401(k) plan covering all employees (the "401(k) Plan"). Under the 401(k) Plan, employees may contribute up to 85% of their pretax annual compensation, subject to certain Internal Revenue Code limitations. Employer contributions are made at the discretion of the Company. During the years ended September 30, 2016 and 2017, the Company made matching contributions of 30% of employee contributions up to 10% of annual employee compensation. The employee vests 20% per year in employer contributions. Employees become fully vested in employer contributions after completing six years of employment. In July 2017, the Company amended its 401(k) plan to revise the matching and vesting components for its pilots. The Company matches 50% of pilot contributions up to 6% (and up to 10% for pilots with 10 years or more employment). The pilot vests 25% per year in employer contribution and becomes fully vested in employer contributions after completing four years of employment. The expense recognized for contributions by the Company to the 401(k) Plan for the years ended September 30, 2016 and 2017 was approximately $1.0 million and $1.2 million, respectively.

15. Commitments

At September 30, 2017, the Company leased 37 aircraft under noncancelable operating leases with remaining terms of up to seven years. The Company has the option to terminate certain leases at various times throughout the lease. The Company headquarters and other facility noncancelable operating leases have remaining terms of up to nine years. The leases require the Company to pay all taxes, maintenance, insurance, and other operating expenses. Rental expense is recognized on a straight-line basis over the lease term, net of lessor rebates and other incentives. Aggregate rental expense under all operating aircraft, equipment and facility leases totaled approximately $84.8 million and $83.8 million for the years ended September 30, 2016 and 2017, respectively.

Future minimum lease payments as of September 30, 2017, under noncancelable operating leases are as follows (in thousands):

Years Ended September 30	Aircraft	Other	Total
2018	$ 94,407	$ 2,778	$ 97,185
2019	71,739	1,866	73,605
2020	45,812	1,880	47,692
2021	47,274	1,253	48,527
2022	32,551	1,281	33,832
Thereafter	24,267	4,013	28,280
Total	$316,050	$13,071	$329,121

The majority of the Company's leased aircraft are leased through trusts that have a sole purpose to purchase, finance, and lease these aircraft to the Company; therefore, they meet the criteria of a variable interest entity. However, since these are single-owner trusts in which the Company does not participate, the Company is not at risk for losses and is not considered the primary beneficiary. Management believes that the Company's maximum exposure under these leases is the remaining lease payments.

Under the Company's lease agreements, the Company typically agrees to indemnify the equity/owner participant against liabilities that may arise due to changes in benefits from tax ownership of the respective leased aircraft. The terms of these contracts range up to 18.5 years. The Company did not accrue any liability relating to the indemnification to the equity/owner participant because the probability of this occurring is not reasonably estimable.

In accordance with the aircraft and certain engine leases, the Company must comply with certain maintenance conditions upon return of the assets or the Company will incur a liability.

16. Contingencies

The Company is involved in various legal proceedings (including, but not limited to, insured claims) and FAA civil action proceedings that the Company does not believe will have a material adverse effect upon its business, financial condition, or results of operations, although no assurance can be given to the ultimate outcome of any such proceedings.

17. Subsequent Events

Subsequent to September 30, 2017, the Company amended an agreement with an aircraft lessor to defer up to $29.3 million of payments originally due in December 2017 through March 2018. Deferred amounts are charged 7.5% interest per annum and are repaid through December 2021.

Subsequent to year end, the Company refinanced $41.9 million of debt on nine CRJ-900 aircraft (due between 2019 and 2022) with $74.9 million of debt, resulting in net cash proceeds to the Company of $30.5 million after transaction related fees. The refinanced debt requires quarterly payments of principal and interest through fiscal 2022 bearing interest at LIBOR plus a spread ranging from 3.50% to 4.50%.

Subsequent to year end, Mesa Airlines entered into an amendment relating to the $35 million working capital draw loan to lower the consolidated interest and rental coverage ratio through the term of the agreement.

Subsequent to year end, Mesa Airlines entered into an amendment of the fiscal 2016 and 2017 flight equipment debt to, among other things, lower the fixed charge ratio covenant and provide for $1 million in mandatory principal prepayments over each of the next five fiscal quarters beginning on September 30, 2018.

The Company has evaluated subsequent events through January 2018, the date these consolidated financial statements were originally issued, and has updated such evaluation for disclosure purposes through May 3, 2018, the date the consolidated financial statements were reissued, and included all required adjustments or disclosures within these consolidated financial statements.

Shares

Common Stock

PROSPECTUS

RAYMOND JAMES **BofA Merrill Lynch**

, 2018

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.

Item	Amount
SEC registration fee	$ *
FINRA filing fee	*
Exchange listing fee	*
Legal fees and expenses	*
Accounting fees and expenses	*
Printing and engraving expenses	*
Transfer agent and registrar fees	*
Miscellaneous	*
Total	$ *

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers

Mesa Air Group, Inc., Inc. is a Nevada corporation. Nevada corporate law provides us with the power to indemnify any of our directors or officers. Either the director or officer acted in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, our best interests or such director or officer is not liable pursuant to NRS 78.138. Under NRS 78.138, a director or officer is not liable unless it is proven that his or her act or failure to act constituted a breach of his or her fiduciary duties as an officer or director and such breach involved intentional misconduct, fraud or a knowing violation of law. Our amended and restated articles of incorporation to be in effect immediately prior to the consummation of this offering compel indemnification of our directors and officers and permits indemnification of our employees and other agents, in each case to the maximum extent permitted by Nevada 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 Nevada law. In addition, we have entered into indemnification agreements with our directors and named executive officers containing provisions which are in some respects broader than the specific indemnification provisions contained in Nevada law. The indemnification agreements may require us, among other things, to indemnify our directors and officers against certain liabilities that may arise by reason of their status or service as directors and officers 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 of the underwriting agreement to be filed as Exhibit 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 678,898 shares of our common stock to employees and directors under our 2011 Plan, 2017 Plan, RSU Plan and SAR Plan, which includes 17,444 shares that were subsequently forfeited and 213,437 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) 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; and

(2) 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; and

(3) 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.

(4) The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, we have duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Phoenix, State of Arizona, on the day of , 2018.

MESA AIR GROUP, INC.

By: _____

Jonathan G. Ornstein
Chairman and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Jonathan G. Ornstein and Michael J. Lotz, and each of them acting individually, as his or her true and lawful attorneys-in-fact and agents, each with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Registration Statement, including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, with full power of each to act alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated below on the dates indicated.

Signature	Title	Date
Jonathan G. Ornstein	Chairman and Chief Executive Officer (principal executive officer)	, 2018
Michael J. Lotz	President and Chief Financial Officer (principal financial and accounting officer)	, 2018
Daniel J. Altobello	Director	, 2018
Ellen N. Artist	Director	, 2018
Mitchell Gordon	Director	, 2018
Dana J. Lockhart	Director	, 2018
G. Grant Lyon	Director	, 2018
Giacomo Picco	Director	, 2018
Harvey Schiller	Director	, 2018
Don Skiados	Director	, 2018

EXHIBIT INDEX

Exhibit Number	Description
1.1*	Form of Underwriting Agreement
2.1	Third Amended Joint Plan of Reorganization of the Registrant and Affiliated Debtors Under Chapter 11 of the Bankruptcy Code, effective February 27, 2011
3.1	Amended and Restated Articles of Incorporation of the Registrant, currently in effect
3.2	Amended and Restated Bylaws of the Registrant, currently in effect
3.3*	Form of Amended and Restated Articles of Incorporation of the Registrant, to be in effect upon the closing of the offering
3.4*	Form of Amended and Restated Bylaws of the Registrant, to be in effect upon the closing of the offering
4.1*	Form of Common Stock Certificate
4.2	Investor Rights Agreement between the Registrant and US Airways, Inc., dated March 1, 2011
4.3.1	Shareholders' Agreement between the Registrant and US Airways, Inc., dated March 1, 2011
4.3.2	Letter Agreement between the Registrant and US Airways, Inc., dated February 27, 2014
4.3.3	Letter Agreement between the Registrant and US Airways, Inc., dated March 22, 2017
4.3.4	Amended and Restated Shareholders' Agreement among the Registrant, Penguin Lax, Inc. and P Marblegate Ltd., dated December 2017
4.3.5	Amended and Restated Shareholders' Agreement between the Registrant and Citigroup Global Markets Inc., dated June 1, 2016
5.1*	Opinion of Brownstein Hyatt Farber Schreck LLP, Las Vegas, Nevada
5.2*	Opinion of DLA Piper LLP (US)
10.1+	Mesa Air Group, Inc. 2011 Stock Incentive Plan and related forms of agreement
10.2+	Mesa Air Group, Inc. 2017 Stock Plan and related forms of agreement
10.3+	Mesa Air Group, Inc. Restricted Phantom Stock Units Plan and related forms of agreement
10.4.1+	Mesa Air Group, Inc. Amended and Restated Stock Appreciation Rights Plan and related forms of agreement
10.4.2+	Amendment. No. 1 to the Mesa Air Group, Inc. Amended and Restated Stock Appreciation Rights Plan, dated April 21, 2015
10.5*	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers
10.6*	Amended and Restated Employment Agreement between the Registrant and Jonathan G. Ornstein, dated

Exhibit Number	Description
10.7*	Amended and Restated Employment Agreement between the Registrant and Michael J. Lotz, dated
10.8*	Amended and Restated Employment Agreement between the Registrant and Brian S. Gillman, dated
10.9.1*	Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated August 27, 2013
10.9.2*	First Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated September 12, 2014
10.9.3*	Second Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated October 2, 2015
10.9.4*	Third Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated January 1, 2015
10.9.5*	Fourth Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated November 13, 2015
10.9.6*	Fifth Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated December 14, 2015
10.9.7*	Sixth Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated December 1, 2015
10.9.8*	Seventh Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated August 1, 2016
10.9.9*	Eighth Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated June 6, 2016
10.9.10*	Ninth Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated February 9, 2017
10.9.11*	Tenth Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated May 3, 2017
10.9.12*	Eleventh Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated 2018
10.10.1*	Code Share and Revenue Sharing Agreement between the Registrant and America West Airlines, Inc. dated March 20, 2001
10.10.2*	First Amendment to Code Share and Revenue Sharing Agreement between the Registrant and America West Airlines, Inc., dated April 27, 2001
10.10.3*	Second Amendment to Code Share and Revenue Sharing Agreement between the Registrant and America West Airlines, Inc., dated October 24, 2002
10.10.4*	Third Amendment to Code Share and Revenue Sharing Agreement between the Registrant and America West Airlines, Inc., dated December 2002
10.10.5*	Fourth Amendment to Code Share and Revenue Sharing Agreement between the Registrant and America West Airlines, Inc., dated September 5, 2003
10.10.6*	Fifth Amendment to Code Share and Revenue Sharing Agreement between the Registrant and America West Airlines, Inc., dated January 28, 2005

Exhibit Number	Description
10.10.7*	Sixth Amendment to Code Share and Revenue Sharing Agreement between the Registrant and America West Airlines, Inc., dated July 2005
10.10.8*	Seventh Amendment to Code Share and Revenue Sharing Agreement and Settlement, Assignment and Assumption Agreement among the Registrant, America West Airlines, Inc. and US Airways, Inc., dated September 2007
10.10.9*	Eighth Amendment to Code Share and Revenue Sharing Agreement between the Registrant and US Airways, Inc., dated May 12, 2008
10.10.10*	Ninth Amendment to Code Share and Revenue Sharing Agreement between the Registrant and US Airways, Inc., dated 2009
10.10.11*	Tenth Amendment to Code Share and Revenue Sharing Agreement between the Registrant and US Airways, Inc., dated November 18, 2010
10.10.12*	Eleventh Amendment to Code Share and Revenue Sharing Agreement between the Registrant and US Airways, Inc., dated July 1, 2012
10.10.13*	Twelfth Amendment to Code Share and Revenue Sharing Agreement between the Registrant and US Airways, Inc., dated February 14, 2013
10.10.14*	Thirteenth Amendment to Code Share and Revenue Sharing Agreement between the Registrant and US Airways, Inc., dated December 24, 2013
10.10.15*	Fourteenth Amendment to Code Share and Revenue Sharing Agreement between the Registrant and US Airways, Inc., dated April 10, 2014
10.10.16*	Fifteenth Amendment to Code Share and Revenue Sharing Agreement between the Registrant and US Airways, Inc., dated November 26, 2014
10.10.17*	Sixteenth Amendment to Code Share and Revenue Sharing Agreement between the Registrant and US Airways, Inc., dated January 26, 2015
10.10.18*	Seventeenth Amendment to Code Share and Revenue Sharing Agreement between the Registrant and US Airways, Inc., dated December 28, 2015
10.10.19*	Eighteenth Amendment to Code Share and Revenue Sharing Agreement between the Registrant and American Airlines, Inc., dated March 1, 2017
10.11.1*	Credit and Guaranty Agreement among the Registrant, Mesa Airlines, Inc., Mesa Air Group Airline Inventory Management, L.L.C., the other guarantors party thereto from time to time, CIT Bank, N.A. and the other lenders party thereto, dated August 12, 2016
10.11.2*	Amendment No. 1 to Credit Agreement among the Registrant, Mesa Airlines, Inc., Mesa Air Group Airline Inventory Management, L.L.C. and CIT Bank, N.A., dated June 5, 2017
10.11.3*	Amendment No. 2 to Credit Agreement among the Registrant, Mesa Airlines, Inc., Mesa Air Group Airline Inventory Management, L.L.C. and CIT Bank, N.A., dated June 27, 2017
10.11.4*	Amendment No. 3 to Credit Agreement among the Registrant, Mesa Airlines, Inc., Mesa Air Group Airline Inventory Management, L.L.C. and CIT Bank, N.A., dated September 19, 2017
10.11.5*	Amendment No. 4 to Credit Agreement among the Registrant, Mesa Airlines, Inc., Mesa Air Group Airline Inventory Management, L.L.C. and CIT Bank, N.A., dated April 27, 2018.

Exhibit Number	Description
10.12.1*	Mortgage and Security Agreement among Mesa Airlines, Inc., Mesa Air Group Airline Inventory Management, L.L.C., the other grantors referred to therein and CIT Bank, N.A., dated August 12, 2016
10.12.2*	Mortgage and Security Agreement Supplement No. 1 between Mesa Airlines, Inc. and CIT Bank, N.A., dated August 12, 2016
10.12.3*	Mortgage and Security Agreement Supplement No. 2 between Mesa Air Group Airline Inventory Management, L.L.C. and CIT Bank, N.A., dated August 12, 2016
10.12.4*	Mortgage and Security Agreement Supplement No. 3 between Mesa Airlines, Inc. and CIT Bank, N.A., dated November 23, 2016
10.13*	Cooperation Agreement among the Registrant, Mesa Airlines, Inc., Mesa Air Group Airline Inventory Management, L.L.C., CIT Bank, N.A., AAR Supply Chain, Inc. and AAR Aircraft & Engine Sales & Leasing, Inc., dated August 30, 2016
10.14.1	Credit Agreement among Mesa Airlines, Inc., the lenders named therein, Obsidian Agency Services, Inc. and Cortland Capital Markets Services LLC, dated December 14, 2016
10.14.2	Amendment No. 1 to Credit Agreement among Mesa Airlines, Inc., the lenders named therein, Obsidian Agency Services, Inc. and Cortland Capital Markets Services LLC, dated February 26, 2018
10.15.1	Mortgage and Security Agreement between Mesa Airlines, Inc. and Obsidian Agency Services, Inc., dated December 14, 2016
10.15.2	Mortgage Supplement No. 1 between Mesa Airlines, Inc. and Obsidian Agency Services, Inc., dated December 14, 2016
10.15.3	Mortgage Supplement No. 2 between Mesa Airlines, Inc. and Obsidian Agency Services, Inc., dated February 2, 2017
10.15.4	Mortgage Supplement No. 3 between Mesa Airlines, Inc. and Obsidian Agency Services, Inc., dated July 5, 2017
10.15.5	Mortgage Supplement No. 4 between Mesa Airlines, Inc. and Obsidian Agency Services, Inc., dated September 29, 2017
10.15.6	Mortgage Supplement No. 5 between Mesa Airlines, Inc. and Obsidian Agency Services, Inc., dated March 1, 2018
10.16*	Credit Agreement between Mesa Airlines, Inc. and Export Development Canada, dated August 12, 2015
10.17.1*	Credit Agreement between Mesa Airlines, Inc. and Export Development Canada, dated January 18, 2016
10.17.2*	Amendment No. 1 to Credit Agreement between Mesa Airlines, Inc. and Export Development Canada, dated March 30, 2017
10.17.3*	Omnibus Amendment Agreement among the Registrant, Mesa Airlines, Inc. and Export Development Canada, dated April 30, 2018
10.18*	Credit Agreement between Mesa Airlines, Inc. and Export Development Canada, dated June 27, 2016
10.19.1	Business Loan Agreement between Mesa Airlines, Inc. and MidFirst Bank, dated May 21, 2015

Exhibit Number	Description
10.19.2	Promissory Note between Mesa Airlines, Inc. and MidFirst Bank, dated May 21, 2015
10.20.1	Office Lease Agreement between the Registrant and DMB Property Ventures Limited Partnership, dated October 16, 1998
10.20.2	First Amendment to Lease between the Registrant and DMB Property Ventures Limited Partnership, dated March 9, 1999
10.20.3	Second Amendment to Lease between the Registrant and DMB Property Ventures Limited Partnership, dated November 8, 1999
10.20.4	Lease Amendment Three between the Registrant and CMD Realty Investment Fund IV, L.P., dated November 7, 2000
10.20.5	Lease Amendment Four between the Registrant and CMD Realty Investment Fund IV, L.P., dated May 15, 2001
10.20.6	Lease Amendment Five between the Registrant and CMD Realty Investment Fund IV, L.P., dated October 11, 2002
10.20.7	Lease Amendment Six between the Registrant and CMD Realty Investment Fund IV, L.P., dated April 1, 2003
10.20.8	Amended and Restated Lease Amendment Seven between the Registrant and CMD Realty Investment Fund IV, L.P., dated April 15, 2005
10.20.9	Lease Amendment Eight between the Registrant and CMD Realty Investment Fund IV, L.P., dated October 12, 2005
10.20.10	Lease Amendment Nine between the Registrant and Transwestern Phoenix Gateway, L.L.C., dated November 4, 2010
10.20.11	Lease Amendment Eleven between the Registrant and Phoenix Office Grand Avenue Partners, LLC, dated July 31, 2014
10.20.12	Lease Amendment Twelve between the Registrant and Phoenix Office Grand Avenue Partners, LLC, dated November 20, 2014
10.21*	Form of Common Stock Warrant
21.1	List of subsidiaries of the Registrant
23.1*	Consent of DLA Piper LLP (US) (included in Exhibit 5.1)
23.2*	Consent of Deloitte & Touché LLP
24.1*	Power of Attorney (included on the signature page of this Registration Statement)

* To be filed by amendment.
\+ Management contract or compensatory plan.

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
MESA AIR GROUP, INC., *et al.*,	Case No. 10-10018 (MG)
Debtors.[1]	(Jointly Administered)

THIRD AMENDED JOINT PLAN
OF REORGANIZATION OF MESA AIR GROUP, INC. AND
AFFILIATED DEBTORS UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

Dated: January 19, 2011

1 The Debtors are: Mesa Air Group, Inc. (2351); Mesa Air New York, Inc. (3457); Mesa In-Flight, Inc. (9110); Freedom Airlines, Inc. (9364); Mesa Airlines, Inc. (4800); MPD, Inc. (7849); Ritz Hotel Management Corp. (7688); Regional Aircraft Services, Inc. (1911); Air Midwest, Inc. (6610); Mesa Air Group – Airline Inventory Management, LLC (2015); Nilchii, Inc. (5531); and Patar, Inc. (1653)

Mesa Air Group, Inc. and each other Debtor (as defined below) collectively propose the following plan of reorganization under Section 1121(a) of the Bankruptcy Code for the resolution of the Debtors' outstanding Claims and Interests. Pursuant to Section 1125(b) of the Bankruptcy Code, votes to accept or reject a plan of reorganization cannot be solicited from holders of Claims or Interests entitled to vote on the plan until a disclosure statement has been approved by a bankruptcy court and distributed to such holders. On **November 23, 2010**, the Bankruptcy Court approved the Disclosure Statement. All Creditors and other parties-in-interest should refer to the Disclosure Statement for a discussion of the Debtors' history, business, properties, results of operations, and events leading up to the contemplated restructuring and for a summary and analysis of the Plan and certain related matters. ***All holders of Claims against, and Interests in, any of the Debtors are encouraged to read the Plan, the Disclosure Statement and the related solicitation materials in their entirety before voting to accept or reject the Plan.***

The Plan effectuates the reorganization and continued operation of the Reorganizing Debtors, the prompt liquidation of the Liquidating Debtors after the Effective Date, and the resolution of all outstanding Claims against and Interests in the Debtors. Subject to the specific provisions set forth in this Plan, other than with respect to claims in *de minimis* amounts, general unsecured creditors of the Debtors, which creditors are U.S. Citizens, will, on account of and in full satisfaction of their claims, receive New Common Stock, New 8% Notes (Series A) and/or New 8% Notes (Series B), as the case may be, to be issued by the ultimate corporate parent - Reorganized Mesa Air Group, while general unsecured creditors that are Non-U.S. Citizens will receive a *pro rata* share of the New 8% Notes (Series A) and/or New 8% Notes (Series B) and New Warrants, which will entitle the holder to acquire New Common Stock upon exercise of the New Warrants. Generally, as discussed further in the Disclosure Statement, this New Common Stock / New Warrant structure (together with certain transfer/exercise restrictions related thereto) has been developed by the Debtors to ensure compliance with applicable Federal regulations restricting the level of ownership of a United States air carrier by Non-U.S. Citizens. General unsecured creditors, including Noteholders, will receive a *pro rata* share of the New Common Stock, New Warrants, New 8% Notes (Series A) and New 8% Notes (Series B), as applicable, based on, *inter alia*, (i) valuations of each Debtor (which valuations will be reflected in the Disclosure Statement) and (ii) estimates of Allowed Claims against each Debtor. The holders of Interests will receive no distribution on account of such Interests, and the Interests in Mesa Air Group will be cancelled. The Estates will not be substantively consolidated under the Plan, and each Debtor will maintain its separate existence after the Effective Date.

Subject only to the restrictions on modifications set forth in Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Debtors expressly reserve the right to alter, amend or modify the Plan.

ARTICLE 1
DEFINITIONS AND RULES OF INTERPRETATION

For purposes of this Plan and the Disclosure Statement, except as expressly provided or unless the context otherwise requires, all capitalized terms not otherwise defined herein have the meanings ascribed to them in Article 1 of the Plan. Any term used in the Plan that is not defined herein but is defined in the Bankruptcy Code or the Bankruptcy Rules retains the meaning specified for such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable. Whenever the context requires, each of the terms defined herein includes the plural as well as the singular, the masculine gender includes the feminine gender, and the feminine gender includes the masculine gender.

As used in this Plan, the following terms have the meanings specified below:

1.1 510(a) Subrogation Claim. Any Claim of the type described in and subject to subordination pursuant to Section 510(a) of the Bankruptcy Code.

1.2 2012 Noteholder Claim. A Claim against any of the Debtors arising under, or relating to, the 2012 Notes.

1.3 2012 Note Guarantors. Mesa Airlines, Freedom, Air Midwest, MPD, RASI, MAGAIM, RHMC, Mesa In-Flight, Nilchii, and Patar..

1.4 2012 Notes. Those certain 8% senior unsecured notes due February 10, 2012, totaling approximately $17.2 million[2] in principal and accrued interest and other charges as of the Petition Date (i) issued by Mesa Air Group in favor of certain Noteholders pursuant to an indenture dated February 10, 2009 between Mesa Air Group and U.S. Bank National Association in its capacity as indenture trustee, and (ii) guaranteed by the 2012 Note Guarantors.

1.5 2023 Noteholder Claim. A Claim against any of the Debtors arising under, or relating to, the 2023 Notes.

1.6 2023 Notes. Those certain 6.25% senior convertible notes due June 16, 2023, totaling approximately $6.81 million[3] in principal and accrued interest and other charges as of the Petition Date (i) issued by Mesa Air Group in favor of certain Noteholders pursuant to an indenture dated June 16, 2003 between Mesa Air Group and U.S. Bank National Association in its capacity as indenture trustee, and (ii) guaranteed by the Debtor Subsidiaries Mesa Airlines, Freedom, Air Midwest, MPD, RASI, MAGAIM, and RHMC.

1.7 2024 Noteholder Claim. A Claim against any of the Debtors arising under, or relating to, the 2024 Notes.

1.8 2024 Notes. Those certain 3.625% senior convertible notes due February 10, 2024, totaling approximately $1.89 million[4] in principal and accrued interest and other charges

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2 This is the Debtors' estimate as of the Petition Date and is not binding on any claimholder of the 2012 Notes, which amount is disputed by the Indenture Trustee to the 2012 Notes.

3 This is the Debtors' estimate as of the Petition Date and is not binding on any claimholder of the 2023 Notes, which amount is disputed by the Indenture Trustee to the 2023 Notes.

4 This is the Debtors' estimate as of the Petition Date and is not binding on any claimholder of the 2024 Notes, which amount is disputed by the Indenture Trustee to the 2024 Notes.

as of the Petition Date (i) issued by Mesa Air Group in favor of certain Noteholders pursuant to an indenture dated February 10, 2004 between Mesa Air Group and U.S. Bank National Association in its capacity as indenture trustee, and (ii) guaranteed by the Debtor Subsidiaries Mesa Airlines, Freedom, Air Midwest, MPD, RASI, MAGAIM, and RHMC.

1.9 ACE Companies. Collectively, ACE American Insurance Company, Indemnity Insurance Company of North America, and each of their respective affiliates.

1.10 ACE Insurance Program. All insurance policies and agreements, documents, or instruments relating thereto including, without limitation, claims servicing agreements, that have been issued or entered into by one or more of the ACE Companies with one or more of the Debtors and their respective predecessors and /or affiliates.

1.11 Actual Pro Rata Share of Restructured Unsecured Equity. With respect to any Allowed General Unsecured Claim that is entitled to receive Restructured Unsecured Equity under the Plan, the term "Actual Pro Rata Share of Restructured Unsecured Equity" shall mean, as of the date on which the final distribution of Restructured Unsecured Equity is being made, the amount of the Restructured Unsecured Equity (either in the form of New Common Stock or New Warrants, as applicable pursuant to Sections 4.3.2 and 4.5.2 hereof) necessary to permit the holder of such Allowed Claim to hold a percentage of the Restructured Unsecured Equity obtained by dividing (i) the Aggregate Distribution Share applicable to such holder's Allowed Claims by (ii) the Aggregate Distribution Share of holders of all Allowed Claims entitled to receive Restructured Unsecured Equity under the Plan. For the purpose of calculations hereunder, each New Warrant, together with the corresponding share of New Common Stock to be acquired upon exercise of the New Warrant, shall equal one unit of Restructured Unsecured Equity. For the avoidance of doubt, only those holders of Class 3 and Class 5 Allowed Claims who are U.S. Citizens shall receive shares of New Common Stock under Section 4.3.2 or 4.5.2 of the Plan, as applicable, and only those holders of Class 3 and Class 5 Allowed Claims who are Non-U.S. Citizens shall receive New Warrants pursuant to Section 4.3.2 and 4.5.2 hereof.

1.12 Administrative Claim. A Claim for any expense of administration of the Chapter 11 Cases under Section 503(b) of the Bankruptcy Code and entitled to priority under Section 507(a)(2) of the Bankruptcy Code, including, without limitation: (a) actual and necessary costs and expenses incurred in the ordinary course of the Debtors' businesses; (b) actual and necessary costs and expenses of preserving the Estates or administering the Chapter 11 Cases; (c) all Professional Fees; (d) any amounts owing under an agreement made by the Debtors in accordance with the Section 1110 Procedures Order that satisfies the requirements of section 503(b) of the Bankruptcy Code; and (e) all fees payable under 28 U.S.C. § 1930. For the avoidance of doubt, an Intercompany Claim may constitute an Administrative Claim, provided that the Intercompany Claim falls within the foregoing definition.

1.13 Administrative Claim Bar Date. The thirty-fifth (35th) day after the Effective Date, by which date certain entities asserting an Administrative Claim (excluding Professional Fee Claims) against any of the Debtors must have filed a request for payment with the Bankruptcy Court under Section 503(a) of the Bankruptcy Code, or be forever barred from asserting an Administrative Claim against the Debtors and/or sharing in any distribution under

the Plan; *provided*, *however*, the foregoing deadline shall not apply to claims arising under section 503(b)(9) of the Bankruptcy Code, which are subject to the Bar Date, or to claims arising from the rejection of unexpired leases or executory contracts or the abandonment of property, which are subject to separate orders authorizing such rejection.

1.14 AFA. Association of Flight Attendants.

1.15 AFA Collective Bargaining Agreement. Agreement between Mesa Airlines, Inc. and the Flight Attendants in the service of Mesa Airlines, Inc. as Represented by the Association of Flight Attendants, AFL-CIO, as amended effective February 10, 2010.

1.16 Agent. Any former or current shareholder, non-Debtor affiliate, director, officer, employee, partner, member, agent, attorney, accountant, advisor or other representative of any person or entity (solely in their respective capacities as such, and not in any other capacity).

1.17 Aggregate Distribution Share. For each holder of an Allowed General Unsecured Claim, the term "Aggregate Distribution Share" shall mean the sum obtained by adding each of such holder's Individual Debtor Distribution Shares.

1.18 Aggregate Distribution Percentage. For each holder of an Allowed General Unsecured Claim, the term "Aggregate Distribution Percentage" shall mean the percentage obtained by dividing such claimant's Aggregate Distribution Share by the Aggregate Estimated Value.

1.19 Aggregate Estimated Value. The sum obtained by adding the Individual Estimated Values for all the Debtors.

1.20 Air Midwest. Air Midwest, Inc., a Debtor in these Chapter 11 Cases.

1.21 Aircraft Equipment. Any and all aircraft, aircraft engine, propeller, appliance, spare part and such other equipment and related records and documents as described in Section 1110(a)(3) of the Bankruptcy Code.

1.22 Aircraft Rejection Damages Claim Settlement Procedures. Procedures established pursuant to the Order Authorizing Debtors to Approve the Determination, Settlement, and Allowance of Certain Claims Arising from the Rejection of Aircraft Related Leases and Related Procedures entered by the Bankruptcy Court on May 13, 2010.

1.23 Aircraft Secured Claim. A Secured Claim secured by a valid, perfected and enforceable Lien on any of the Debtors' Aircraft Equipment.

1.24 Allowed. With respect to Claims: (a) any Claim, proof of which, request for payment of which, or application for allowance of which, was filed on or before the Bar Date, Administrative Claim Bar Date, or Professional Fees Bar Date, as applicable, for Claims of such type against the Debtors; (b) any Claim, if no proof of Claim or Interest is filed, which has been or is listed by the Debtors in the Schedules as liquidated in amount and not disputed or contingent; or (c) any Claim that is expressly allowed by the Plan or under any agreement

entered into in connection with the Plan; *provided, however*, that with respect to any Claim described in clauses *(a)* or *(b)* above, such Claim shall be considered Allowed only if either (i) no objection to the allowance thereof has been interposed by the Claims Objection Deadline, or (ii) an objection to the Claim has been interposed and a Final Order has been entered allowing the Claim for distribution purposes, or (iii) the Reorganized Debtors or the Liquidating Debtors, as applicable, have agreed to settle and allow the Claim, without the need for Bankruptcy Court approval, in accordance with this Plan. The term "Allowed," when used to describe a reference in the Plan to any Claim, Interest, Class of Claims or Class of Interests, means a Claim or Interest (or any Claim or Interest in any such Class) that is so allowed. The term "Allowed Claim," will not, for purposes of computing distributions under the Plan, include interest on such claim from and after the Petition Date, other than as permitted under the Bankruptcy Code.

1.25 ALPA. Air Line Pilots Association, International.

1.26 ALPA Collective Bargaining Agreement. Agreement between Mesa Airlines, Inc., Freedom Airlines, Inc., and The Air Line Pilots in the Service of Mesa Airlines, Inc., Freedom Airlines, Inc., as represented by the Air Line Pilots Association, International, as amended effective December 10, 2008.

1.27 Alternative Transaction. On or after the Effective Date, one or more transactions among any one or combination of the Debtors, the Reorganized Debtors, or Liquidating Debtors, which may include one or more inter-company mergers, consolidations, amalgamations, arrangements, continuances, restructurings, conversions, dissolutions, transfers, liquidations, changes in form of entity or other corporate transactions as may be determined by the Debtors, the Reorganized Debtors, or Liquidating Debtors, as applicable, to be necessary or appropriate, which may include maintaining the corporate existence in some form of any one of the Liquidating Debtors that would not result in liquidation.

1.28 AMT. Alternative Minimum Tax.

1.29 AMTI. Alternative Minimum Tax Income.

1.30 Arizona District Court. United States District Court for the District of Arizona.

1.31 Assumption Obligations. Any monetary amounts payable to the non-debtor party to any executory contract or unexpired lease, pursuant to Section 365(b)(1) of the Bankruptcy Code, as a condition to the assumption of such contract or lease.

1.32 Avoidance Actions. All causes of action of the Estates under Sections 506(c), 506(d), 510, 542, 543, 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code, whether or not such actions seek an affirmative recovery or are raised as a defense to, or offset against, the allowance of a Claim.

1.33 Bankruptcy Code. Title 11 of the United States Code, 11 U.S.C. §§ 1011532, as amended from time to time and as applicable to the Chapter 11 Cases.

1.34 Bankruptcy Court. The United States Bankruptcy Court for the Southern District of New York having jurisdiction over the Chapter 11 Cases.

1.35 Bankruptcy Rules. Collectively, the Federal Rules of Bankruptcy Procedure as promulgated under 28 U.S.C. § 2075 and any Local Rules of the Bankruptcy Court, as applicable to the Chapter 11 Cases.

1.36 Bar Date. The date or dates fixed by the Bankruptcy Court by which all Persons (except holders of Claims that appear in the Schedules and are **not** scheduled as disputed, contingent or unliquidated) asserting a Claim against the Debtors, inclusive of claims arising under section 503(b)(9) of the Bankruptcy Code but excluding other Administrative Claims, must file a proof of claim or be forever barred from asserting a Claim against the Debtors or their property, voting on the Plan, and sharing in distributions under the Plan.

1.37 Business Day. Any other day than a Saturday, Sunday, or legal holiday, as defined in Bankruptcy Rule 9006(a).

1.38 Bombardier. Bombardier Inc.

1.39 Bombardier MPA. Master Purchase Agreement by and between Mesa Air Group and Bombardier dated May 18, 2001.

1.40 Cash. Currency, checks drawn on a bank insured by the Federal Deposit Insurance Corporation, certified checks, money orders, negotiable instruments, and wire transfers of immediately available funds.

1.41 Causes of Action and Defenses. Any and all claims, causes of action, cross-claims, counterclaims, third-party claims, indemnity claims, contribution claims, defenses, demands, rights, actions, debts, damages, judgments, remedies, Liens, indemnities, guarantees, suits, obligations, liabilities, accounts, offsets, recoupments, rights of subordination or subrogation, powers, privileges, licenses, and franchises of any kind or character whatsoever, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, whether arising before, on or after the Petition Date(s), including through the Effective Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law. “Causes of Action” shall include, but not be limited to: (a) all rights of setoff, counterclaim, or recoupment and claims on contracts or for breaches of duties imposed by law or in equity; (b) the right to object to Claims; (c) all claims pursuant to Sections 362 of the Bankruptcy Code, (d) all Avoidance Actions; (e) any state law fraudulent transfer claims; and (f) such claims and defenses as fraud, mistake, duress, and usury and any other defenses set forth in Section 558 of the Bankruptcy Code.

1.42 Chapter 11 Case(s). The case(s) under Chapter 11 of the Bankruptcy Code in which each Debtor is a debtor and debtor-in-possession pending before the Bankruptcy Court.

1.43 Charter Documents. The articles or certificate of incorporation and the bylaws of a company, as applicable, and any amendments to the foregoing, and the certificate of formation or articles of organization and the limited liability company operating agreement of a company, as applicable, and any amendments to the foregoing.

1.44 Citizenship Declaration. The form declaration submitted by holders of claims setting forth whether such claim holder is a U.S. Citizen or a Non - U.S. Citizen.

1.45 Claim. A claim as defined in Section 101(5) of the Bankruptcy Code, including, without limitation: (a) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, arising at any time before the Effective Date; or (b) any right to an equitable remedy arising at any time before the Effective Date for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

1.46 Claim Objection Deadline. The last day by which the Debtors may file objections to Claims, which day shall be the latest of (a) 175 days after the Effective Date, (b) 60 days after the filing of a proof of claim for, or request for payment of, such Claim, or (c) such other date as the Bankruptcy Court may order. The filing of a motion to extend the Claims Objection Deadline by any party shall automatically extend the Claims Objection Deadline until a Final Order is entered on such motion. In the event that such motion to extend the Claims Objection Deadline is denied by the Bankruptcy Court, or approved by the Bankruptcy Court and reversed on appeal, the Claims Objection Deadline shall be the later of the then current Claims Objection Deadline (as previously extended, if applicable) or 28 days after entry of a Final Order denying the motion to extend the Claims Objection Deadline.

1.47 Claims Settlement Procedures Order. The Order dated July 7, 2010, approving pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rules 3007 and 9019(a) for approval of (i) Claim Objection Procedures, and (ii) Settlement Procedures.

1.48 Class. A category of holders of Claims or Interests which are substantially similar in nature to the Claims or Interests of other holders placed in such category, as designated in Article 3 of this Plan.

1.49 Class 3 Distribution Date. (i) The Initial Distribution Date, (ii) each Interim Distribution Date, and/or (iii) the Final Distribution Date.

1.50 Class 5 Distribution Date. (i) The Initial Distribution Date, (ii) each Interim Distribution Date, and/or (iii) the Final Distribution Date.

1.51 Class 6 Distribution Date. (i) The Initial Distribution Date, (ii) each Interim Distribution Date, and/or (iii) the Final Distribution Date.

1.52 COD. Cancellation of debt.

1.53 Code-Share Agreements. The US Airways Code-Share Agreement and the United Code-Share Agreement.

1.54 Collective Bargaining Agreements. (i) Agreement between Mesa Airlines, Inc. and the Flight Attendants in the Service of Mesa Airlines, Inc. and Freedom Airlines, Inc. as represented by the Association of Flight Attendants, AFL-CIO (October 10, 2002 - June 13, 2006), with an amendment effective February 19, 2010 (amendable February 18, 2012); and (ii) Agreement between Mesa Airlines, Inc., Freedom Airlines, Inc. and The Air Line Pilots in the Service of Mesa Airlines, Inc., Freedom Airlines, Inc., as represented by the Air Line Pilots Association, International (Effective December 2008 / Amendable December 10, 2010), each as may have been amended, modified or supplemented from time to time.

1.55 Committee. The Official Committee of Unsecured Creditors, appointed by the United States Trustee in the Chapter 11 Cases of the Debtors in accordance with Section 1102(a)(1) of the Bankruptcy Code, as it may be reconstituted from time to time.

1.56 Compass Bank. BBVA Compass Bank.

1.57 Confirmation. Entry of the Confirmation Order by the Bankruptcy Court.

1.58 Confirmation Date. The date on which the Bankruptcy Court enters the Confirmation Order.

1.59 Confirmation Hearing. The hearing or hearings to consider confirmation of the Plan under Section 1129 of the Bankruptcy Code, as such hearing(s) may be adjourned from time to time.

1.60 Confirmation Order. The order of the Bankruptcy Court confirming the Plan.

1.61 Contingent Claim. Any Claim for which a proof of Claim has been filed with the Bankruptcy Court which (a) has not accrued and is dependent on a future event that has not occurred and may never occur, and (b) has not been Allowed.

1.62 Creditor. Has the meaning set forth in Section 101(10) of the Bankruptcy Code.

1.63 CRJ. Canadair Regional Jet.

1.64 CRJ 700 Aircraft Leases. Collectively, the (i) eight (8) lease transactions (inclusive of all “Operative Documents” as defined under the respective lease transactions) between Mesa Airlines and Wells Fargo Bank Northwest, NA in its capacity as owner trustee and AFS Investments XLIV LLC as owner participant governing the airframes bearing U.S. Registration Numbers N503MJ, N504MJ, N505MJ, N506MJ, N507MJ, N508MJ, N510MJ, and N511MJ, (ii) two (2) lease transactions (inclusive of all “Operative Documents” as defined under the respective lease transactions) between Mesa Airlines and Wells Fargo Bank Northwest, NA in its capacity as lessor and AFS Investments XLII LLC in its capacity as owner participant governing the airframes bearing U.S. Registration Numbers N501MJ and N502MJ, and (iii) two (2) lease transactions (inclusive of all “Operative Documents” as defined under the respective lease transactions) between Mesa Airlines and Bombardier Capital Inc. in its capacity as lessor and Sun Trust Leasing Corporation as owner participant governing the airframes bearing U.S. Registration Numbers N521LR and N522LR.

1.65 CRJ 900 Aircraft Leases. Collectively, the (i) fifteen (15) lease transactions (inclusive of all "Operative Documents" as defined under the respective lease transactions) between Mesa Airlines and RASPRO Trust 2005 as lessor governing the airframes bearing U.S. Registration Numbers N922FJ, N923FJ, N924FJ, N925FJ, N926LR, N927LR, N928LR, N929LR, N930LR, N931LR, N932LR, N933LR, N934FJ, N935LR, and N938LR and (ii) nine (9) lease transactions (inclusive of all "Operative Documents" as defined under the respective lease transactions) between Mesa Airlines and Wells Fargo Bank Northwest, NA in its capacity as owner trustee and AFS Investments XLIV LLC in its capacity as owner participant governing the airframes bearing U.S. Registration Numbers N902FJ, N903FJ, N904FJ, N905FJ, N906FJ, N907FJ, N908FJ, N909FJ, and N910FJ.

1.66 CRJ Equipment Trust. CRJ Equipment Trust 2004.

1.67 CRJ Equipment Trust Aircraft Equipment. All Aircraft Equipment related to the five (5) CRJ 700 aircraft and eleven (11) CRJ 900 aircraft, with the airframes bearing U.S. Registration Numbers N509MJ, N512MJ, N513MJ, N514MJ, N515MJ, N911FJ, N912FJ, N913FJ, N914FJ, N915FJ, N916FJ, N917FJ, N918FJ, N919FJ, N920FJ and N921FJ that are subject to that certain Section 1110(a) agreement dated March 4, 2010 with respect to such Aircraft Equipment.

1.68 CRJ Equipment Trust Aircraft Secured Claim. Collectively, any and all Claims arising from or relating to all indebtedness and obligations now or hereafter owed under or in connection with the CRJ Equipment Trust Loan Documents.

1.69 CRJ Equipment Trust Guarantee. The Guaranty, dated as of January 29, 2003 of Mesa Air Group, and all amendments and supplements related thereto in connection with the financing of the CRJ Equipment Trust Aircraft Equipment.

1.70 CRJ Equipment Trust Guarantee Claim. Collectively, any and all Claims against the Debtors arising from or relating to guarantees of payment and performance of all indebtedness and obligations that are now or hereafter owed to CRJ Equipment Trust under and in connection with the CRJ Equipment Trust Loan Documents.

1.71 CRJ Equipment Trust Credit Agreement. That certain Credit Agreement, dated January 29, 2004, including the related operative documents, among Mesa Airlines, as borrower, Mesa Air Group, as guarantor, CRJ Equipment Trust, as lender, and Wells Fargo Bank Northwest, National Association, as security agent.

1.72 CRJ Equipment Trust Loan Documents. Collectively, any and all agreements (including, without limitation, the CRJ Equipment Trust Credit Agreement and the CRJ Equipment Trust Guaranty), promissory notes, guaranties, mortgages, deeds of trust, indemnity deeds of trust, security agreements, Uniform Commercial Code financing statements, instruments and other documents (collectively, as amended, restated, supplemented or otherwise modified from time to time), executed and/or delivered with, to or in favor of CRJ Equipment Trust or Wells Fargo Bank Northwest, National Association, as security agent, in connection with the CRJ Equipment Trust Credit Agreement.

1.73 De Minimis Convenience Claim. Any Claim against any of the Debtors other than a 2012 Noteholder Claim, a 2023 Noteholder Claim or a 2024 Noteholder Claim that would otherwise be a General Unsecured Claim but for the fact that the Claim is Allowed in an amount that is greater than $0 and less than or equal to $100,000 or for which the Creditor elects to reduce the Allowed amount of its Claim to $100,000; *provided*, *however*, that a Claim may not be sub-divided into multiple Claims of $100,000 or less for purposes of receiving treatment as a De Minimis Convenience Claim.

1.74 Debtor Subsidiaries. Collectively, Mesa Air New York, Mesa In-Flight, RHMC, RASI, Freedom Airlines, Mesa Airlines, MPD, Inc., Air Midwest, MAGAIM, Nilchii, and Patar. To the extent that the context requires any reference to the Debtor Subsidiaries after the Effective Date, "Debtor Subsidiaries" shall mean the "Reorganized Debtor Subsidiaries" or the "Liquidating Debtors," as applicable.

1.75 Debtors. Collectively, Mesa Air Group, Mesa Air New York, Mesa In-Flight, RHMC, RASI, Freedom Airlines, Mesa Airlines, MPD, Inc., Air Midwest, MAGAIM, Nilchii, and Patar. To the extent that the context requires any reference to the Debtors after the Effective Date, "Debtors" shall mean the "Reorganized Debtors" or the "Liquidating Debtors," as applicable.

1.76 Deferred Compensation Plan Accounts. Those certain deferred compensation accounts at Merrill Lynch in the names of Jonathan G. Ornstein, Michael J. Lotz, Brian S. Gillman, and Paul Foley.

1.77 Delta. Delta Air Lines, Inc.

1.78 Delta CRJ Litigation. Action commenced by Mesa Air Group and Freedom against Delta under Case No. 1:09-CV-2267 in the Georgia District Court.

1.79 Delta Engine Litigation. Action commenced by Mesa Air Group and Freedom against Delta under Case No. CV-08-1449 in the Arizona District Court.

1.80 Delta ERJ Litigation. Action commenced by Mesa Air Group and Freedom against Delta under Case No. 1:08-CV-1334 in the Georgia District Court.

1.81 Delta MFN Litigation. Action commenced by Delta against Mesa Air Group and Freedom under Case No. 1:09-CV-0772 in the Georgia District Court, removed to the United States District Court for the Southern District of New York and transferred to the Bankruptcy Court under Adversary Proceeding No. 10-3064 on March 25, 2010.

1.82 Delta Temporary Agreement. Agreement by and among Mesa Air Group and Freedom, on the one hand, and Delta, on the other hand, dated May 21, 2010 and approved by the Bankruptcy Court by the entry of an order on May 25, 2010.

1.83 Disclosure Statement. The disclosure statement relating to the Plan including, without limitation, all exhibits and schedules to such disclosure statement, in the form approved by the Bankruptcy Court under Section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017.

1.84 Disclosure Statement Approval Order. Order Approving Disclosure Statement and Fixing Time for Filing Acceptances or Rejections of Plan entered by the Bankruptcy Court on November 23, 2010.

1.85 Disputed. With respect to Claims, means any Claim that is not an Allowed Claim or Estimated Claim. The term "Disputed," when used to modify a reference in the Plan to any Claim, Interest, Class of Claims or Class of Interests, means a Claim or Interest (or any Claim or Interest in any such Class) that is so disputed.

1.86 Distribution Date(s). The Initial Distribution Date, the Interim Distribution Date and the Final Distribution Date.

1.87 Distribution Record Date. Except with respect to distributions on account of the Notes, the Distribution Record Date is the date that is three (3) business days after the Confirmation Date. With respect to distributions on account of the New 8% Notes (Series A) or New 8% Notes (Series B), the Distribution Record Date is the date that is three (3) business days after the Confirmation Date, or such date thereafter at which time the Debtors or Reorganized Debtors, as applicable, and the Indenture Trustee have reconciled the claims register or similar ledger regarding the Notes to take into account any repurchases by Mesa Air Group, or any exchanges, conversions, terminations or other instances in which Notes were to have been surrendered.

1.88 Distribution Reserve. The reserve created pursuant to Section 6.4.7 of the Plan to hold property (including New Common Stock) for distribution to holders of General Unsecured Claims pending resolution of Disputed Claims.

1.89 DOJ. Department of Justice.

1.90 DOT. Department of Transportation.

1.91 EDC Aircraft Secured Claim. Collectively, any and all Claims arising from or relating to all indebtedness and obligations now or hereafter owed under or in connection with the EDC Credit Agreement.

1.92 EDC Credit Agreement. That certain Credit Agreement, dated as of January 31, 2007, and related operative documents, among Mesa Airlines as borrower, Mesa Air Group as guarantor, Export Development Canada as senior lender, Bombardier Capital Inc. as the subordinated lender, and Wilmington Trust Company as loan trustee.

1.93 EDC Credit Agreement Equipment. All Aircraft Equipment related to the three (3) CRJ 700 aircraft and three (3) CRJ 900 aircraft bearing U.S. Registration Numbers N516LR, N518LR, N519LR, N939LR, N942LR, and N956LR.

1.94 EDC Credit Agreement Guaranty. The Guaranties of Mesa Air Group, and all amendments and supplements related thereto in connection with the financing of the EDC Credit Agreement.

1.95 Effective Date. A date designated by the Debtor that is no earlier than the first day after the Confirmation Date immediately following the first day upon which all of the conditions to the occurrence of the Effective Date have been satisfied or waived in accordance with the Plan.

1.96 Epiq. Epiq Bankruptcy Solutions, LLC.

1.97 ERJ. Embraer Regional Jet.

1.98 Estate. The estate of each Debtor created in its respective Chapter 11 Case in accordance with Section 541 of the Bankruptcy Code or otherwise.

1.99 Estate Assets. All of the property of each Estate of each Debtor under Section 541 of the Bankruptcy Code.

1.100 Estimated. With respect to Claims, means any Claim that has been estimated by the Bankruptcy Court pursuant to Section 502(c) of the Bankruptcy Code or by agreement of the applicable Debtors and the holder of such Claim. The term "Estimated," when used to modify a reference in the Plan to any Claim, Interest, Class of Claims or Class of Interests, means a Claim or Interest (or any Claim or Interest in any such Class) that is so estimated.

1.101 Estimated Additional Pro Rata Share of New 8% Notes (Series A). With respect to any 2012 Noteholder Claim that becomes an Allowed Claim after the Effective Date and is entitled to receive (but has not yet received) New 8% Notes (Series A) under the Plan with respect to such Allowed Claim, the term "Estimated Additional Pro Rata Share of New 8% Notes (Series A)" shall mean, as of any Class 6 Distribution Date, an amount of the New 8% Notes (Series A) necessary to permit the holder of such Allowed Claim to receive its Pro Rata distribution of the New 8% Notes (Series A) distributed to Class 6 Creditors as of that date.

1.102 Estimated Additional Pro Rata Share of New 8% Notes (Series B). With respect to any General Unsecured Claim that becomes an Allowed Claim after the Effective Date and is entitled to receive (but has not yet received) New 8% Notes (Series B)under the Plan with respect to such Allowed Claim, the term "Estimated Additional Pro Rata Share of New 8% Notes (Series B)" shall mean, as of any Class 3 Distribution Date or Class 5 Distribution Date, as applicable, an amount of the New 8% Notes (Series B) necessary to permit the holder of such Allowed Claim to receive a percentage of the New 8% Notes (Series B) obtained by dividing (i) the Aggregate Distribution Share applicable to such holder's Allowed Claims by (ii) the aggregate of (A) the Aggregate Distribution Share of holders of all other previously Allowed Claims that have received New 8% Notes under the Plan prior to such distribution date plus (B) the Aggregate Distribution Share of holders of all then Allowed Claims entitled to receive New 8% Notes (Series B) under the Plan on such distribution date plus (C) the Aggregate Distribution Share of holders of all Disputed Claims that the Debtors then estimate may become Allowed Claims entitled to receive New 8% Notes (Series B) under the Plan.

1.103 Estimated Additional Pro Rata Share of Restructured Unsecured Equity. With respect to any General Unsecured Claim that becomes an Allowed Claim after the

Effective Date and is entitled to receive (but has not yet received) Restructured Unsecured Equity under the Plan with respect to such Allowed Claim, the term "Estimated Additional Pro Rata Share of Restructured Unsecured Equity" shall mean, as of any Class 3 Distribution Date or Class 5 Distribution Date, an amount of Restructured Unsecured Equity (either in the form of New Common Stock or New Warrants, as applicable pursuant to Sections 4.3.2 or 4.5.2 hereof) necessary to permit the holder of such Allowed Claim to receive a percentage of the Restructured Unsecured Equity obtained by dividing (i) the Aggregate Distribution Share applicable to such holder's Allowed Claims by (ii) the aggregate of (A) the Aggregate Distribution Share of holders of all other previously Allowed Claims that have received Restructured Unsecured Equity under the Plan prior to such distribution date plus (B) the Aggregate Distribution Share of holders of all then Allowed Claims entitled to receive Restructured Unsecured Equity under the Plan on such distribution date plus (C) the Aggregate Distribution Share of holders of all Disputed Claims that the Debtors then estimate may become Allowed Claims entitled to receive Restructured Unsecured Equity under the Plan. For the purpose of calculations hereunder, each New Warrant, together with the corresponding share of New Common Stock to be acquired upon exercise of the New Warrant, shall equal one unit of Restructured Unsecured Equity. For the avoidance of doubt, only those holders of Allowed Class 3 and Class 5 Claims who are U.S. Citizens shall receive shares of New Common Stock under Sections 4.3.2 and 4.5.2 of the Plan, and only those holders of Allowed Class 3 and Class 5 Claims who are Non-U.S. Citizens shall receive New Warrants pursuant to Sections 4.3.2 and 4.5.2 hereof.

1.104 Estimated Initial Pro Rata Share of New 8% Notes (Series A). With respect to any 2012 Noteholder Claim that is entitled to receive New 8% Notes (Series A) under the Plan, the term "Estimated Initial Pro Rata Share of New 8% Notes (Series A)" shall mean, as of the Effective Date, an amount of the New 8% Notes (Series A) necessary to permit the holder of such Allowed Claim to receive its Pro Rata share of the New 8% Notes (Series A), distributed as of such date.

1.105 Estimated Initial Pro Rata Share of New 8% Notes (Series B). With respect to any Allowed General Unsecured Claim that is entitled to receive New 8% Notes (Series B) under the Plan, the term "Estimated Initial Pro Rata Share of New 8% Notes (Series B)" shall mean, as of the Effective Date, an amount of the New 8% Notes (Series B) necessary to permit the holder of such Allowed Claim to hold a percentage of the New 8% Notes (Series B) obtained by dividing (i) the Aggregate Distribution Share applicable to such holder's Allowed Claims by (ii) the aggregate of (A) the Aggregate Distribution Share of holders of all then Allowed Claims entitled to receive New 8% Notes (Series B) under the Plan plus (B) the Aggregate Distribution Share of holders of all Disputed Claims that the Debtors then estimate may become Allowed Claims entitled to receive New 8% Notes (Series B) under the Plan.

1.106 Estimated Initial Pro Rata Share of Restructured Unsecured Equity. With respect to any Allowed General Unsecured Claim that is entitled to receive Restructured Unsecured Equity under the Plan, the term "Estimated Initial Pro Rata Share of Restructured Unsecured Equity" shall mean, as of the Effective Date, an amount of Restructured Unsecured Equity (either in the form of New Common Stock or New Warrants, as applicable pursuant to Sections 4.3.2 and 4.5.2 hereof) necessary to permit the holder of such Allowed Claim to hold a percentage of the Restructured Unsecured Equity obtained by dividing (i) the Aggregate

Distribution Share applicable to such holder's Allowed Claims by (ii) the aggregate of (A) the Aggregate Distribution Share of holders of all then Allowed Claims entitled to receive Restructured Unsecured Equity under the Plan plus (B) the Aggregate Distribution Share of holders of all Disputed Claims that the Debtors then estimate may become Allowed Claims entitled to receive Restructured Unsecured Equity under the Plan. For the purpose of calculations hereunder, each New Warrant, together with the corresponding share of New Common Stock to be acquired upon exercise of the New Warrant, shall equal one and one-tenth unit of Restructured Unsecured Equity. For the avoidance of doubt, only those holders of Class 3 and Class 5 Allowed Claims who are U.S. citizens shall receive shares of New Common Stock under Sections 4.3.2 and 4.5.2 of the Plan, and only those holders of Class 3 and Class 5 Allowed Claims who are Non-U.S. Citizens shall receive New Warrants pursuant to Sections 4.3.2 and 4.5.2 hereof.

1.107 Estimated Pro Rata Share of New 8% Notes. With respect to any holder of New 8% Notes under the Plan, the term "Estimated Pro Rata Share of New 8% Notes shall mean, on any Class 3 Distribution Date, Class 5 Distribution Date, or Class 6 Distribution Date as applicable, an amount of New 8% Notes necessary to permit such holder to realize its Estimated Initial Pro Rata Share of New 8% Notes plus its Estimated Additional Pro Rata Share of New 8% Notes.

1.108 Estimated Pro Rata Share of Restructured Unsecured Equity. With respect to any holder of Restructured Unsecured Equity under the Plan, the term "Estimated Pro Rata Share of Restructured Unsecured Equity" shall mean, on any Class 3 Distribution Date or Class 5 Distribution Date, as applicable, an amount of Restructured Unsecured Equity necessary to permit such holder to realize its Estimated Initial Pro Rata Share of Restructured Unsecured Equity plus its Estimated Additional Pro Rata Share of Restructured Unsecured Equity.

1.109 Excess Spirit Sale Proceeds The proceeds, if any, from a Spirit Liquidity Event existing after the payment in full of the New 8% Notes (Series A).

1.110 FAA. Federal Aviation Administration.

1.111 Final Distribution Date. The day selected by the Debtors in their sole discretion that is after the Initial Distribution Date and is no earlier than twenty-eight (28) calendar days after the date on which all Disputed Claims have become Allowed Claims or have been disallowed.

1.112 Final Order. An order or judgment of the Bankruptcy Court that has been entered upon the docket in the Chapter 11 Cases and: (a) as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending; or (b) in the event that an appeal, writ of certiorari, reargument or rehearing has been sought, such order or judgment shall have been affirmed by the highest court to which such order or judgment was appealed, or certiorari has been denied, or from which reargument or rehearing was sought, and the time to take any further appeal, petition for certiorari, or move for reargument or rehearing shall have expired; *provided that*, the possibility that a motion

under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure or any analogous rule under the Bankruptcy Rules may be filed with respect to such order or judgment shall not cause such order or judgment not to be a "Final Order."

1.113 Freedom. Freedom Airlines, Inc., a Debtor in these Chapter 11 Cases.

1.114 Georgia District Court. United States District Court for the District of Georgia.

1.115 General Unsecured Claim. Any Claim against any Debtor that is *not* (a) an Administrative Claim, (b) a Priority Tax Claim, (c) a Priority Non-Tax Claim, (d) a Secured Claim, (e) a De Minimis Convenience Claim, (f) a 510(a) Subrogation Claim or (g) a 2012 Noteholder Claim. For the avoidance of doubt, the term "General Unsecured Claim" shall include (except to the extent that such Claims are treated as De Minimis Convenience Claims) any Claim against any Debtor arising under Section 502(h) of the Bankruptcy Code, a 2023 Noteholder Claim, a 2024 Noteholder Claim, and may include an Intercompany Claim.

1.116 IATA. International Air Transportation Association.

1.117 Illinois District Court. United States District Court for the District of Illinois.

1.118 Imperial. Imperial Capital, LLC.

1.119 Indenture Trustees. The indenture trustee for the 2012 Notes, the indenture trustee for the 2023 Notes, and the indenture trustee for the 2024 Notes.

1.120 Indentures. The indenture governing the 2012 Notes, the indenture governing the 2023 Notes, and the indenture governing the 2024 Notes.

1.121 Indigo. Indigo Miramar LLC.

1.122 Individual Debtor Distribution Share. For each holder of an Allowed General Unsecured Claim, the term "Individual Debtor Distribution Share" shall mean the following with respect to each Debtor against which such claimant holds an Allowed General Unsecured Claim: the amount obtained by multiplying the claimant's Individual Debtor Distribution Percentage by the Individual Estimated Value of the applicable Debtor.

1.123 Individual Debtor Distribution Percentage. For each holder of an Allowed General Unsecured Claim, the term "Individual Debtor Distribution Percentage" shall mean the following with respect to each Debtor against which such claimant holds an Allowed General Unsecured Claim: the percentage obtained by dividing (x) the amount of the holder's Allowed General Unsecured Claim against the applicable Debtor by (y) the total of all Allowed General Unsecured Claims against such Debtor.

1.124 Individual Estimated Value. For each Debtor, the estimated value allocated to such Debtor entity by the Debtors (in consultation with the Committee) as set forth in the Plan Supplement (taking into consideration the payment on the 2012 Notes and any dilution on account of the Management Equity Pool, Management Notes, US Airways Note, the New

Common Stock distributed to US Airways, and the 1.1 conversion ration of the New Warrants) Each Individual Estimated Value has been prepared based on, *inter alia*, the Debtors' estimates of the value of the applicable Debtor's assets, including Interests, if any, in other Debtors, and Intercompany Claims that may be owed to the applicable Debtor.

1.125 Initial Distribution Date. The Initial Distribution Date shall be the Effective Date.

1.126 Insider. Has the meaning set forth in Section 101(31) of the Bankruptcy Code.

1.127 Intercompany Claim. A Claim held by any of the Debtors against another Debtor, whether or not a proof of Claim is filed or deemed filed pursuant to Section 501 of the Bankruptcy Code in either of the Chapter 11 Cases.

1.128 Interests. Any equity security of any Debtor within the meaning of Section 101(16) of the Bankruptcy Code, including, without limitation, all issued, unissued, authorized or outstanding shares of stock or other equity interests (including common and preferred), together with any warrants, options, convertible securities, liquidating preferred securities or contractual rights to purchase or acquire such equity interests at any time and all rights arising with respect thereto.

1.129 Interim Compensation Order. The order dated January 26, 2010 establishing an orderly, regular process for the monthly compensation and reimbursement of Professionals in the Chapter 11 Cases.

1.130 Interim Distribution Date. The date that is 175 calendar days after the Initial Distribution Date or the most recent Interim Distribution Date thereafter, with such periodic Interim Distribution Dates occurring until the Final Distribution Date has occurred.

1.131 IRS. Internal Revenue Service.

1.132 Key Employment Agreements. The employment agreements and the guarantees thereof, as amended and as identified on **Exhibit B** attached hereto, between the Debtors and certain officers and employees of the Debtors, which officers and employees are expected to continue to render services to the Debtors on and after the Effective Date.

1.133 Kunpeng. Kunpeng Airlines.

1.134 Kunpeng Joint Venture Agreement. Joint venture agreement dated December 22, 2006, by and among Ping Shan, Shan Yue, and Shenzhen Airlines.

1.135 Lien. A lien as defined in Section 101(37) of the Bankruptcy Code, but not including a lien to the extent that it has been avoided in accordance with Sections 506(d), 510, 544, 545, 546, 547, 548, 553, or 549 of the Bankruptcy Code.

1.136 Liquidating Debtors. Collectively, RHMC, Air Midwest, and Patar.

1.137 MAGAIM. Mesa Air Group — Airline Inventory Management, LLC, a Debtor in these Chapter 11 Cases.

1.138 Management Equity Pool. Such number of shares of New Common Stock as shall equal 10% of the Restructured Equity (after giving effect to the issuance of shares of New Common Stock to US Airways), which shall be reserved for distribution under a management/employee equity incentive plan that will be established by the board of directors of Reorganized Mesa Air Group. At least 3.75% and 2.25% of the Management Equity Pool shall be allocated, subject to a vesting schedule to be negotiated with the Committee and disclosed in the Plan Supplement, to Jonathan G. Ornstein and Michael J. Lotz, respectively on account of the prepetition Claims arising as a result of the amendment to the Key Employment Agreements.

1.139 Management Notes. The series of unsecured, subordinated, non-amortized notes to be issued by Reorganized Mesa Air Group to members of the Debtors' management in place on and after the Effective Date, and guaranteed by the Reorganized Debtors, subject to the terms and conditions set forth in the Plan (as will be described in more detail in the New Notes Indenture to be filed with the Bankruptcy Court as part of the Plan Supplement), in the aggregate principal amount of $5.5 million and due five (5) years from the Effective Date, as fully set forth in the New Notes Indenture. The terms and conditions of the Management Notes shall be identical to the terms and conditions of the New 8% Notes (Series A), New 8% Notes (Series B) and the US Airways Note, except that the Management Notes shall be subordinated to the New 8% Notes (Series A), New 8% Notes (Series B), and the US Airways Note, and subject to payment priorities set forth in the Plan (as will be described in greater detail in the New Notes Indenture). In the event there are Excess Spirit Sale Proceeds following a Spirit Liquidity Event and the New 8% Notes (Series A), US Airways Note, and New 8% Notes (Series B) are paid in full, Reorganized Mesa Air Group shall be required to use such proceeds to pay the Management Notes. At least $2 million and $1.5 million of the Management Notes shall be allocated to Jonathan G. Ornstein and Michael J. Lotz, respectively.

1.140 Mesa Air Group. Mesa Air Group, Inc., a Debtor in these Chapter 11 Cases.

1.141 Mesa Air New York. Mesa Air New York, Inc., a Debtor in these Chapter 11 Cases.

1.142 Mesa Airlines. Mesa Airlines, Inc., a Debtor in these Chapter 11 Cases.

1.143 Mesa In-Flight. Mesa In-Flight, Inc., a Debtor in these Chapter 11 Cases.

1.144 Mesa Tax Group. For U.S. federal tax purposes, the affiliated group of corporate entities, of which the Debtors are members and Mesa Air Group is the common parent that files a single consolidated federal income tax return.

1.145 Mo-Go. Mo-Go, LLC.

1.146 MPD. MPD, Inc., a Debtor in these Chapter 11 Cases.

1.147 Nasdaq. The Nasdaq Capital Market.

1.148 New Common Stock. 15,000,000 shares of common stock, no par value, of Reorganized Mesa Air Group to be authorized pursuant to the Reorganized Mesa Air Charter, of which up to 10,000,000 shares shall be initially issued or reserved for issuance pursuant to the Plan.

1.149 New Notes. Collectively, the New 8% Notes (Series A) and New 8% Notes (Series B), the US Airways Note and the Management Notes.

1.150 New 8% Notes. Collectively, the New 8% Notes (Series A) and New 8% Notes (Series B).

1.151 New 8% Notes (Series A). The unsecured non-amortized notes to be issued by Reorganized Mesa Air Group for the benefit of holders of a 2012 Noteholder Claim, and guaranteed by the other Post-Effective Date Debtors, subject to the terms and conditions set forth in the Plan (as will be described in more detail in the New Notes Indenture to be filed with the Bankruptcy Court as part of the Plan Supplement), in the aggregate principal amount of $19.4 million and due five (5) years from the Effective Date, with no payments due prior to maturity, except to the extent there is a Spirit Liquidity Event, which shall be subject to payment priorities in the Plan (as will be described in greater detail in the New Notes Indenture).

1.152 New 8% Notes (Series B). The unsecured non-amortized notes to be issued by Reorganized Mesa Air Group for the benefit of Class 3 and Class 5 Creditors (exclusive of the holders of a 2012 Noteholder Claim), and guaranteed by the other Post-Effective Date Debtors, subject to the terms and conditions set forth in the Plan (as will be described in more detail in the New Notes Indenture to be filed with the Bankruptcy Court as part of the Plan Supplement), in the aggregate principal amount of $43.2 million and due five (5) years from the Effective Date, with no payments due prior to maturity, as fully set forth in the New Notes Indenture; *provided, however,* that in the event there are any Excess Spirit Sale Proceeds following a Spirit Liquidity Event and the New 8% Notes (Series A) and US Airways Notes are paid in full, Reorganized Mesa Air Group shall be required to use such proceeds to prepay the New 8% Notes (Series B), which shall be subject to payment priorities in the Plan (as will be described in greater detail in the New Notes Indenture).

1.153 New Notes Indenture. The indenture governing the following series of notes: the New 8% Notes (Series A), the New 8% Notes (Series B), the US Airways Note and the Management Notes (to be filed with the Bankruptcy Court as part of the Plan Supplement), which such indenture shall provide for the mandatory prepayment of the New Notes following a Spirit Liquidity Event in the following priority: first, New 8% Notes (Series A); second, the US Airways Note; third, New 8% Notes (Series B); and fourth, the Management Notes. The New 8% Notes (Series A), the New 8% Notes (Series B), and the US Airways Note shall be of equal priority if redeemed or paid in any other scenario.

1.154 New Preferred Stock. 2,000,000 shares of the no par value blank check preferred stock of Reorganized Mesa Air Group authorized under the Reorganized Mesa

Charter Documents, of which no shares shall be initially issued under the Plan, and which issuance shall (i) be subject to the restrictions set forth in the US Airways Investor Rights Agreement, and (ii) have the voting, dividend, conversion and/or other rights to be determined by the board of directors of Reorganized Mesa Air Group as permitted under the Reorganized Mesa Charter Documents.

1.155 New Warrant Agreement. The agreement governing the issuance and exercise of the New Warrants.

1.156 New Warrants. Penny warrants to acquire shares of the New Common Stock to be issued to Non-U.S. Citizens under the Plan on or as soon as practicable after the Effective Date, which warrants will be transferable but may be exercised only by U.S. Citizens, (and subject to other restrictions on exercise and transfer set forth in Section 5.7 of the Plan), as more fully provided in the New Warrant Agreement substantially in a form to be filed with the Bankruptcy Court as part of the Plan Supplement. For the avoidance of doubt, creditors who are Non-U.S. Citizens will receive New Warrants under the Plan and will not be eligible to receive shares of New Common Stock. The shares of New Common Stock to be issued under the Plan, together with the shares of New Common Stock issuable upon exercise of the New Warrants, will equal 80% of the New Common Stock (on a fully diluted basis after giving effect to the issuance of the shares of New Common Stock reserved for issuance under the Management Equity Pool and US Airways).

1.157 Nilchii. Nilchii, Inc., a Debtor in these Chapter 11 Cases.

1.158 NOL. Net operating loss.

1.159 Non-U.S. Citizen. A person or entity that is not a U.S. Citizen or who fails to provide a certification that they are a U.S. Citizen when requested by the Debtors or Post-Effective Date Debtors prior to a distribution date under the Plan.

1.160 Noteholders. Holders of the Notes and any successors or assigns thereof.

1.161 Notes. The 2012 Notes, the 2023 Notes and the 2024 Notes.

1.162 Patar. Patar, Inc., a Debtor in these Chapter 11 Cases.

1.163 Permitted Payment. A payment on account of an obligation arising prior to the Petition Date made by the Debtors during the Chapter 11 Cases with the permission of the Bankruptcy Court.

1.164 Person. Any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated association or organization, or other “person” as defined in Bankruptcy Code § 101, as well as any governmental agency, governmental unit or associated political subdivision.

1.165 Pesakovic Lenders. Bozidar Pesakovic and Nada Pesakovic.

1.166 Petition Date. January 5, 2010, the date when the Debtors commenced their voluntary Chapter 11 Cases.

1.167 Ping Shan. Ping Shan, SRL.

1.168 Plan. This Chapter 11 plan of reorganization, either in its present form or as it may be amended, supplemented or modified from time to time, including all of its annexed exhibits and schedules.

1.169 Plan Supplement. A compilation of documents and forms of documents, schedules and exhibits to the Plan, including any exhibits to the Plan that are not filed contemporaneously with the filing of the Plan and any amendments to exhibits filed contemporaneously with the filing of the Plan. The Debtors shall file and serve on parties in interest the Plan Supplement no later than seven (7) days prior to the Voting Deadline.

1.170 Post-Effective Date Charter Documents. The respective Charter Documents of the Debtors other than Reorganized Mesa Air Group.

1.171 Post-Effective Date Committee. The committee to be formed after the Effective Date in accordance with the Section 5.10.3 of the Plan.

1.172 Post-Effective Date Debtors. Each Reorganizing Debtor and Liquidating Debtor, from and after the Effective Date.

1.173 Post-Effective Date Financing. Any exit financing facility or other lending arrangement obtained by Mesa Air Group or Reorganized Mesa Air Group on or after the Effective Date, which facility or arrangement shall be guaranteed by the other Debtors and may include the grant of a senior security interest in some or all of the Debtors' assets.

1.174 Post-Petition Aircraft Agreement. Any and all new or renegotiated agreements (including leases, subleases, security agreements and mortgages and any amendments, modifications or supplements of or to any lease, sublease, security agreement or mortgage and such leases, subleases, security agreements or mortgages as so amended, modified or supplemented, and any agreement settling or providing for any claims or otherwise addressing any matters relating to any lease, sublease, security agreement or mortgage or any amendment, modification or supplement of or to any lease, sublease, security agreement or mortgage) entered into after the Petition Date by the Debtors relating to Aircraft Equipment.

1.175 Principal Carriers. Delta, US Airways and United.

1.176 Priority Non-Tax Claim. A Claim (or portion of such Claim) against any Debtor entitled to priority under Sections 507(a)(3), (a)(4), (a)(5) or (a)(7) of the Bankruptcy Code.

1.177 Priority Tax Claim. A Claim (or portion of such Claim) of a governmental unit entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

1.178 Pro Rata. With respect to Claims within the same Class or sub-Class, the proportion that the Claim bears to the sum of all Claims within such Class or sub-Class.

1.179 Proceeds. All Cash, interest, profits, dividends, proceeds, products, and rents earned, accrued, collected, derived, received or recovered on account of the liquidation, sale, transfer, enforcement or other disposition of property, including all "proceeds" as defined under Section 9102(a)(64) of the California Uniform Commercial Code.

1.180 Professional. Each Person: (a) employed in accordance with an order of the Bankruptcy Court under Sections 327 or 1103 of the Bankruptcy Code and to be compensated for services under Sections 327, 328, 329, 330, 331 and 504 of the Bankruptcy Code, or (b) for which compensation or reimbursement is requested under Section 503(b)(2)-(b)(6) of the Bankruptcy Code.

1.181 Professional Fees. A Claim by a Professional for compensation for services rendered and reimbursement for expenses submitted in accordance with Sections 330, 331, or 503(b) of the Bankruptcy Code for fees and expenses incurred after the Petition Date and prior to and including the Effective Date.

1.182 Professional Fees Bar Date. The sixtieth (60th) day after the Effective Date, by which date any Professional seeking an award of Professional Fees must have filed an application with the Bankruptcy Court under Section 330(a) of the Bankruptcy Code, or be forever barred from an award of Professional Fees against the Debtors and/or sharing in any distribution under the Plan.

1.183 PSZJ. Pachulski Stang Ziehl & Jones LLP.

1.184 RACC. Raytheon Aircraft Credit Corporation.

1.185 RASI. Regional Aircraft Services, Inc., a Debtor in these Chapter 11 Cases.

1.186 Rejection Claim Bar Date. The thirty fifth (35th) day after the Effective Date, by which date any Person asserting a Claim for damages arising from the rejection of an executory contract or unexpired lease under this Plan must have filed a proof of Claim with the Bankruptcy Court under Section 502(g) of the Bankruptcy Code, or be forever barred from asserting such Claim against the Debtors and sharing in any distribution under the Plan.

1.187 Rejection Procedures Order. Order signed on 2/23/2010 [Docket No. 353] Granting Motion for (I) Authorization to (A) Reject Leases Relating to Certain Aircraft And Other Related Equipment, (B) Abandon Certain Aircraft, Engines, and Other Related Equipment, (C) Transfer Title to Certain Aircraft, Engines, and Other Related Equipment, and (D) Satisfy the Surrender and Return Requirements Under the Bankruptcy Code, and (II) Approval of Related Notices and Procedures.

1.188 Republic Airways. Republic Airways Holdings Inc.

1.189 Reorganized Board. The Board of Directors of the Reorganized Mesa Air Group.

1.190 Reorganized Debtor Subsidiaries. Collectively, Mesa Air New York, Mesa In-Flight, Mesa Airlines, MPD, RASI, MAGAIM, and Nilchii, from and after the Effective Date.

1.191 Reorganized Debtors. Each Reorganizing Debtor, from and after the Effective Date.

1.192 Reorganized Mesa Air Group. Mesa Air Group, from and after the Effective Date.

1.193 Reorganized Mesa Bylaws. The amended and restated bylaws of Reorganized Mesa Air Group to be in effect on or as soon as practicable after the Effective Date, as set forth in **Exhibit A** of the Plan.

1.194 Reorganized Mesa Charter. The amended and restated certificate of incorporation of Reorganized Mesa Air Group to be in effect on or as soon as practicable after the Effective Date, as set forth in **Exhibit A** of the Plan.

1.195 Reorganizing Debtors. Collectively, Mesa Air Group, Mesa Air New York, Mesa In-Flight, Mesa Airlines, Freedom, MPD, RASI, MAGAIM, and Nilchii.

1.196 Restructured Equity. Collectively, the New Common Stock and the New Warrants to be issued pursuant to the Plan.

1.197 Restructured Unsecured Equity. Collectively, the New Common Stock and the New Warrants to be issued pursuant to Section 4.3.2 and 4.5.2 hereof.

1.198 Restructured Unsecured Equity Holders. Those Persons who receive distributions of Restructured Unsecured Equity pursuant to this Plan.

1.199 RHMC. Ritz Hotel Management Corp., a Debtor in these Chapter 11 Cases.

1.200 RLA. The Railway Labor Act.

1.201 SEC. Securities and Exchange Commission.

1.202 Section 1110 Procedures. Procedures established pursuant to the Section 1110 Procedures Order authorizing Debtors: (a) to agree to perform obligations and cure defaults pursuant to section 1110(a) of the Bankruptcy Code; and (b) to enter into agreements to extend the 60-day period specified in section 1110(a) pursuant to section 1110(b) of the Bankruptcy Code.

1.203 Section 1110 Procedures Order. *Order(A) Establishing Procedures Authorizing Debtors, Subject to Subsequent Court Approval, to Perform Obligations and Cure Defaults Pursuant to Section 1110(A) of the Bankruptcy Code and to Enter Into Agreements to Extend the 60-Day Period Specified in Section 1110(A) Pursuant to Section 1110(B) of the Bankruptcy Code and (B) Authorizing the Filing of Redacted Section 1110(A) Election Notices and Section 1110(B) Agreements Under Seal*, entered by the Bankruptcy Court on February 23, 2010.

1.204 Section 1110 Rejection/Abandonment Procedures. Procedures established pursuant to the Section 1110 Rejection/Abandonment Procedures Order authorizing the Debtors to reject aircraft leases and related agreements and abandon and return aircraft thereunder.

1.205 Section 1110 Rejection/Abandonment Procedures Order. *Order Granting Motion for (I) Authorization to (A) Reject Leases Relating to Certain Aircraft And Other Related Equipment, (B) Abandon Certain Aircraft, Engines, and Other Related Equipment, (C) Transfer Title to Certain Aircraft, Engines, and Other Related Equipment, and (D) Satisfy the Surrender and Return Requirements Under the Bankruptcy Code, and (II) Approval of Related Notices and Procedures*, entered by the Bankruptcy Court on February 23, 2010.

1.206 Section 1110(b) Stipulations. Stipulations entered into by and among the Debtors and certain aircraft lessors under to section 1110(b) of the Bankruptcy Code pursuant to the Section 1110 Procedures.

1.207 Schedules. The schedules of assets and liabilities, the list of holders of Interests, and the statements of financial affairs filed by the Debtors in the Chapter 11 Cases, under Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules, lists, and statements may have been or may be supplemented or amended from time to time.

1.208 Secured Claim. A Claim against any Debtor secured by a valid, perfected and enforceable Lien that is not subject to avoidance under bankruptcy or non-bankruptcy law, equal to the lesser of: (a) the Allowed amount of such Claim; or (b) the value, as determined by the Bankruptcy Court pursuant to Sections 506(a) and 1129(b) of the Bankruptcy Code and Bankruptcy Rule 3012, of: (i) the interest of the holder of such Claim in the property of the Debtor securing such Claim, or (ii) the amount subject to setoff under Section 553 of the Bankruptcy Code.

1.209 Securities Act. The Securities Act of 1933, 15 U.S.C. Sections 77a - 77aa, as now in effect or hereafter amended, or any similar federal, state, or local law.

1.210 Settling Aircraft Counterparties. Export Development Canada, HSH Nordbank AG, Landesbank Baden-Wurttemburg, Fortis Bank Nederland N.V., NIBC Bank N.V., Bank of Scotland plc, CIT Capital USA Inc., DVB Transport Finance Limited, Bremer Landesbank Kreditanstalt Oldenburg-Girozentrale, and DVB Bank SE (and their nominees, as applicable).

1.211 Shan Yue. Shan Yue SRL.

1.212 Shareholder Agreement. That agreement by and among Reorganized Mesa Air Group and each holder of an Allowed Claim who holds five percent (5%) of the issued and outstanding shares of New Common Stock, whether as of the Effective Date or subsequent thereto as a result of the issuance of additional shares of New Common Stock pursuant to Allowed Claims or upon exercise of New Warrants, which agreement shall provide for the voting obligations set forth in Section 5.7 of the Plan.

1.213 Spirit Airlines. Spirit Airlines, Inc.

1.214 Solicitation Agent. Epiq Bankruptcy Solutions, LLC.

1.215 Spirit Liquidity Event. The sale of common stock of or payment on notes from Spirit Airlines, the net proceeds of which are distributed by Indigo to Nilchii in accordance with the terms of that certain Amended and Restated Limited Liability Company Agreement of Indigo Miramar LLC, as thereafter amended.

1.216 Tax Code. Internal Revenue Code of 1986, as amended.

1.217 Treasury Regulations. Regulations promulgated under the Tax Code.

1.218 TSA. Transportation Security Administration.

1.219 True-Up Equity Distribution. On any Class 3 Distribution Date or Class 5 Distribution Date, "True-Up Equity Distribution" means, with respect to any holder of an Allowed Claim entitled to receive Restructured Unsecured Equity under the Plan, a distribution of an additional amount of Restructured Unsecured Equity necessary to cause such holder to have received aggregate distributions of Restructured Unsecured Equity under the Plan equal to its then current Estimated Pro Rata Share of Restructured Unsecured Equity.

1.220 True-Up Note Distribution. On any Class 3 Distribution Date, Class 5 Distribution Date, or Class 6 Distribution Date, "True-Up Note Distribution" means, with respect to any holder of an Allowed Claim entitled to receive New 8% Notes (Series A) and/or New 8% Notes (Series B) under the Plan, as the case may be, a distribution of an additional amount of New 8% Notes (Series A) and/or New 8% Notes (Series B), as applicable, necessary to cause such holder to have received aggregate distributions of New 8% Notes (Series A) and/or New 8% Notes (Series B), as applicable, under the Plan equal to its then current Estimated Pro Rata Share of New 8% Notes (Series A) or (Series B).

1.221 Union. Each of ALPA and AFA.

1.222 United. United Airlines, Inc.

1.223 United Litigation. Declaratory relief action commenced by United against Mesa Air Group under Case No. 1:09-CV-7352 in the Illinois District Court.

1.224 United Code-Share Agreement. That certain United Express® Agreement dated as of January 28, 2004 and all amendments thereto, including but not limited to the Tenth Amendment To United Express Agreement, and related ancillary agreements, each as identified in the Plan Supplement, between Mesa Air Group and United, pursuant to which, *inter alia*, Mesa Air Group agreed to provide (through itself and its subsidiaries) certain regional air transportation services under certain trademarks, including the United Express mark, to United.

1.225 United States. The United States, its agencies, departments, or agents.

1.226 Unsecured Deficiency Claim. A Claim by a Person holding a Secured Claim to the extent the value of such Creditor's collateral, as determined in accordance with Section 506(a) of the Bankruptcy Code, is less than the Allowed amount of such Creditor's Claim as of the Petition Date, after taking into account any election made pursuant to Section 1111(b) of the Bankruptcy Code.

1.227 US Airways. US Airways, Inc.

1.228 US Airways Tenth Amendment. That certain tenth amendment to the US Airways Code-Share Agreement that was approved by the Court in connection with the motion to assume the US Airways Code-Share Agreement.

1.229 US Airways Code-Share Agreement. That certain Code Share and Revenue Sharing Agreement dated as of March 20, 2001, with its effectiveness retroactive to February 1, 2001, between Mesa Airlines and America West Airlines, Inc., as amended as of the Petition Date (through and including the Ninth Amendment to Code Share and Revenue Sharing Agreement and Settlement, dated March 30, 2009 by and among US Airways, Inc., Mesa Airlines, Inc., Freedom Airlines, Inc.).

1.230 US Airways Investor Rights Agreement. That agreement between Reorganized Mesa Air Group and US Airways with respect to the shares of New Common Stock issued to US Airways in accordance with the terms of the Plan. The US Airways Investor Rights Agreement will be filed as part of the Plan Supplement.

1.231 US Airways Note. The unsecured, non-amortized note to be issued by Reorganized Mesa Air Group for the benefit of US Airways, and guaranteed by the other Reorganized Debtors, subject to the terms and conditions set forth in the Plan (as will be described in more detail in the New Notes Indenture to be filed with the Bankruptcy Court as part of the Plan Supplement), in the aggregate principal amount of $6.8 million and due five (5) years from the Effective Date, with no payments due prior to maturity, as fully set forth in the Plan (as will be described in greater detail in the New Notes Indenture). The terms of the US Airways Note shall have identical terms and conditions of the New 8% Notes except for the principal amount and following the occurrence of a Spirit Liquidity Event, in the event there are Excess Spirit Sale Proceeds following the payment in full of the New 8% Notes (Series A), Reorganized Mesa Air Group shall be required to use such proceeds to prepay the US Airways Note prior to payment of the New 8% Notes (Series B) or the Management Notes, as set forth in the Plan (as will be described in greater detail in the New Notes Indenture).

1.232 U.S. Citizen. (A) an individual who is a citizen of the United States; (B) a partnership each of whose partners is an individual who is a citizen of the United States; or (C) a corporation or association organized under the laws of the United States or a State, the District of Columbia, or a territory or possession of the United States, of which the president and at least two-thirds of the board of directors and other managing officers are citizens of the United States, which is under the actual control of citizens of the United States, and in which at least 75 percent of the voting interest is owned or controlled by persons that are citizens of the United States.

1.233 U.S. Trustee. Office of the United States Trustee for Region 2, Southern District of New York.

1.234 Voting Deadline. January 4, 2011 at 4:00 P.M. prevailing Eastern Time, the date ordered by the Bankruptcy Court to serve as the voting deadline for submission of ballots in respect of the Plan.

1.235 Voting Record Date. November 18, 2010.

ARTICLE 2
TREATMENT OF UNCLASSIFIED CLAIMS

2.1 Unclassified Claims. As provided in Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims against the Debtors are not classified for purposes of voting on, or receiving distributions under, the Plan. Holders of such Claims are not entitled to vote on the Plan. All such Claims are instead treated separately in accordance with this Article 2 and in accordance with the requirements set forth in Section 1129(a)(9) of the Bankruptcy Code.

2.2 Administrative Claims.

2.2.1 Administrative Claim Bar Date. All requests for payment of Administrative Claims (except with respect to Professional Fees, which shall instead be subject to the Professional Fees Bar Date and Claims arising under the Rejection Procedures Order, which are subject to the procedures and deadlines set forth therein) must be filed by the Administrative Claim Bar Date or the holders thereof shall be forever barred from asserting such Administrative Claims against the Debtors or from sharing in any distribution under the Plan.

2.2.2 Treatment.

(a) Generally. Each Allowed Administrative Claim (except for Professional Fees, which shall be treated as set forth in Section 2.5 of the Plan) shall, unless the holder of such Claim shall have agreed to different treatment of such Claim, be paid in full in Cash by the Debtors on the latest of: (a) the Effective Date, or as soon thereafter as practicable; (b) such date as may be fixed by the Bankruptcy Court, or as soon thereafter as practicable; (c) the fourteenth (14th) day after such Claim is Allowed, or as soon thereafter as practicable; (d) such date as the holder of such Claim and the Debtors may agree; and (e) the date such Claim is otherwise due according to its terms.

(b) Ordinary Course. Notwithstanding anything in Section 2.2.1 to the contrary, holders of Administrative Claims based on liabilities incurred in the ordinary course of the Debtors' businesses following the Petition Date shall not be required to comply with the Administrative Claim Bar Date, *provided*, *however*, that such holders, other than employees or former employees, that have otherwise submitted an invoice, billing statement or

other evidence of indebtedness to the applicable Debtor in the ordinary course of business, and *provided*, *further*, that the Debtors, to the extent of any disagreement with any such invoice, billing statement or other evidence of indebtedness, may file with the Bankruptcy Court an objection to such invoice, billing statement or other evidence of indebtedness as though the claimant thereunder had filed an Administrative Claim with the Bankruptcy Court.

(c) Source of Payment. Distributions to holders of Allowed Administrative Claims (other than for Professional Fees, which shall be payable pursuant to Section 2.5 of the Plan) shall be paid by the applicable Debtor against which the Administrative Claim is Allowed.

2.3 Allowed Priority Tax Claims.

2.3.1 Treatment.

(a) Generally. Each Allowed Priority Tax Claim shall, unless the holder of such Claim shall have agreed to different treatment of such Claim, receive deferred cash payments to the extent permitted by section 1129(a)(9)(C) of the Bankruptcy Code with interest on the unpaid portion of such Claim at the statutory rate under applicable non- bankruptcy law or at a rate to be agreed upon by the Debtors and the appropriate governmental unit or, if they are unable to agree, to be determined by the Bankruptcy Court; *provided*, *however*, that the Debtors may elect in their sole discretion to pay any or all such Claims at any time, without premium or penalty, in which case the payment shall not include interest if paid on the Effective Date. The payment of each Allowed Priority Tax Claim shall be made in equal quarterly installments with the first installment due on the latest of: (i) the first day following the end of the first full calendar quarter following the Effective Date, (ii) the first day following the end of the first full calendar quarter following the date an order allowing such claim becomes a Final Order, and (iii) such other time or times as may be agreed with the holder of such claim. Each installment shall include interest in accordance with section 511 of the Bankruptcy Code on the unpaid balance of the Allowed Priority Tax Claim, without penalty of any kind, at the non-default rate of interest prescribed, agreed to or determined in accordance with the foregoing.

(b) Source of Payment. Distributions to holders of Allowed Priority Tax Claims shall be paid by the applicable Debtor against which the Priority Tax Claim is Allowed.

2.4 Secured Tax Claims.

2.4.1 Treatment.

(a) Generally. Each holder of an Allowed Secured Claim held by a governmental unit that is secured by an interest in the Debtors' property shall, unless the holder of such Secured Claim shall have agreed to different treatment of such Claim, receive deferred cash payments to the extent permitted by section 1129(a)(9)(D) of the Bankruptcy Code with interest on the unpaid portion of such Secured Claim at the statutory rate under applicable non-bankruptcy law or at a rate to be agreed upon by the Debtors and the appropriate governmental unit or, if they are unable to agree, to be determined by the Bankruptcy Court; *provided*, *however*, the Debtors may elect in their sole discretion to pay any or all such Claims in full at

any time after the Effective Date, without premium or additional penalty on account of such prepayment, if any, in which case the payment shall include interest accrued through the payment date but only to the extent such payment is past due. The payment of each Allowed Secured Tax Claim shall be made in equal quarterly installments with the first installment due on the latest of: (i) the first day following the end of the first full calendar quarter following the Effective Date, (ii) the first day following the end of the first full calendar quarter following the date an order allowing such claim becomes a Final Order, and (iii) such other time or times as may be agreed with the holder of such claim. Each installment shall include interest in accordance with section 511 of the Bankruptcy Code on the unpaid balance of the Allowed Secured Tax Claim, at the non-default rate of interest prescribed, agreed to or determined in accordance with the foregoing. The holder of an Allowed Secured Tax Claim shall retain its lien until the Allowed Secured Tax Claim is paid.

(b) Section 1124(2) Reinstatement.

The Debtors may elect in their sole discretion, on the Effective Date, to cure and reinstate the applicable Allowed Secured Tax Claims as of the first date when last payable without interest, fees or penalties, and, as so cured and reinstated, shall receive a lump sum payment in full on the Effective Date. Under this alternative treatment, the holder of an Allowed Secured Tax Claim shall be paid Cash on the Effective Date equal to the amount of such Allowed Secured Tax Claim due as of the first date when last payable without interest, fees or penalty, plus, to the extent required by section 1124(2) of the Bankruptcy Code any interest thereupon from such date until payment at the rate of interest determined under the applicable nonbankruptcy law and any fees incurred in reasonable reliance on timely receipt of the tax, but exclusive of any penalty amounts thereof at any time incurred or charged (see Bankruptcy Code sections 1123(a)(5)(G) & 1124(2)).

(c) Determination of Applicable Treatment.

The first treatment indicated above in Section 2.4.1(a) shall be applicable to each holder of an Allowed Secured Tax Claim, unless, the Debtors elect to reinstate the applicable Secured Tax Claims as provided in Section 2.4.1(b). The Debtors' election to treat Allowed Secured Tax Claims pursuant to Section 2.4.1(b) will be provided in the Plan Supplement.

(d) Source of Payment. Distributions to holders of Allowed Priority Tax Claims shall be paid by the applicable Debtor against which the Priority Tax Claim is Allowed.

2.5 Claims for Professional Fees. Each Professional seeking an award by the Bankruptcy Court of Professional Fees: (a) must file its final application for allowance of compensation for services rendered and reimbursement of expenses incurred through the Effective Date on or before the Professional Fees Bar Date; and (b) if the Bankruptcy Court grants such an award, each such Person will be paid in full in Cash by the Debtors, in such amounts as are allowed by the Bankruptcy Court as soon as practicable following the first day after such order has been entered by the Bankruptcy Court and is not stayed. All final applications for allowance and disbursement of Professional Fees must be in compliance with all of the terms and provisions of any applicable order of the Bankruptcy Court, including the Confirmation Order.

ARTICLE 3
CLASSIFICATION OF CLAIMS AND INTERESTS

3.1 Summary of Classification. In accordance with Section 1123(a)(1) of the Bankruptcy Code, all Claims of Creditors (except those Claims receiving treatment as set forth in Article 2) and holders of Interests are placed in the Classes described in Section 3.2 below for all purposes, including voting on, confirmation of, and distribution under, the Plan.

3.2 Classes.

3.2.1 Class 1(a) – (*l*): Priority Non-Tax Claims.

Class 1(a)	Priority Non-Tax Claims against Mesa Air Group	Unimpaired, deemed to accept
Class 1(b)	Priority Non-Tax Claims against Mesa Air New York	Unimpaired, deemed to accept
Class 1(c)	Priority Non-Tax Claims against Mesa In- Flight	Unimpaired, deemed to accept
Class 1(d)	Priority Non-Tax Claims against Freedom	Unimpaired, deemed to accept
Class 1(e)	Priority Non-Tax Claims against Mesa Airlines	Unimpaired, deemed to accept
Class 1(f)	Priority Non-Tax Claims against MPD	Unimpaired, deemed to accept
Class 1(g)	Priority Non-Tax Claims against RASI	Unimpaired, deemed to accept
Class 1(h)	Priority Non-Tax Claims against MAGAIM	Unimpaired, deemed to accept
Class 1(i)	Priority Non-Tax Claims against Nilchii	Unimpaired, deemed to accept
Class 1(j)	Priority Non-Tax Claims against Air Midwest	Unimpaired, deemed to accept
Class 1(k)	Priority Non-Tax Claims against RHMC	Unimpaired, deemed to accept
Class 1(*l*)	Priority Non-Tax Claims against Patar	Unimpaired, deemed to accept

3.2.2 Class 2(a) – (*l*): Secured Claims.

Class 2(a)	Secured Claims against Mesa Air Group (each secured creditor in a separate class identified as Class 2(a)-A, Class 2(a)-B, etc.)	Impaired, entitled to vote (Other than Aircraft Secured Claims Reinstated pursuant to Sections 4.2.1 through 4.2.3)
Class 2(b)	Secured Claims against Mesa Air New York (each secured creditor in a separate class identified as Class 2(b)-A, Class 2(b)-B, etc.)	Impaired, entitled to vote (Other than Aircraft Secured Claims Reinstated pursuant to Sections 4.2.1 through 4.2.3)
Class 2(c)	Secured Claims against Mesa In-Flight (each secured creditor in a separate class identified as Class 2(c)-A, Class 2(c)-B, etc.)	Impaired, entitled to vote (Other than Aircraft Secured Claims Reinstated pursuant to Sections 4.2.1 through 4.2.3)

Class 2(d)	Secured Claims against Freedom (each secured creditor in a separate class identified as Class 2(d)-A, Class 2(d)-B, etc.)	Impaired, entitled to vote (Other than Aircraft Secured Claims Reinstated pursuant to Sections 4.2.1 through 4.2.3)
Class 2(e)	Secured Claims against Mesa Airlines (each secured creditor in a separate class identified as Class 2(e)-A, Class 2(e)-B, etc.)	Impaired, entitled to vote (Other than Aircraft Secured Claims Reinstated pursuant to Sections 4.2.1 through 4.2.3)
Class 2(f)	Secured Claims against MPD (each secured creditor in a separate class identified as Class 2(f)-A, Class 2(f)-B, etc.)	Impaired, entitled to vote (Other than Aircraft Secured Claims Reinstated pursuant to Sections 4.2.1 through 4.2.3)
Class 2(g)	Secured Claims against RASI (each secured creditor in a separate class identified as Class 2(h)-A, Class 2(h)-B, etc.)	Impaired, entitled to vote (Other than Aircraft Secured Claims Reinstated pursuant to Sections 4.2.1 through 4.2.3)
Class 2(h)	Secured Claims against MAGAIM (each secured creditor in a separate class identified as Class 2(j)-A, Class 2(j)-B, etc.)	Impaired, entitled to vote (Other than Aircraft Secured Claims Reinstated pursuant to Sections 4.2.1 through 4.2.3)
Class 2(i)	Secured Claims against Nilchii (each secured creditor in a separate class identified as Class 2(k)-A, Class 2(k)-B, etc.)	Impaired, entitled to vote (Other than Aircraft Secured Claims Reinstated pursuant to Sections 4.2.1 through 4.2.3)
Class 2(j)	Secured Claims against Air Midwest (each secured creditor in a separate class identified as Class 2(i)-A, Class 2(i)-B, etc.)	Impaired, entitled to vote (Other than Aircraft Secured Claims Reinstated pursuant to Sections 4.2.1 through 4.2.3)
Class 2(k)	Secured Claims against RHMC (each secured creditor in a separate class identified as Class 2(g)-A, Class 2(g)-B, etc.)	Impaired, entitled to vote (Other than Aircraft Secured Claims Reinstated pursuant to Sections 4.2.1 through 4.2.3)
Class 2(*l*)	Secured Claims against Patar (each secured creditor in a separate class identified as Class 2(*l*)-A, Class 2(*l*)-B, etc.)	Impaired, entitled to vote (Other than Aircraft Secured Claims Reinstated pursuant to Sections 4.2.1 through 4.2.3)

3.2.3 Class 3(a) – (*l*): General Unsecured Claims.

Class 3(a)	General Unsecured Claims against Mesa Air Group	Impaired, entitled to vote
Class 3(b)	General Unsecured Claims against Mesa Air New York	Impaired, entitled to vote
Class 3(c)	General Unsecured Claims against Mesa In-Flight	Impaired, entitled to vote
Class 3(d)	General Unsecured Claims against Freedom	Impaired, entitled to vote
Class 3(e)	General Unsecured Claims against Mesa Airlines	Impaired, entitled to vote
Class 3(f)	General Unsecured Claims against MPD	Impaired, entitled to vote

Class 3(g)	General Unsecured Claims against RASI	Impaired, entitled to vote
Class 3(h)	General Unsecured Claims against MAGAIM	Impaired, entitled to vote
Class 3(i)	General Unsecured Claims against Nilchii	Impaired, entitled to vote
Class 3(j)	General Unsecured Claims against Air Midwest	Impaired, entitled to vote
Class 3(k)	General Unsecured Claims against RHMC	Impaired, entitled to vote
Class 3(*l*)	General Unsecured Claims against Patar	Impaired, entitled to vote

3.2.4 Class 4(a) – (*l*): De Minimis Convenience Claims.

Class 4(a)	De Minimis Convenience Claims against Mesa Air Group	Impaired, entitled to vote
Class 4(b)	De Minimis Convenience Claims against Mesa Air New York	Impaired, entitled to vote
Class 4(c)	De Minimis Convenience Claims against Mesa In-Flight	Impaired, entitled to vote
Class 4(d)	De Minimis Convenience Claims against Freedom	Impaired, entitled to vote
Class 4(e)	De Minimis Convenience Claims against Mesa Airlines	Impaired, entitled to vote
Class 4(f)	De Minimis Convenience Claims against MPD	Impaired, entitled to vote
Class 4(g)	De Minimis Convenience Claims against RASI	Impaired, entitled to vote
Class 4(h)	De Minimis Convenience Claims against MAGAIM	Impaired, entitled to vote
Class 4(i)	De Minimis Convenience Claims against Nilchii	Impaired, entitled to vote
Class 4(j)	De Minimis Convenience Claims against Air Midwest	Impaired, entitled to vote
Class 4(k)	De Minimis Convenience Claims against RHMC	Impaired, entitled to vote
Class 4(*l*)	De Minimis Convenience Claims against Patar	Impaired, entitled to vote

3.2.5 Class 5(a) – (*l*): 510(a) Subrogation Claims.

Class 5(a)	510(a) Subrogation Claims against Mesa Air Group	Impaired, entitled to vote
Class 5(b)	510(a) Subrogation Claims against Mesa Air New York	Impaired, entitled to vote
Class 5(c)	510(a) Subrogation Claims against Mesa In-Flight	Impaired, entitled to vote
Class 5(d)	510(a) Subrogation Claims against Freedom	Impaired, entitled to vote
Class 5(e)	510(a) Subrogation Claims against Mesa Airlines	Impaired, entitled to vote
Class 5(f)	510(a) Subrogation Claims against MPD	Impaired, entitled to vote

Class 5(g)	510(a) Subrogation Claims against RASI	Impaired, entitled to vote
Class 5(h)	510(a) Subrogation Claims against MAGAIM	Impaired, entitled to vote
Class 5(i)	510(a) Subrogation Claims against Nilchii	Impaired, entitled to vote
Class 5(j)	510(a) Subrogation Claims against Air Midwest	Impaired, entitled to vote
Class 5(k)	510(a) Subrogation Claims against RHMC	Impaired, entitled to vote
Class 5(*l*)	510(a) Subrogation Claims against Patar	Impaired, entitled to vote

3.2.6 Class 6(a) – (*l*): 2012 Noteholder Claims.

Class 6(a)	2012 Noteholder Claims against Mesa Air Group	Impaired, entitled to vote
Class 6(b)	2012 Noteholder Claims against Mesa Air New York	Impaired, entitled to vote
Class 6(c)	2012 Noteholder Claims against Mesa In- Flight	Impaired, entitled to vote
Class 6(d)	2012 Noteholder Claims against Freedom	Impaired, entitled to vote
Class 6(e)	2012 Noteholder Claims against Mesa Airlines	Impaired, entitled to vote
Class 6(f)	2012 Noteholder Claims against MPD	Impaired, entitled to vote
Class 6(g)	2012 Noteholder Claims against RASI	Impaired, entitled to vote
Class 6(h)	2012 Noteholder Claims against MAGAIM	Impaired, entitled to vote
Class 6(i)	2012 Noteholder Claims against Nilchii	Impaired, entitled to vote
Class 6(j)	2012 Noteholder Claims against Air Midwest	Impaired, entitled to vote
Class 6(k)	2012 Noteholder Claims against RHMC	Impaired, entitled to vote
Class 6(*l*)	2012 Noteholder Claims against Patar	Impaired, entitled to vote

3.2.7 Class 7(a) – (*l*): Interests.

Class 7(a)	Interests in Mesa Air Group	Impaired, deemed to reject
Class 7(b)	Interests in Mesa Air New York	Impaired, deemed to reject
Class 7(c)	Interests in Mesa In-Flight	Impaired, deemed to reject
Class 7(d)	Interests in Freedom	Impaired, deemed to reject
Class 7(e)	Interests in Mesa Airlines	Impaired, deemed to reject
Class 7(f)	Interests in MPD	Impaired, deemed to reject
Class 7(g)	Interests in RASI	Impaired, deemed to reject
Class 7(h)	Interests in MAGAIM	Impaired, deemed to reject
Class 7(i)	Interests in Nilchii	Impaired, deemed to reject
Class 7(j)	Interests in Air Midwest	Impaired, deemed to reject
Class 7(k)	Interests in RHMC	Impaired, deemed to reject
Class 7(*l*)	Interests in Patar	Impaired, deemed to reject

ARTICLE 4
TREATMENT OF CLAIMS AND INTERESTS

4.1 Class 1(a) – (*l*) – Priority Non-Tax Claims.

4.1.1 Impairment and Voting. Classes 1(a) – 1(*l*) are unimpaired under the Plan. Holders of Priority Non-Tax Claims are deemed to have accepted the Plan under Section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

4.1.2 Treatment. Each holder of an Allowed Priority Non-Tax Claim shall, unless the holder of such Claim shall have agreed to different treatment of such Claim, receive, in full and final satisfaction, settlement, release, and discharge of, and exchange for, such Allowed Priority Non-Tax Claim, a Cash payment in an amount equal to the difference between: (a) such Allowed Priority Non-Tax Claim, and (b) the amount of any Permitted Payments made to the holder of such Claim, on the latest of: (i) the Effective Date, or as soon thereafter as practicable; (ii) such date as may be fixed by the Bankruptcy Court, or as soon thereafter as practicable; (iii) the fourteenth (14th) day after such Claim is Allowed, or as soon thereafter as practicable; and (iv) such date as the holder of such Claim and the Debtors may agree.

4.1.3 Source of Payment. Distributions to holders of Allowed Priority Non-Tax Claims shall be paid by the applicable Debtors from their cash on hand.

4.2 Class 2(a) – (*l*) – Secured Claims.

4.2.1 Unimpaired Aircraft Secured Claims and Voting. Except to the extent that a holder of an Allowed Aircraft Secured Claim agrees to different treatment, in the sole discretion of the Debtors or Reorganized Debtors, on the Effective Date, each Allowed Aircraft Secured Claim set forth in the Plan Supplement or identified below shall be reinstated and rendered unimpaired in accordance with section 1124(2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the holder of such Allowed Aircraft Secured Claim to demand or receive payment of such Allowed Aircraft Secured Claim from and after the occurrence of a default. Such holders of Allowed Aircraft Secured Claims are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

4.2.2 Unimpaired CRJ Equipment Trust Aircraft Secured Claims.

Unless otherwise agreed to between the Debtors and the controlling counterparty, on the Effective Date, the CRJ Equipment Trust Aircraft Secured Claim shall be Allowed and the Debtors' obligations under the CRJ Equipment Trust Loan Documents relating to the CRJ Equipment Trust Aircraft Equipment shall be reinstated as provided in Section 4.2.1 of the Plan and leaving the rights of CRJ Equipment Trust Secured Claim unimpaired. The holders of the CRJ Equipment Trust Aircraft Secured Claim will retain their security interest against the CRJ Equipment Trust Equipment and the CRJ Equipment Trust Guaranty will be an obligation of Reorganized Mesa Air Group on and after the Effective Date.

Any dispute with respect to the amount of the CRJ Equipment Trust Aircraft Secured Claim, including, without limitation, disputes as to default interest, fees, and expenses, will be determined by the Bankruptcy Court, and the amounts payable, if any, as so determined, shall be made in accordance with the determination made by the Bankruptcy Court.

The holders of CRJ Equipment Trust Aircraft Secured Claims are reinstated in accordance with section 1124(2) of the Bankruptcy Code and unimpaired and presumed to have accepted the Plan.

4.2.3 Unimpaired EDC Credit Agreement Secured Claims.

Unless otherwise agreed to between the Debtors and the controlling counterparty, on the Effective Date, the EDC Aircraft Secured Claim shall be Allowed and the Debtors' obligations under the Credit Agreement Documents relating to the EDC Credit Agreement Equipment shall be reinstated as provided in Section 4.2.1 of the Plan and leaving the rights of the holders of the EDC Aircraft Secured Claims unimpaired. The holders of the EDC Aircraft Secured Claim will retain their security interest against the EDC Credit Agreement Equipment and the EDC Credit Agreement Guaranty will be an obligation of Reorganized Mesa Air Group on and after the Effective Date.

Any dispute with respect to the amount of the EDC Aircraft Secured Claim, including, without limitation, disputes as to default interest, fees, and expenses, will be determined by the Bankruptcy Court, and the amounts payable, if any, as so determined, shall be made in accordance with the determination made by the Bankruptcy Court.

The holders of EDC Aircraft Secured Claims are reinstated in accordance with section 1124(2) of the Bankruptcy Code and unimpaired and presumed to have accepted the Plan.

4.2.4 Impairment and Voting. All Secured Claims in Classes 2(a) – 2(*l*) (other than the Aircraft Secured Claims reinstated pursuant to Sections 4.2.1 through 4.2.3 of the Plan) are impaired under the Plan. Holders of Secured Claims are entitled to vote on the Plan. For purposes of distributions under the Plan, each holder of a Secured Claim in Class 2 is considered to be in its own separate subclass within Class 2, and each such subclass is deemed to be a separate Class for purposes of the Plan.

4.2.5 Alternative Treatment. Other than the Aircraft Secured Claims reinstated pursuant to Sections 4.2.1 through 4.2.3 of the Plan, on or as soon as practicable following the Effective Date, unless the holder of such Claim shall have agreed to different treatment of such Claim, the Debtors shall select, in their discretion, one of the following alternative treatments for each Allowed Secured Claim in Class 2, which treatment shall be in full and final satisfaction, settlement, release, and discharge of, and exchange for, such Allowed Secured Claim:

(a) Abandonment or Surrender. The Debtors will abandon or surrender to the holder of such Secured Claim the property securing such Secured Claim, in full satisfaction and release of such Secured Claim, without representation or warranty by or recourse against the Debtors, the Reorganized Debtors, or the Liquidating Debtors.

(b) Cash Payment. The Debtors will pay to the holder of such Secured Claim Cash equal to the amount of such Secured Claim, or such lesser amount to which the holder of such Secured Claim and the applicable Debtor shall agree, in full satisfaction and release of such Secured Claim.

4.2.6 Source of Payment. Distributions to the holders of Allowed Secured Claims under the treatment option set forth in Section 4.2. of the Plan shall be paid by the applicable Debtors.

4.2.7 Unsecured Deficiency Claim. Any Unsecured Deficiency Claim asserted by a holder of an Allowed Secured Claim in Class 2 shall be filed with the Bankruptcy Court within thirty five (35) days following the date of the abandonment or surrender of such Creditor's collateral or such Creditor's receipt of its distribution under the Plan. Any such Allowed Unsecured Deficiency Claim shall be treated in accordance with Section 4.4.2 of the Plan.

4.3 Class 3(a) – (*l*) – General Unsecured Claims.

4.3.1 Impairment and Voting. Classes 3(a) – 3(*l*) are impaired under the Plan. Holders of General Unsecured Claims are entitled to vote on the Plan.

4.3.2 Treatment.

(a) U.S. Citizens.

On or as soon as practicable following the Effective Date, and on each Distribution Date, unless the holder of such Claim shall have agreed to different treatment of such Claim, each holder of an Allowed General Unsecured Claim, which holder is a U.S. Citizen, shall receive, in respect of all of its Allowed General Unsecured Claims, distribution(s) of its Aggregate Distribution Percentage of the New Common Stock (after giving effect to the shares of New Common Stock reserved for issuance under the Management Equity Pool and shares of New Common Stock issuable to US Airways) and the New 8% Notes (Series B). Such distributions shall be in full and final satisfaction, settlement, release, and discharge of, and exchange for, all Allowed General Unsecured Claims held by such holder.

(b) Non-U.S. Citizens.

On or as soon as practicable following the Effective Date, and on each Distribution Date, unless the holder of such Claim shall have agreed to different treatment of such Claim, each holder of an Allowed General Unsecured Claim, which holder is a Non-U.S. Citizen, shall receive, in respect of all of its Allowed General Unsecured Claims, distribution(s) of its Aggregate Distribution Percentage of the New Warrants and the New 8% Notes (Series B). For purposes of calculating distributions to Non-U.S. Citizens, each Non-U.S. Citizen shall receive New Warrants for 110% of the shares of New Common Stock that such Creditor would be entitled to receive if such Creditor was a U.S. Citizen. Such distributions shall be in full and final satisfaction, settlement, release, and discharge of, and exchange for, all Allowed General Unsecured Claims held by such holder.

4.3.3 Source of Payment. Distributions to the holders of Allowed General Unsecured Claims shall be limited to a share of the Restructured Unsecured Equity and New 8% Notes (Series B) to be issued by Reorganized Mesa Air Group, as set forth in Section 4.3.2 above.

4.4 Class 4(a) – (*l*) – De Minimis Convenience Claims.

4.4.1 Impairment and Voting. Classes 4(a) – 4(*l*) are impaired under the Plan. Holders of De Minimis Convenience Claims are entitled to vote on the Plan.

4.4.2 Treatment. On or as soon as practicable following the Effective Date, the Debtors will, in full and final satisfaction, settlement, release, and discharge of, and exchange for, such Allowed De Minimis Convenience Claim, pay to each holder of an Allowed De Minimis Convenience Claim Cash equal to the percentage of the Allowed amount of such Claim set forth on **Exhibit D** hereto.

4.4.3 Source of Payment. Distributions to holders of Allowed De Minimis Convenience Claims shall be paid by the Debtors.

4.5 Class 5(a) – (*l*) – 510(a) Subrogation Claims.

4.5.1 Impairment and Voting. Classes 5(a) – 5(*l*) are impaired under the Plan. Holders of 510(a) Subrogation Claims are entitled to vote on the Plan.

4.5.2 Treatment. The Debtors shall provide the holders of 510(a) Subrogation Claims the same distributions of Restructured Unsecured Equity and New 8% Notes (Series B) that would have otherwise been made to such holders of Allowed 510(a) Subrogation Claims if such Claims were treated as Allowed General Unsecured Claims and provided the treatment set forth in Section 4.3.2 of the Plan. The Debtors shall not be required to review or give effect to any subrogation agreement and instead, the holders of 510(a) Subrogation Claims shall receive distributions as if their claims were not subject to any subordination agreements and the burden shall be on the holders of 510(a) Subrogation Claims to honor and give effect to any such agreements.

4.6 Class 6 (a) – (*l*) – 2012 Noteholder Claims.

4.6.1 Impairment and Voting. Classes 6(a) – 6(*l*) are impaired under the Plan. Holders of 2012 Noteholder Claims are entitled to vote on the Plan.

4.6.2 Treatment. On or as soon as practicable following the Effective Date, and on each Distribution Date, each Holder of an Allowed 2012 Noteholder Claim shall receive, in respect of all of its Allowed 2012 Noteholder Claims, distributions of its Pro Rata share of the New 8% Notes (Series A).

4.7 Class 7(a) – (*l*) – Interests.

4.7.1 Impairment and Voting. Classes 7(a) – 7(*l*) are impaired under the Plan. Holders of Interests are deemed to reject the Plan under Section 1126(g) of the Bankruptcy Code and are not entitled to vote on the Plan.

4.7.2 Treatment. Upon the Effective Date, all existing Interests in Mesa Air Group shall be deemed extinguished and the holders of such Interests shall not receive or retain any property on account of such Interests under the Plan. Reorganized Mesa Air Group shall be vested, directly or indirectly, with the Interests in the Reorganized Debtor Subsidiaries and the Liquidating Debtors on the Effective Date.

4.8 Nonconsensual Confirmation. To the extent necessary, the Debtors hereby request confirmation of the Plan pursuant to Section 1129(b) of the Bankruptcy Code.

ARTICLE 5
IMPLEMENTATION OF THE PLAN

The Plan shall be implemented on the Effective Date. In addition to the provisions set forth elsewhere in this Plan regarding means of execution, the following shall constitute the principal means for the implementation of the Plan.

5.1 Continued Corporate Existence; Ongoing Operations Of the Reorganized Debtors, Wind-Up of the Liquidating Debtors and/or Alternative Transactions. As of the Effective Date, each Debtor shall, as a Reorganized Debtor or Liquidating Debtor, as applicable, continue to maintain its separate legal existence for all purposes under the Plan, with each Reorganized Debtor and Liquidating Debtor, as applicable, retaining all the powers of a legal entity under applicable law.

The respective articles or certificate of incorporation and bylaws (or other applicable formation documents) in effect prior to the Effective Date for each Debtor shall continue to be in effect after the Effective Date, except (i) with respect to Reorganized Mesa Air Group, which Reorganized Debtor shall be subject to the Reorganized Mesa Charter and the Reorganized Mesa bylaws and (ii) such Debtor's articles or certificate of incorporation or bylaws (or other formation documents) as amended pursuant to this Plan.

From and after the Effective Date, the Reorganized Debtors shall continue to engage in business, and the Liquidating Debtors shall continue to engage in business only to the extent reasonably necessary to wind up their affairs in an orderly manner and make the distributions under this Plan, or enter into Alternative Transactions to the extent necessary for the purpose of avoiding unnecessary costs and expenses associated with a potential liquidation or as they deem appropriate for other purposes so long as not otherwise inconsistent with the Plan.

Specifically with regard to the Liquidating Debtors, the Liquidating Debtors shall have full authority, and shall take any action necessary, to wind up the affairs, liquidate, transfer or abandon assets, and dissolve and terminate the existence of the Liquidating Debtors in a manner and in accordance with the best means to maximize assets and minimize expenses or costs associated with such liquidation under applicable state laws and in accordance with the rights, powers and responsibilities conferred by the Bankruptcy Code, this Plan and any order of the Bankruptcy Court; *provided*, *however*, that the Reorganized Debtors may elect to forego any liquidation of the Liquidating Debtors if they determine, in their sole discretion prior to or after the Effective Date, that costs and expenses associated with liquidation would outweigh the benefits of maintaining the corporate existence of such Liquidating Debtors or entering into an Alternative Transaction.

The actions necessary to effect the Alternative Transactions may include: (i) the execution and delivery of appropriate agreements or other documents of merger, amalgamation,

consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Debtors, Reorganized Debtors, or Liquidating Debtors may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (iii) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance or dissolution pursuant to applicable state or provincial law; and (iv) all other actions that the applicable Debtors, Reorganized Debtors determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with the Alternative Transactions. If and to the extent necessary, any controlling organization or formation documents or agreements for the Reorganized Debtors or Liquidating Debtors shall be deemed amended to authorize the foregoing.

Subject to Articles 5, 6 and 7 hereof, the Reorganized Debtors shall continue such business, and the Liquidating Debtors shall maintain operations as provided above, without supervision by the Bankruptcy Court and free of any restrictions under the Bankruptcy Code or the Bankruptcy Rules. The Reorganized Debtors and the Liquidating Debtors shall be authorized, without limitation, to use and dispose of the Estate Assets of the Reorganized Debtors and the Liquidating Debtors, as applicable, to acquire and dispose of other property, to insure the Estate Assets of the Reorganized Debtors and the Liquidating Debtors, to borrow money, to employ and compensate Agents, to reconcile and object to Claims, to enter into Alternative Transactions, and to make distributions to Creditors in accordance with the Plan.

As set forth in Section 7.8 hereof, the Debtors shall assume the US Airways Code-Share Agreement (as modified by the US Airways Tenth Amendment) and the United Code-Share Agreement pursuant to Section 365 of the Bankruptcy Code, effective as of the Effective Date. The US Airways Code-Share Agreement will be assumed as modified by the US Airways Tenth Amendment pursuant to a separate motion and presented to the Court for approval on November 18, 2010. The United Code-Share Agreement will be assumed pursuant to Section 7.8 of the Plan. As part of their ongoing businesses, the Reorganized Debtors shall continue to operate their fleet of aircraft, including those aircraft related to the US Airways Amended Code-Share Agreement (including the US Airways Tenth Amendment) and the United Code-Share Agreement.

5.1.1 Intercompany Claims. On the Effective Date, or as soon thereafter as is practicable, all Intercompany Claims will be reinstated in full or in part or cancelled, discharged in full or in part or contributed, distributed or otherwise transferred between and among the Debtors in full or in part, in each case, to the extent determined appropriate by the Post-Effective Date Debtors.

5.2 Management.

5.2.1 Reorganized Mesa Air Group. Reorganized Mesa Air Group shall be operated and governed in accordance with the Reorganized Mesa Charter Documents. The

existing officers of Mesa Air Group shall remain in their existing positions. As set forth in Section 7.10 hereof, the Key Employment Agreements and the related guarantees thereof shall be deemed assumed, as amended, effective as of the Effective Date. The initial board of directors of Reorganized Mesa Air Group shall consist of a nine (9) members. The Committee shall select six (6) members and the Debtors shall select three (3) members. The initial board members of Reorganized Mesa Air Group will be identified in the Plan Supplement. The appointment of the initial board members of the Reorganized Debtors shall be deemed to be in compliance with any restrictions, if any, in the Code-Share Agreements and/or other key contracts of the Debtors and all applicable Federal regulations restricting the level of ownership/control in a United States air carrier by Non-U.S. Citizens. Each of the directors and officers of Reorganized Mesa Air Group shall serve in accordance with applicable non-bankruptcy law and the Reorganized Mesa Charter Documents, as the same may be amended from time to time. From and after the Effective Date, the directors and officers of Reorganized Mesa Air Group shall be selected and determined in accordance with the provisions of applicable law and the Reorganized Mesa Charter Documents.

5.2.2 Other Debtors. The existing officers of the other Debtors (other than Mesa Air Group) shall remain in their existing positions. The initial directors of such other Debtors shall be selected and identified by the Debtors and the Committee in the Plan Supplement and subject to any related restrictions, if any, in the Code-Share Agreements and/or other key contracts of the Debtors and in compliance with all applicable Federal regulations restricting the level of ownership in a United States air carrier by Non-U.S. Citizens. Each of the directors and officers of the Debtors (other than Mesa Air Group) shall serve in accordance with applicable non-bankruptcy law and the Post-Effective Date Debtors' Charter Documents, as the same may be amended from time to time. From and after the Effective Date, the directors and officers of the Reorganized Debtors and the Liquidating Debtors shall be selected and determined in accordance with the provisions of applicable law and the Post-Effective Date Debtors' Charter Documents.

Upon the Effective Date, and without any further action by the shareholders, directors and/or officers of the Reorganized Debtors and the Liquidating Debtors, the Post-Effective Date Debtors' Charter Documents shall be deemed amended (a) to the extent necessary, to incorporate the provisions of the Plan, and (b) to prohibit the issuance by the Reorganized Debtors and the Liquidating Debtors of nonvoting securities to the extent required under Section 1123(a)(6) of the Bankruptcy Code, subject to further amendment of such Charter Documents as permitted by applicable law.

5.2.3 Management Notes and Management Equity Pool. On or as soon as practicable after the Effective Date, Reorganized Mesa Air Group shall issue the Management Notes to selected members of the Debtors' management in place on and after the Effective Date, other than the amounts of Management Notes to be issued to Jonathan G. Ornstein and Michael J. Lotz, the Reorganized Board shall determine the manner in which the remaining Management Notes are allocated. Reorganized Mesa Air Group shall also issue shares of New Common Stock out of the Management Equity Pool to selected members of the Debtors' management in place on and after the Effective Date in amounts to be determined by the Reorganized Board, provided, however, that the minimum amount of New Common Stock to be issued to Jonathan G. Ornstein and Michael J. Lotz shall be 3.75% and 2.25%, respectively.

Messrs. Ornstein's and Lotz's New Common Stock shall be subject to a vesting schedule to be negotiated with the Committee and disclosed in the Plan Supplement. The shares of New Common Stock issued pursuant to the Management Equity Pool shall be subject to the terms and restrictions set forth in the Shareholders Agreement.

5.2.4 Corporate Action. On the Effective Date, the adoption, filing, approval and ratification, as necessary, of all corporate or related actions contemplated under the Plan with respect to each of the Reorganized Debtors and the Liquidating Debtors shall be deemed authorized and approved in all respects. Without limiting the foregoing, such actions may include: (i) the adoption and filing of the Reorganized Mesa Charter Documents and/or the Post-Effective Date Charter Documents; (ii) the election or appointment, as the case may be, of directors and officers for the Reorganized Debtors and the Liquidating Debtors; and (iii) the issuance of the Restructured Equity, and the New Notes.

All matters provided for herein involving the corporate structure of any Debtor, Reorganized Debtor, or Liquidating Debtor, or any corporate action required by any Debtor, Reorganized Debtor or Liquidating Debtor in connection with the Plan, shall be deemed to have occurred and shall be in effect, without any requirement of further action by the equity holders, directors or officers of such Debtor, Reorganized Debtor, or Liquidating Debtor or by any other stakeholder.

On or after the Effective Date, the appropriate officers of each Reorganized Debtor and Liquidating Debtor and members of the board of directors (or equivalent body) of each Reorganized Debtor and Liquidating Debtor are authorized and directed to issue, execute, deliver, file and record any and all agreements, documents, securities, deeds, bills of sale, conveyances, releases and instruments contemplated by the Plan in the name of and on behalf of such Reorganized Debtor or Liquidating Debtor and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

5.3 Funding On and After the Effective Date. Funding for the Reorganized Debtors and the Liquidating Debtor from and after the Effective Date shall be provided by cash on hand, proceeds from operations and disposition, if any, of assets, Post-Effective Date Financing, if necessary, and such other sources as the Reorganized Debtors and Liquidating Debtors determine appropriate.

5.4 No Substantive Consolidation. Nothing in this Plan is intended to substantively consolidate the Estates of the Debtors, and each such entity shall maintain its separate existence and its separate and distinct Estate Assets.

5.5 Revesting of Estate Assets. Upon the Effective Date, the Reorganized Debtors and Liquidating Debtors shall be vested with all right, title and interest in the applicable respective Estate Assets of the Debtors, and such property shall become the property of the Reorganized Debtors and Liquidating Debtors, as applicable, free and clear of all Claims, Liens, charges, other encumbrances and Interests, except as set forth in this Plan. For the avoidance of doubt, each Reorganized Debtor and Liquidating Debtor shall be vested on the Effective Date with the particular Estate Assets belonging to that Debtor prior to the Effective Date, including any Interests in other Debtors.

5.6 Retained Claims and/or Defenses. As additional consideration to General Unsecured Creditors, the Debtors waive the right to pursue Avoidance Actions, pursuant to Section 547 of the Bankruptcy Code. Unless any Causes of Action and Defenses are expressly waived, relinquished, released, compromised, or settled in the Plan , any Final Order, or the US Airways Tenth Amendment (including, without limitation, the Confirmation Order), the Debtors, the Reorganized Debtors, and the Liquidating Debtors expressly reserve all such Causes of Action and Defenses for later adjudication by the Reorganized Debtors and Liquidating Debtors, as applicable, including, but not limited to the any Causes of Action listed on **Exhibit C** hereto. The reservation set forth in this Section 5.6 shall include, without limitation, a reservation by the Debtors, the Reorganized Debtors, and the Liquidating Debtors of any Causes of Action and Defenses not specifically identified in the Plan or Disclosure Statement, or of which the Debtors and/or the Restructured Unsecured Equity Holders may presently be unaware, or which may arise or exist by reason of additional facts or circumstances unknown to the Debtors and/or the Restructured Unsecured Equity Holders at this time or facts or circumstances that may change or be different from those that the Debtors and/or the Restructured Unsecured Equity Holders now believe to exist and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise), or laches will apply to such Causes of Action and Defenses upon or after the Confirmation of the Plan based on the Disclosure Statement, the Plan or the Confirmation Order, except where such Causes of Action and Defenses have been expressly waived, relinquished, released, compromised, or settled in the Plan or a Final Order. Following the Effective Date, the Reorganized Debtors and Liquidating Debtors may assert, compromise or dispose of any Causes of Action and Defenses without further notice to Creditors or authorization of the Bankruptcy Court. Notwithstanding the foregoing or anything to the contrary elsewhere in this Plan, nothing in this Plan or the Confirmation Order shall prejudice or affect (1) any rights of any Person to assert Claims, including Administrative Claims, against the Debtors, the Reorganized Debtors, the Liquidating Debtors, the Estates, or any transferee thereof, by way of offset, recoupment, or counterclaim to the extent permitted by applicable law; and/or (2) any defense to any Causes of Action and Defenses or any other claims asserted by the Debtors, the Reorganized Debtors, the Liquidating Debtors, the Estates, or any transferee thereof.

5.7 Issuance of Restructured Equity and New Notes; Shareholders Agreement. On the Effective Date, the Reorganized Debtors and Liquidating Debtors shall be authorized and directed to take any and all necessary and appropriate actions to issue and deliver the Restructured Equity and the New Notes in accordance with this Plan. The Restructured Equity shall be issued in the form of New Common Stock and New Warrants. The Restructured Unsecured Equity shall represent 80% of the ownership interests in Reorganized Mesa Air Group (after giving effect to the shares of New Common Stock issuable under the Management Equity Pool and to US Airways). Any holder of shares of New Common Stock, whether such holder acquires such shares (i) as of the Effective Date, (ii) subsequent to the Effective Date as a result of the issuance of additional shares of New Common Stock on account of Allowed Claims, (iii) upon exercise of New Warrants issued as of the Effective Date, or (iv) upon the exercise of New Warrants issued subsequent to the Effective Date on account of Allowed Claims, shall be required to enter into the Shareholders Agreement. The term of the Shareholders Agreement shall be the earlier of (a) the exercise of 80% or more of the New Warrants issued under the Plan, (b) three (3) years following the Efective Date, or

(c) following an initial offering of New Common Stock of Reorganized Mesa Air Group; provided, that such term may be extended by a particular holder of New Common Stock with respect to such holder by written notice of such holders to Reorganized Mesa Air Group, which such notice should be acknowledged by Reorganized Mesa Air Group. The Shareholder Agreement shall require a holder to vote all shares of New Common Stock of the Company registered in their respective names or beneficially owned by them, and any transferee thereof, in accordance with a majority of the Board of Directors of Reorganized Mesa Air Group on such matters thereafter requiring or submitted for shareholder approval, *provided, however,* that such voting requirement shall only apply to those shares of New Common Stock that exceed such holder's Estimated Initial Pro Rata Share of Restructured Unsecured Equity. For purposes of example only, if a holder of an Allowed Claim that is entitled to receive shares of New Common Stock on the Effective Date equal ten percent (10%) of Restructured Unsecured Equity (*i.e.*, 1,000,000 shares based on 10,000,000, shares reserved for issuance under the Plan) and on such date only 3,000,000 shares of New Common Stock are actually issued and outstanding, then such holder shall be required to vote 700,000 of the 1,000,000 shares held by such holder in accordance with the Shareholders Agreement and shall be free to vote the remaining 300,000 shares (*i.e.*, 10% of the 3,000,000 shares issued and outstanding) in its sole discretion. The restrictions set forth in the Shareholder Agreement shall not apply to transferees of New Common Stock following an initial public offering of Reorganized Mesa Air Group.

The terms of the New Notes shall be subject to the terms and conditions of the Plan and set forth in greater detail in the New Notes Indenture and related documents to be submitted as part of the Plan Supplement. Other than the principal amount, the terms of the New 8% Notes (Series A), the New 8% Notes (Series B), the Management Notes, and the US Airways Note shall be identical except (a) the Management Notes shall be subordinated to the New 8% Notes (Series A), the New 8% Notes (Series B) and the US Airways Note, and (b) the New 8% Notes (Series A), the New 8% Notes (Series B), and the US Airways Notes shall be subject to priority prepayment upon the occurrence, if ever, of a Spirit Liquidity Event as set forth herein (and as will be described in greater detail in the New Notes Indenture).

The Reorganized Mesa Charter shall include restrictions on transfers of the Restructured Equity (including shares issuable upon exercise of the New Warrants) (i) to Non-U.S. Citizens, (ii) that would result in Reorganized Mesa Air Group having 500 or greater holders of record and therefore becoming subject to the reporting obligations under the Securities Exchange Act of 1934, as amended, (iii) that would result in a change in control of Reorganized Mesa Air Group under its then existing Code-Share Agreements, and (iv) that would result in the loss of Reorganized Mesa Air Group's net operating loss; *provided, however,* in the event that the Reorganized Board determines to list Reorganized Mesa Air Group on a public exchange or the Reorganized Debtors otherwise become subject to the reporting obligations under the Securities Exchange Act of 1934, then the restrictions of subsection (ii) shall not apply.

The New Common Stock when issued or distributed as provided in the Plan, will be duly authorized, validly issued and, if applicable, fully paid and nonassessable. Each distribution and issuance of such New Common Stock shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Person receiving such distribution or issuance.

The Debtors (and each of their respective affiliates, agents, directors, officers, members, managers, employees, advisors, and attorneys) have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code and applicable law with regard to the distribution of the New Common Stock and the New Warrants under the Plan (including, without limitation, any awards made under the Management Equity Pool), and therefore are not, and on account of such distributions will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. Upon entry of the Confirmation Order, all provisions of the Plan addressing distribution of the New Common Stock and New Warrants shall be deemed necessary and proper.

5.8 Securities Law and Air Carrier Regulatory Matters. It is integral and essential to the Plan that (i) the issuance of the Restructured Equity pursuant to this Plan shall be exempt from registration under the Securities Act, pursuant to Section 1145 of the Bankruptcy Code and from registration under state securities laws, and (ii) the Debtors shall be in compliance with any and all applicable Federal statutes and regulations restricting the level of ownership of a United States air carrier by Non-U.S. Citizens. Any Restructured Equity issued to an "affiliate" of the Debtors within the meaning of the Securities Act or any Person the Debtors reasonably determined to be an "underwriter" within the meaning of the Securities Act, and which does not agree to resell such securities only in "ordinary trading transactions," within the meaning of Section 1145(b)(1) of the Bankruptcy Code, shall be subject to such transfer restrictions and bear such legends as shall be appropriate to ensure compliance with the Securities Act. In addition, under Section 1145 of the Bankruptcy Code any securities contemplated by the Plan, including without limitation, the shares of New Common Stock, will be freely tradable by the recipients thereof, subject to (i) the provisions of Section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in Section 2(a)(11) of the Securities Act, and compliance with any rules and regulations of the Securities and Exchange Commission, if any, applicable at the time of any future transfer of such securities or instruments; (ii) the restrictions, if any, on the transferability of such securities and instruments; and (iii) applicable regulatory approval. Further, the New Common Stock and New Warrants shall be subject to certain restrictions and limitations as set forth in the Reorganized Mesa Charter Documents to ensure compliance with applicable Federal regulations relating to air carriers. Nothing in this Plan is intended to preclude the Securities and Exchange Commission or any other governmental agency from exercising its police and regulatory powers relating to the Debtors or any other entity.

So long as (i) any New 8% Notes (Series A) are outstanding (unless defeased in a legal defeasance), (ii) any New 8% Notes (Series B) are outstanding (unless defeased in a legal defeasance), (iii) the US Airways Note is outstanding (unless defeased in a legal defeasance), or (iv) any shares of New Common Stock are outstanding, Reorganized Mesa Air Group will have its annual financial statements audited by a nationally recognized firm of independent accountants and will provide interim financial statements to the holders of New Notes, New Common Stock, and New Warrants within 120 days after the end of each fiscal year of

Reorganized Mesa Air Group and within 60 days after the end of each of the first three fiscal quarters of each fiscal year of Reorganized Mesa Air Group, quarterly and annual financial statements prepared in accordance with GAAP that would be required to be contained in a filing with the SEC Forms 10-Q and 10-K if Reorganized Mesa Air Group were required to file those Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by Reorganized Mesa Air Group's certified independent accountants. To the extent that Reorganized Mesa Air Group does not file such information with the SEC, Reorganized Mesa Air Group will distribute (or cause the Trustee to distribute in the case of the New Notes) such information and such reports electronically to (a) any Holder of the New Notes, or shares of New Common Stock or New Warrants, (b) any beneficial owner of New Notes, New Common Stock, or New Warrants who provides its email address to Reorganized Mesa Air Group and certifies that it is a beneficial owner thereof, (c) to any prospective investor who provides its email address to Reorganized Mesa Air Group or (d) any securities analyst who provides its email address to Reorganized Mesa Air Group and certifies that it is a securities analyst. US Airways shall be entitled to such other information as is required to be distributed under the terms of the US Airways Investor Rights Agreement.

5.9 Restrictions on Resale of Securities to Protect Net Operating Losses. To avoid adverse federal income tax consequences resulting from an ownership change (as defined in Section 382 of the Tax Code), the articles of incorporation of Reorganized Mesa Air Group, which shall be subject to approval by the Committee and US Airways, shall restrict the transfer of (i) Restructured Equity and (ii) Claims prior to their Allowance without the consent of the Reorganized Board for three (3) years after the Effective Date, such that (a) no holder of 5.0% or more of the equity of Reorganized Mesa Air Group may transfer any Restructured Equity, (b) no transfer will be permitted if it would cause the transferee to hold 4.75% or more of the Restructured Equity of Reorganized Mesa Air Group (as determined in accordance with Section 382 of the Tax Code), (c) no transfer will be permitted if it would increase the percentage Restructured Equity ownership of any person who already holds 4.75% or more of the Restructured Equity of Reorganized Mesa Air Group (as determined in accordance with Section 382 of the Tax Code), and (d) no transfer of a Claim will be permitted if it would cause the transferee to hold 4.75% or more of Restructured Equity upon the Allowance of such Claim (as determined in accordance with Section 382 of the Tax Code), except as may be otherwise agreed to by Reorganized Board (treating all holders of New Common Stock similarly) if it determines in its reasonable discretion that such restrictions are not necessary to preserve the value of the Reorganized Debtors' NOLs. The articles of incorporation shall further provide for a phase-out of the preceding transfer restrictions following an initial public offering of Reorganized Mesa Air Group.

5.10 Miscellaneous.

5.10.1 Cancellation of Existing Notes, Securities and Agreements. Except to the extent reinstated or unimpaired under the Plan, as of the Effective Date and subject to the surrender requirements (if applicable) set forth in Section 6.11 hereof, the Notes and the Indentures shall be cancelled and deemed null and void and of no further force or effect without any further action on the part of the Bankruptcy Court, the Debtors, or any other person; *provided, however,* that the cancellation of the Indentures (i) shall not impair the rights of holders of the Notes under the Plan; (ii) shall not impair the rights of the Indenture Trustees under the Indentures and the Plan, including the right of the Indenture Trustees to enforce the Indenture Trustees' liens under the Indentures; and (iii) shall not impair the Debtors' indemnification obligations under the Indentures.

5.10.2 Tax Identification Numbers/Citizenship Status The Post-Effective Date Debtors may require any Creditors to furnish their social security number, employer or taxpayer identification number, or a Citizenship Declaration and the Post-Effective Date Debtors may condition any distribution upon receipt of such identification number and supporting documentation (including, without limitation, an IRS Form W-9 in the case of a U.S. Person or other appropriate form in the case of a Foreign Person) or a certification of citizenship status.

5.10.3 Committee. On the Effective Date, the Committee shall be dissolved and the members of the Committee shall be released and discharged from any further authority, duties, responsibilities, liabilities and obligations related to, or arising from, the Chapter 11 Cases, except that the Committee shall continue in existence and have standing and capacity to prepare and prosecute (i) applications or objections for the payment of fees and reimbursement of expenses incurred by the Committee or any of the estates' Professionals, and (ii) any motions or other actions seeking enforcement or implementation of the provisions of this Plan or the Confirmation Order or pending appeals of Orders entered in the Chapter 11 Cases.

On the Effective Date, there shall be formed a Post-Effective Date Committee with its duties limited to the oversight of certain actions of the Reorganized Debtors, which actions shall remain the sole responsibility of the Reorganized Debtors, including: (a) overseeing the General Unsecured Claims' reconciliation and settlement process conducted by or on behalf of the Reorganized Debtors pursuant to the Settlement Procedures Order or Aircraft Rejection Damages Claim Settlement Procedures, as applicable; (b) overseeing (i) the establishment and (ii) the maintenance of the Distribution Reserve; (c) overseeing the distributions to the holders of General Unsecured Claims under this Plan; (d) appearing before and being heard by the Bankruptcy Court and other Courts of competent jurisdiction in connection with the above duties; and (e) such other matters as may be agreed upon between the Reorganized Debtors and the Post-Effective Date Committee or specified in this Plan. The Post-Effective Date Committee shall consist of not less than three nor more than five members to be appointed by the Creditors' Committee and may adopt by-laws governing its conduct. For so long as the claims reconciliation process shall continue, the Reorganized Debtors shall make regular reports to the Post-Effective Date Committee as and when the Reorganized Debtors and the Post-Effective Date Committee may reasonably agree upon. The Post-Effective Date Committee may employ, without further order of the Court, professionals to assist it in

carrying out its duties as limited above, including any professionals retained in these Reorganization Cases, and the Reorganized Debtors shall pay the reasonable costs and expenses of the Post-Effective Date Committee, including reasonable professional fees, in the ordinary course without further order of the Court. In the event that, on the Effective Date, an objection to any Claim by the Creditors Committee is pending, the Post-Effective Date Committee shall have the right to continue prosecution of such objection.

5.10.4 Final Decree. At any time following the Effective Date, the Post-Effective Date Debtors shall be authorized to file a motion for the entry of a final decree closing the Chapter 11 Cases pursuant to Section 350 of the Bankruptcy Code.

ARTICLE 6
PROVISIONS GOVERNING DISTRIBUTIONS

6.1 Distributions by the Debtors. The Debtors shall administer Claims and make distributions in respect of Allowed Claims; *provided*, *however*, the Debtors may elect to designate and/or retain a third party to serve as disbursing agent without the need for any further order of the Bankruptcy Court.

6.2 Distributions on Account of Claims Allowed as of the Effective Date. Except as otherwise provided herein, a Final Order, or as agreed by the relevant parties, distributions on account of Allowed Claims that become Allowed prior to the Effective Date shall be made by the Debtors on or as soon as reasonably practicable after the Effective Date.

6.3 Estimation. In order to establish reserves under this Plan and avoid undue delay in the administration of these Chapter 11 Cases, the Debtors, the Reorganized Debtors, and the Liquidating Debtors, in consultation with the Committee or the Post-Effective Date Committee, shall have the right to seek an order of the Bankruptcy Court pursuant to Section 502(c) of the Bankruptcy Code, estimating the amount of any Claim.

6.4 Distributions on Account of Claims Allowed After the Effective Date.

6.4.1 Distribution Record Date. On the Distribution Record Date, the claims register shall be closed and any transfer on any Claim therein shall be prohibited. The Debtors, any party designated by the Debtors, and the Indenture Trustees shall be authorized and entitled to recognize and deal for all purpose under the Plan with only those record holders stated on the claims register or other similar ledger regarding the Notes, as applicable, as of the close of business on the Distribution Record Date.

6.4.2 Distributions on Account of Disputed Claims and Estimated Claims. Except as otherwise provided herein, a Final Order, or as agreed by the relevant parties, distributions on account of Disputed Claims and Estimated Claims that become Allowed after the Effective Date shall be made by the Post-Effective Date Debtors, in consultation with the Post-Effective Date Committee, at such periodic intervals as such entities determine to be reasonably prudent.

6.4.3 Distributions of New Common Stock and New Warrants. The Debtors will distribute (i) New Common Stock to the holders of Allowed Class 3 Claims and

Allowed Class 5 Claims that are U.S. Citizens and (ii) New Warrants to all holders of Allowed Class 3 Claims or Allowed Class 5 Claims that are Non-U.S. Citizens. To effectuate distributions in accordance with the federal law restrictions and the Plan, the Debtors will send a Citizenship Declaration to the holders of Class 3 Claims and Class 5 Claims that will require them to provide and verify the following information: (i) name of Creditor, (ii) amount of Allowed Claim, and (iii) whether such person or entity is a U.S. Citizen or Non-U.S. Citizen as defined by title 49 of the United States Code. If any holder of a Class 3 Claim or Class 5 Claim does not return a properly completed Citizenship Declaration prior to the deadline set forth therein, the holder of such Class 3 Claim or Class 5 Claim will be deemed to be a Non-U.S. Citizen and will receive New Warrants on account of such Claims.

6.4.4 Distributions on account of Noteholder Claims.

(a) Distributions on account of Noteholder Claims. Distributions on account of 2012 Noteholder Claims, 2023 Noteholder Claims, and 2024 Noteholder Claims shall be made to the applicable Indenture Trustee for the 2012 Notes, 2023 Notes, and 2024 Notes, respectively, to be applied in accordance with the applicable Indentures.

(b) Indenture Trustee Fees and Expenses. The fair and reasonable fees and expenses of the Indenture Trustee and its professionals and provided for under each Indenture ,will be paid by the Debtors pursuant to the Confirmation Order on the later of the Effective Date or thirty (30) days following receipt of detailed documentation of such fees and expenses without the need for the Indenture Trustee to file an application for allowance. Upon payment of the fees and expense of the Indenture Trustee and its professionals in full, the Indenture Trustee will be deemed to have released its liens, including its charging lien against distributions to Noteholders, securing payment of its fees and expenses for all fees and expenses payable through the Effective Date.

6.4.5 No Distributions Pending Allowance. Notwithstanding anything herein to the contrary: (a) no distribution shall be made with respect to any Disputed Claim or Estimated Claim until such Claim becomes an Allowed Claim, and (b) unless determined otherwise by the Post-Effective Date Debtors, in consultation with the Post-Effective Date Committee, as applicable, no distribution shall be made to any Person that holds both an Allowed Claim and either a Disputed Claim or an Estimated Claims and Estimated Claims until such Person's Disputed Claims and Estimated Claims have been resolved by settlement or Final Order.

6.4.6 Objection Deadline. The Post-Effective Date Debtors shall file all objections to Disputed Claims, and shall file all motions to estimate Claims under Section 502(c) of the Bankruptcy Code, on or before the Claims Objection Deadline.

6.4.7 Disputed and Estimated Claims Reserve.

(a) Cash Reserve. On and after the Effective Date, the Post-Effective Date Debtors shall maintain in reserve such Cash as they estimate to be necessary to satisfy any Cash distributions required to be made to Creditors (other than Creditors in Class 3 and Class 5) under the Plan for Class 1, Class 2 and Class 4 Disputed Claims and Estimated Claims against the Debtors.

(b) Restructured Unsecured Equity / New 8% Notes (Series A) and New 8% Notes (Series B) Reserves. On or as soon as practicable after the Effective Date, the Post-Effective Date Debtors shall distribute to those holders of Allowed Claims that are entitled to receive Restructured Unsecured Equity, New 8% Notes (Series A) and/or New 8% Notes (Series B) on the Effective Date a distribution of each such holder's Estimated Initial Pro Rata Share of Restructured Unsecured Equity and Estimated Initial Pro Rata Share of New 8% Notes, respectively. With respect to any Disputed Claim or Estimated Claim that becomes an Allowed Claim entitled to receive Restructured Unsecured Equity, New 8% Notes (Series A) and/or New 8% Notes (Series B) after the Effective Date, on the next Distribution Date, as applicable, following the date on which such Disputed Claim or Estimated Claim becomes an Allowed Claim, the Post-Effective Date Debtors shall distribute to the holder of such Allowed Claim its Estimated Additional Pro Rata Share of Restructured Unsecured Equity and/or its Estimated Additional Pro Rata Share of New 8% Notes (Series A) and/or New 8% Notes (Series B), as applicable. On each Interim Distribution Date, the Post-Effective Date Debtors shall distribute to the holders of Restructured Unsecured Equity a True-Up Equity Distribution and/or to the holders of New 8% Notes (Series A) and/or New 8% Notes (Series B) a True-Up Note Distribution, as applicable. After all Disputed Claims and Estimated Claims have become Allowed Claims or otherwise been disallowed, on the Final Distribution Date, the Post-Effective Date Debtors shall make a final distribution of Restructured Unsecured Equity, New 8% Notes (Series A) and/or New 8% Notes (Series B) such that (i) each holder of Restructured Unsecured Equity (including any holder of an Allowed Claim who first becomes entitled to receive Restructured Unsecured Equity on such distribution date) has received its Actual Pro Rata Share of Restructured Unsecured Equity and (ii) each holder of New 8% Notes (Series A) and/or New 8% Notes (Series B) (including any holder of an Allowed Claim who first becomes entitled to receive New 8% Notes (Series A) and/or New 8% Notes (Series B) on such distribution date) has received its Actual Pro Rata Share of such Notes. The Reorganized Mesa Charter Documents shall be structured in a manner that authorizes the issuance of and/or reserve a sufficient number of Restructured Equity, to permit the distributions set forth above. For the avoidance of doubt, distributions of New 8% Notes (Series A) and/or New 8% Notes (Series B) to any Person holding a Disputed Claim or Estimated Claim against the Debtors that becomes an Allowed Claim after the Effective Date shall be made together with any and all interest and amounts accrued under the New 8% Notes (Series A) and/or New 8% Notes (Series B) from the Effective Date until the date of payment thereof.

6.4.8 Settling Disputed Claims. The Post-Effective Debtors shall be authorized to settle, or withdraw any objections to any Disputed Claims following the Effective Date without further order of the Court, subject to the consent of the Post-Effective Date Committee consistent with the terms of the Settlement Procedures Order or the Aircraft Rejection Damages Claim Settlement Procedures, as applicable.

6.5 Distributions in Cash. The Post-Effective Date Debtors shall make any required Cash payments to the holders of Allowed Claims: (X) in U.S. dollars by check, draft or

warrant, drawn on a domestic bank selected by the Post-Effective Date Debtors in their sole discretion, or by wire transfer from a domestic bank, at the applicable foregoing entity's option, and (Y) by first-class mail (or by other equivalent or superior means as determined by the Post-Effective Date Debtors).

6.6 Undeliverable Distributions. If any distribution under the Plan is returned as undeliverable, no further distributions to such Person shall be made unless and until the Post-Effective Date Debtors or other appropriate disbursing agent is notified in writing of such holder's then-current address, at which time the undelivered distributions shall be made to such holder without interest or dividends. Undeliverable distributions shall be returned to the Post-Effective Date Debtors until such distributions are claimed.

6.7 Unclaimed Distributions. Any entity that fails to claim any Cash within one hundred twenty (120) days from the date upon which a distribution of Cash is first made to such entity shall forfeit all rights to any distribution under the Plan, and the Post-Effective Date Debtors shall be authorized to cancel any distribution that is not timely claimed. Pursuant to Section 347(b) of the Bankruptcy Code, upon forfeiture, such Cash (including interest thereon, if any) shall revert to the Post-Effective Debtors free of any restrictions under the Plan, the Bankruptcy Code or the Bankruptcy Rules. Upon forfeiture, the claim of any Creditor with respect to such funds shall be discharged and forever barred notwithstanding any federal or state escheat laws to the contrary, and such Creditors shall have no claim whatsoever against the Debtors or the Post-Effective Date Debtors.

6.8 Setoff. Nothing contained in this Plan shall constitute a waiver or release by the Debtors of any right of setoff or recoupment the Debtors may have against any Creditor. To the extent permitted by applicable law, the Post-Effective Date Debtors may setoff or recoup against any Claim and the payments or other distributions to be made under the Plan in respect of such Claim, claims of any nature whatsoever that arose before the Petition Date that the Debtors may have against the holder of such Claim or Interest. Notwithstanding the foregoing or anything to the contrary elsewhere in the Plan, nothing in this Plan or the Confirmation Order shall prejudice, affect, or limit (1) any rights of any Person to assert or effectuate rights of setoff under section 553 of the Bankruptcy Code or otherwise assert Claims, including Administrative Claims, against the Debtors, the Reorganized Debtors, the Liquidating Debtors, the Estates, or any transferee thereof, by way of offset, recoupment, or counterclaim to the extent permitted by applicable law; or (2) any defense to any Causes of Action and Defenses or any other claims asserted by the Debtors, the Reorganized Debtors, the Liquidating Debtors, the Estates, or any transferee thereof.

6.9 Taxes. Pursuant to Section 346(f) of the Bankruptcy Code, the Post-Effective Date Debtors shall be entitled to deduct any federal, state or local withholding taxes from any Cash payments made with respect to Allowed Claims, as appropriate. The Post-Effective Date Debtors shall be authorized to take all actions necessary to comply with applicable withholding and recording requirements. Notwithstanding any other provision of this Plan, each holder of an Allowed Claim that has received a distribution of Cash shall have sole and exclusive responsibility for the satisfaction or payment of any tax obligation imposed by any governmental unit, including income, withholding and other tax obligation, on account of such distribution. For tax purposes, distributions received in respect of Allowed Claims will be allocated first to the principal amount of such Claims, with any excess allocated to unpaid accrued interest, if any.

6.10 De Minimis Distributions. If any interim distribution under the Plan to the holder of an Allowed Claim would be less than $100.00 or a fractional number of New Common Stock or New Warrants, the Post-Effective Date Debtors may withhold such distribution until the next Interim Distribution Date or the final distribution, as applicable, is made to such holder. If any final distribution under the Plan to the holder of an Allowed Claim would be less than $25.00, the Post-Effective Debtors may cancel such distribution. Any unclaimed distributions pursuant to this Section 6.10 shall be treated as unclaimed property under Section 6.7 of the Plan.

6.11 Surrender of Notes and Other Instruments. Unless waived by the Debtors, as a condition to receiving any distribution pursuant to the Plan, each Person holding an instrument evidencing an existing Claim against a Debtor, including, without limitation, any Note, in which case the applicable Note shall be surrendered to the applicable Indenture Trustee, or in the event such Note is held in the name of, or by a nominee of, the Depository Trust Company, the Debtors shall follow the applicable procedures of the Depository Trust Company for book-entry transfer of the applicable Notes to applicable Indenture Trustee, must surrender such instrument or Note or an affidavit of loss and indemnity satisfactory to the Post-Effective Date Debtors or other applicable distribution agent; *provided that*, in the event such Person fails to surrender such instrument within one year of the Effective Date, that Person shall be deemed to have forfeited his, her or its right to receive any distribution under the Plan on account of the subject Claim and such Person shall be forever barred from asserting any such Claim against the Debtors or the Post-Effective Date Debtors or their property; and provided further that, in such event as described above, any Restructured Unsecured Equity, together with any dividends or interest that may be attributable thereto, held for distribution on account of such Claim shall revert to Reorganized Mesa Air Group, notwithstanding any federal or state escheat laws to the contrary. Notwithstanding any of the foregoing, the provisions in the operative agreements and documents governing the Notes relating to the surrender and cancellation of such Notes shall continue to bind and govern such matters in the case of the Notes as of the Effective Date.

6.12 Fractional Shares. No fractional shares or number of the Restructured Unsecured Equity shall be issued or distributed under the Plan. The actual distribution of shares or number of the Restructured Unsecured Equity shall be rounded to the next higher or lower whole number as follows: (i) fractions less than one-half ($^1/_2$) shall be rounded to the next lower whole number and (ii) fractions equal to or greater than one-half ($^1/_2$) shall be rounded to the next higher whole number. The total amount of shares or number of Restructured Unsecured Equity to be distributed hereunder shall be adjusted as necessary to account for such rounding. No consideration shall be provided in lieu of fractional shares or numbers that are rounded down.

ARTICLE 7
EXECUTORY CONTRACTS AND UNEXPIRED LEASES
AND OTHER AGREEMENT/PROGRAM MATTERS

7.1 Assumption. On the Effective Date, pursuant to Section 1123(b)(2) of the Bankruptcy Code, the Post-Effective Date Debtors will assume the executory contracts and unexpired leases of the Debtors that: (a) have been expressly identified in the Plan Supplement for assumption (together with any additions, deletions, modifications or other revisions to such exhibit as may be made by the Debtors prior to the Effective Date), and (b) are specified in this Article 7 of the Plan. Each executory contract and unexpired lease listed in the Plan Supplement shall include any modifications, amendments and supplements to such agreement, whether or not listed in the Plan Supplement.

7.2 Rejection. Except as set forth in this Article 7 of the Plan, on the Effective Date, pursuant to Section 1123(b)(2) of the Bankruptcy Code, the Debtors will reject any and all executory contracts and unexpired leases of the Debtors otherwise not identified in Section 7.1, including, without limitation, those executory contracts and unexpired leases expressly identified for rejection in the Plan Supplement (together with any additions, deletions, modifications or other revisions to such exhibit as may be made by the Debtors prior to the Effective Date); *provided*, *however*, that all executory contracts and unexpired leases that have been assumed by the Debtors pursuant to orders entered by the Bankruptcy Court in the Chapter 11 Cases prior to the Effective Date shall ***not*** be deemed rejected. Any Person asserting any Claim for damages arising from the rejection of an executory contract or unexpired lease of the Debtors under this Plan shall file such Claim on or before the Rejection Claim Bar Date, or be forever barred from: (a) asserting such Claim against the Debtors, the Reorganized Debtors, the Liquidating Debtors, or the Estate Assets, and (b) sharing in any distribution under the Plan.

7.3 Assumption Obligations. The Post-Effective Date Debtors shall satisfy all Assumption Obligations, if any, by making a Cash payment in the manner provided in Section 2.2 of the Plan or as otherwise permitted by Section 365(b)(1)(B) of the Bankruptcy Code, equal to the amount specified in the Plan Supplement, unless an objection to such proposed amount is filed with the Bankruptcy Court and served on counsel to the Debtors on or prior to the date set by the Bankruptcy Court for filing objections to Confirmation of the Plan and the Bankruptcy Court, after notice and hearing, determines that the applicable Debtor is obligated to pay a different amount under Section 365 of the Bankruptcy Code, in which case, the applicable Debtor shall have the right to remove such executory contract or lease from the list of assumed contracts pursuant to Section 7.1 of the Plan, or, if following the Effective Date, file a motion within ten (10) days after such determination to seek an order of the Bankruptcy Court rejecting such executory contract or unexpired lease. Any Person that fails to object to the Assumption Obligation specified in the Plan Supplement on or prior to the date set by the Bankruptcy Court for filing objections to Confirmation of the Plan and/or other subsequent date(s) set by the Bankruptcy Court, as applicable, shall be forever barred from: (a) asserting any other, additional or different amount on account of such obligation against the Debtors, the Reorganized Debtors, the Liquidating Debtors, or the Estate Assets, and (b) sharing in any other, additional or different distribution under the Plan on account of such obligation. Assumption Obligations under the Collective Bargaining Agreements will be governed by the provisions of Section 7.9 of the Plan.

7.4 Effect of Confirmation Order. The Confirmation Order shall constitute an order of the Bankruptcy Court: (i) approving, as of the Effective Date, the assumption or rejection by the Post-Effective Date Debtors pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of all executory contracts and unexpired leases identified under this Article 7 of the Plan. The contracts and leases identified in this Plan will be assumed or rejected, respectively, only to the extent that such contracts or leases constitute pre-petition executory contracts or unexpired leases of the Debtors, and the identification of such agreements under this Plan does not constitute an admission with respect to the characterization of such agreements or the existence of any unperformed obligations, defaults, or damages thereunder. This Plan does not affect any executory contracts or unexpired leases that: (a) have been assumed, rejected or terminated prior to the Confirmation Date, or (b) are the subject of a pending motion to assume, reject or terminate as of the Confirmation Date.

7.5 Post-Petition Agreements. Unless inconsistent with the provisions of the Plan, all contracts, leases and other agreements entered into or restated by the Debtors on or after the Petition Date, or previously assumed by any of the Debtors prior to the Confirmation Date (or the subject of a pending motion to assume by either of the Debtors as of the Confirmation Date that is granted by the Bankruptcy Court), which have not expired or been terminated in accordance with their terms, shall be performed by the Debtors in the ordinary course of business and shall survive and remain in full force and effect following the Effective Date.

7.6 Modifications to Plan Supplement. The Debtors shall have the right, any time prior to the Effective Date, to make additions, deletions, modifications and/or other revisions to the identification of executory contracts and leases to be assumed or rejected by the Debtors; *provided*, *however*, that any party to such contract or lease or affected by such action shall be provided notice of such action and an opportunity to object, and if any objection is filed, such action will not be effective until such objection is resolved by the parties or by order of the Bankruptcy Court.

7.7 Code-Share Agreements. The Code-Share Agreements will be assumed either by separate motions or as provided in this Section. Upon assumption, the Code-Share Agreements shall vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of this Plan or any order of the Bankruptcy Court previously entered with respect to such Code-Share Agreement. Nothing in this Plan or the Confirmation Order shall be deemed a violation of such Code-Share Agreements.

7.7.1 US Airways Code-Share Agreement. Notwithstanding anything in this Plan to the contrary, the Debtors will assume the US Airways Code-Share Agreement as modified by the US Airways Tenth Amendment (which as of November 23, 2010 was finalized) pursuant to a separate motion to be presented to the Court for approval in advance of confirmation of the Plan, and such assumption shall be subject to the conditions set forth in the US Airways Tenth Amendment. The assumption of the US Airways Code-Share Agreement as modified by the US Airways Tenth Amendment will be effective as of the Effective Date.

In consideration for the US Airways Tenth Amendment, US Airways shall receive (i) 10% of the New Common Stock of the Reorganized Mesa Air Group on a fully diluted basis, subject the Shareholders Agreement, and (ii) the US Airways Note.

7.7.2 United Code-Share Agreement. Notwithstanding anything in this Plan to the contrary, the United Code-Share Agreement shall be deemed assumed effective as of the Effective Date.

7.8 CRJ 700 Aircraft Leases and CRJ 900 Aircraft Leases. The CRJ 700 Aircraft Leases and CRJ 900 Aircraft Leases will be assumed as provided under Section 7 of the Plan. Upon assumption, the CRJ 700 Aircraft Leases and CRJ 900 Aircraft Leases shall vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with the applicable terms of the foregoing leases.

7.9 Collective Bargaining Agreements. Notwithstanding anything in this Plan to the contrary, each Collective Bargaining Agreement shall be deemed assumed effective as of the Effective Date. Each Collective Bargaining Agreement assumed pursuant to this Section shall vest in and be fully enforceable by the applicable Post-Effective Date Debtor in accordance with its terms, except as modified by the provisions of this Plan or any order of the Bankruptcy Court previously entered with respect to such Collective Bargaining Agreement. The Assumption Obligations for each of the Collective Bargaining Agreements shall be satisfied by the Reorganized Debtors paying in the ordinary course all obligations arising under the Collective Bargaining Agreements, including grievance settlements and arbitration awards unless otherwise agreed between the Debtors and the counterparty to the Collective Bargaining Agreement.

7.10 Key Employment Agreements. Notwithstanding anything in this Plan to the contrary, each Key Employment Agreement shall be deemed assumed along with the guarantees thereof by the other Reorganized Debtors, each as modified pursuant to terms agreed upon between the Debtor, the Committee and the affected employee, effective as of the Effective Date. The guarantee of the Key Employment Agreements by Nilchii (a) shall be subordinate to the payment of the New 8% Notes (Series A), US Airways Notes, New 8% Notes (Series B), and Management Notes and (b) shall not be modified or increased beyond the obligations represented by Key Employee Agreements as in place on the Effective Date (US Airways is an intended third party beneficiary of this sentence with an independent right to enforce the terms hereof). The prepetition amounts in the Deferred Compensation Plan Accounts shall remain in place for the benefit of the employees for which such accounts were established. As a result of such assumption, the beneficiaries of such Key Employment Agreements will be paid certain incentive payments related to the postpetition period on the Effective Date as approved by the Committee. All other prepetition contingent claims (*i.e.*, those arising from the modification) of the officers that are parties to such agreements shall be deemed satisfied to the extent not satisfied by the Management Equity Pool. For certain key executives without employment agreements, the Debtors shall be authorized to pay further incentive payments on the Effective Date if and to the extent approved by the Committee. Each Key Employment Agreement and the guarantees thereof shall vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of this Plan or any order of the Bankruptcy Court previously entered with respect to such Key Employment Agreement.

7.11 ACE Insurance Program. Notwithstanding anything to the contrary in the Plan or Confirmation Order (including, without limitation, any other provision that (i) purports to be preemptory or supervening or grants an injunction or release or (ii) provides for an Administrative Claim Bar Date or requires a creditor to file an objection to proposed Assumption Obligations), on the Effective Date (a) the ACE Insurance Program and the Debtors' obligations thereunder shall be deemed and treated as executory contracts and assumed under the Plan by the Debtors pursuant to sections 365 and 1123(b)(2) of the Bankruptcy Code and shall continue as obligations of the Reorganized Debtors (b) the ACE Companies' claims under the ACE Insurance Program whether arising prior to the Petition Date, during the Chapter 11 Cases, or after the Effective Date (i) shall continue to be secured by any and all collateral and/or security provided by the Debtors in accordance with the terms and conditions of the ACE Insurance Program, (ii) shall be paid by and enforceable against the Reorganized Debtors in the ordinary course of business after the Effective Date pursuant to and in accordance with the terms and conditions of the ACE Insurance Program, (iii) shall not be discharged, impaired or released by the Plan or Confirmation Order, and (iv) shall be subject to all of the Debtors', the Reorganized Debtors' and the ACE Companies' rights, claims, defenses and remedies under the ACE Insurance Program and applicable non-bankruptcy law; (c) nothing in the Plan or Confirmation Order shall be construed as, or is, a determination as to coverage under the ACE Insurance Program and all rights of the Debtors, Reorganized Debtors, and the ACE Companies shall be preserved to seek or contest such coverage, as applicable; (d) nothing in the Plan or the Confirmation Order in any way: (i) precludes or limits the rights of the ACE Companies, the Debtors, or the Reorganized Debtors to contest and/or litigate with any party, including, without limitation, the Debtors, Reorganized Debtors, or the ACE Companies, as applicable, the existence, primacy and/or scope of available coverage under any alleged applicable policy under the ACE Insurance Program; (ii) alters the Debtors', Reorganized Debtors', and the ACE Companies' rights and obligations under the ACE Insurance Program or modifies the coverage provided thereunder; or (iii) alters the rights and obligations of the Debtors and the Reorganized Debtors under the ACE Insurance Program, including, without limitation, any duty to defend, at their own expense, against claims asserted under the ACE Insurance Program; and (e) the ACE Companies may administer, settle and/or pay workers' compensation claims covered by the ACE Insurance Program (regardless of whether such claims arose prior to or after the Petition Date) in the ordinary course pursuant to the terms of the ACE Insurance Program and applicable non-bankruptcy law without seeking or receiving the approval or consent of the Bankruptcy Court.

7.12 Debtors' Indemnification Obligations. Any obligations of the Debtors pursuant to their corporate charters and bylaws or agreements entered into any time prior to the Effective Date, to indemnify past and current directors, officers, employees and/or other Agents with respect to present and future actions, suits and proceedings against the Debtors or such directors, officers, employees and/or other Agents, based upon any act or omission by such individuals, shall not be discharged or impaired by confirmation of the Plan. Such obligations shall be deemed and treated as executory contracts to be assumed by the Debtors pursuant to the Plan and shall continue as obligations of the Post-Effective Date Debtors.

7.13 Post-Petition Aircraft Agreements. Notwithstanding anything in this Plan to the contrary, subject to the Debtors' right to terminate or reject any Post-Petition Aircraft Agreement pursuant to the terms of such Post-Petition Aircraft Agreement: (i) each Post-Petition Aircraft Agreement shall remain in place after the Effective Date, (ii) the Post-Effective Date Debtors shall continue to honor each such agreement according to its terms.

7.14 Customer Programs. Except as otherwise provided in the Plan, the Debtors and the Post-Effective Date Debtors, in their sole and absolute discretion, may honor, in the ordinary course of business, any and all of the Debtors' customer and loyalty programs, corporate incentive programs, travel credit programs, and similar and other customer-related programs, as such programs may be amended from time to time.

ARTICLE 8
CONDITIONS PRECEDENT

8.1 Conditions to Confirmation. The following are conditions precedent to confirmation of this Plan:

(a) The Bankruptcy Court shall have entered a Final Order approving a Disclosure Statement with respect to this Plan in form and substance satisfactory to the Debtors; and

(b) The Confirmation Order shall be in a form and substance acceptable to the Debtors and reasonably acceptable to the Committee.

8.2 Conditions to Effectiveness. The following are conditions precedent to the occurrence of the Effective Date:

(a) The Confirmation Date shall have occurred;

(b) The Confirmation Order shall be a Final Order;

(c) No request for revocation of the Confirmation Order under Section 1144 of the Bankruptcy Code has been made, or, if made, remains pending;

(d) The Debtors (in consultation with the Committee) shall have determined that all Disputed Claims and Estimated Claims have been sufficiently resolved or estimated so as to establish the Distribution Reserve;

(e) All actions, documents and agreements necessary to implement the Plan shall have been effected or executed as determined by the Debtors in their sole and absolute discretion; and

(f) The Debtors shall have received any authorization, consent, regulatory approval, ruling, letter, opinion or other documents that may be necessary to implement this Plan or that is required by any law, regulation or order.

8.3 Waiver of Conditions. Conditions to Confirmation and the Effective Date may be waived, in whole or in part, by the Debtors at any time without notice, an order of the Bankruptcy Court, or any further action other than proceeding to Confirmation and consummation of the Plan.

ARTICLE 9
EFFECTS OF CONFIRMATION

9.1 Binding Effect. The rights afforded under the Plan and the treatment of all Claims and Interests under the Plan shall be the sole and exclusive remedy on account of such Claims against, and Interests in the Debtors, the Reorganized Debtors, the Liquidating Debtors, and the Estate Assets. The distributions made pursuant to this Plan shall be in full and final satisfaction, settlement, release and discharge of the Allowed Claims on account of which such distributions are made. Confirmation of the Plan shall bind and govern the acts of the Post-Effective Date Debtors and all holders of all Claims against, and Interests in the Debtors, whether or not: (i) a proof of Claim or proof of Interest is filed or deemed filed pursuant to Section 501 of the Bankruptcy Code; (ii) a Claim or Interest is allowed pursuant to Section 502 of the Bankruptcy Code, or (iii) the holder of a Claim or Interest has accepted the Plan.

9.2 Property Revests Free and Clear. Upon the Effective Date, title to all remaining Estate Assets of the Debtors shall vest in the Post-Effective Date Debtors for the purposes contemplated under the Plan and shall no longer constitute property of the Debtors' Estates. Except as otherwise provided in the Plan, upon the Effective Date, all Estate Assets shall be free and clear of all Claims and Interests, including Liens, charges or other encumbrances of Creditors of the Debtors; *provided, however,* nothing contained herein will affect (i) the obligations of the Reorganized Debtors under a Post-Petition Aircraft Agreement or the validity or priority of any lien granted pursuant to a Post-Petition Aircraft Agreement or (ii) a valid Lien on account of Administrative Claim pursuant to Section 2.2.2(b) of the Plan.

9.3 Releases.

9.3.1 Release by the Debtors. As of the Effective Date, the Debtors, their Estates, the Reorganized Debtors and the Liquidating Debtors release all of their respective Agents from any and all Causes of Action and Defenses (other than the rights, if any, of the Debtors, the Reorganized Debtors or the Liquidating Debtors to enforce applicable post-petition agreements (including, without limitation, any settlement agreements), any order entered in the Chapter 11 Cases, the Plan and any agreements, instruments or other documents delivered thereunder, and the Plan Supplement) held, assertable on behalf of or derivative from the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based on or relating to or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the conduct of the Debtors' businesses, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, and/or the business or contractual arrangements between any Debtor and any Agent thereof, and/or the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, which Causes of Action and Defenses are based in whole or in part on any

act, omission, transaction, event or other occurrence (except for willful misconduct, ultra vires acts, or gross negligence) taking place before the Effective Date. Notwithstanding the foregoing, if an Agent of the Debtors, their Estates, the Reorganized Debtors and/or the Liquidating Debtors directly or indirectly brings or asserts any Claim or Cause of Action and Defense in any way arising out of or related to any document or transaction that was in existence prior to the Effective Date against the Debtors, the Reorganized Debtors, the Liquidating Debtors or any of their Agents, then the release set forth in this Section 9.3.1 of the Plan (but not any release or exoneration or any other rights or claims granted under any other section of the Plan or under any other document or agreement) shall automatically and retroactively be null and void *ab initio* with respect to such Agent; *provided, however*, the immediately preceding clause shall not apply to the prosecution in this Court (or any appeal therefrom) of the amount, priority or secured status of any pre-petition Claim or ordinary course Administrative Claim against the Debtors.

9.3.2 Voluntary Releases by Holders of Claims.

Creditors Deemed to Have Accepted Releases: For good and valuable consideration, as of the Effective Date, a Creditor who submits a ballot on the Plan but does not elect to opt out of the release provisions contained in Section 9.3.2 of the Plan, shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever released and discharged each of the Debtors, their Estates, the Reorganized Debtors and the Liquidating Debtors and all Agents of the Debtors, their Estates, the Reorganized Debtors and the Liquidating Debtors from any and all direct claims and causes of action held by such Creditor whatsoever, including pre-Petition Date claims and causes of action, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the conduct of the Debtors' businesses, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Agent thereof, and/or the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, which claims are based in whole or in part on any act, omission, transaction, event or other occurrence (except for willful misconduct, ultra vires acts, or gross negligence) taking place before the Effective Date; provided, however, the releases in this Section 9.3.2 shall not otherwise affect the limited release as provided under the US Airways Tenth Amendment. The vote or election of a trustee or other agent under this Section 9.3.2 of the Plan acting on behalf of or at the direction of a holder of a Claim shall bind such holder to the same extent as if such holder had voted itself or made such election.

Creditors Deemed to Have Opted Out of Releases: A Creditor who does not cast a ballot on the Plan, was not entitled to cast a ballot on the Plan, or returned a ballot with the "Opt-Out" box checked on the ballot (whether or not the ballot is otherwise properly executed) shall be deemed to have opted out of the releases set forth in Section 9.3.2 of this Plan.

9.4 Discharge and Permanent Injunction. Except as otherwise set forth in the Plan and the US Airways Tenth Amendment, Confirmation of the Plan shall discharge the Debtors and the Reorganized Debtors from all Claims or other debts that arose at any time before the

Effective Date, and all debts of the kind specified in Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not: (a) a proof of claim based on such debt is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) a Claim based on such debt is Allowed under Section 502 of the Bankruptcy Code; or (c) the holder of a Claim has accepted the Plan. As of the Effective Date, all entities that have held, currently hold or may hold a Claim or other debt or liability that is discharged or any other right that is terminated under the Bankruptcy Code or the Plan are permanently enjoined, to the full extent provided under Section 524(a) of the Bankruptcy Code, from "the commencement or continuation of an action, the employment of process, or an act, to collect, recover or offset any such debt as a personal liability" of the Debtors or the Reorganized Debtors, except as otherwise set forth in this Plan. Nothing contained in the foregoing discharge shall, to the full extent provided under Section 524(e) of the Bankruptcy Code, affect the liability of any other entity on, or the property of any other entity for, any debt of the Debtors that is discharged under the Plan.

9.5 Limitation of Liability. The Debtors, the Reorganized Debtors, the Liquidating Debtors and each of their respective Agents shall have all of the benefits and protections afforded under Section 1125(e) of the Bankruptcy Code and applicable law.

9.6 Exoneration and Reliance. The Debtors, the Reorganized Debtors, the Liquidating Debtors, the Committee, the Indenture Trustees, and each of their respective Agents, shall not be liable, other than for gross negligence, willful misconduct, acts taken in violation of an Order of the Bankruptcy Court entered in the Chapter 11 Cases, or under section 549 of the Bankruptcy Code, to any holder of a Claim or Interest or any other entity with respect to any action, omission, forbearance from action, decision, or exercise of discretion taken at any time after the Petition Date in connection with the Chapter 11 Cases or the negotiation, formulation, development, proposal, disclosure, Confirmation or implementation of the Plan. The Debtors, the Reorganized Debtors, the Liquidating Debtors, the Committee, the Indenture Trustees and each of their respective Agents may reasonably rely upon the opinions of their respective counsel, accountants, and other experts and professionals and such reliance, if reasonable, shall conclusively establish good faith and the absence of gross negligence or willful misconduct; *provided however*, that a determination that such reliance is unreasonable shall not, by itself, constitute a determination or finding of bad faith, gross negligence or willful misconduct.

9.7 Limitations on Rights and Claims of United States. As to the United States, nothing in the Plan or Confirmation Order shall discharge, release, or otherwise preclude: (i) any liability of the Debtors or Reorganized Debtors arising on or after the Confirmation Date; (ii) any liability that is not a "claim" within the meaning of section 101(5) of the Bankruptcy Code; (iii) any valid right of setoff or recoupment; or (iv) any liability of the Debtors or Reorganized Debtors under environmental law as the owner or operator of property that such entity owns or operates after the Effective Date. Moreover, nothing in the Plan or Confirmation Order shall effect a release of any claim by the United States, including without limitation any claim arising under the Internal Revenue Code, the environmental laws or the criminal laws, against any non-Debtor party, nor shall anything in the Plan or Confirmation Order enjoin the United States from bringing any claim, suit, action or other proceeding against any non-Debtor party for any liability whatsoever, including without limitation any claim, suit or action arising under the Internal Revenue Code, the environmental laws or the criminal

laws, nor shall anything in the Plan or Confirmation Order exculpate any party from any liability to the United States, including any liabilities arising under the Internal Revenue Code, the environmental laws or the criminal laws against any non-Debtor party; *provided*, *however*, that the foregoing sentence shall not limit the scope of discharge granted to the Debtors or Reorganized Debtors under sections 524 and 1141 of the Bankruptcy Code.

Nothing in the Plan or Confirmation Order limits or expands the discharge and injunction to which the Debtors or Reorganized Debtors are entitled under the Bankruptcy Code or other applicable law. The discharge and injunction provisions contained in the Plan and Confirmation Order are not intended and shall not be construed to bar the United States from, subsequent to the Confirmation Date, pursuing any police or regulatory action.

ARTICLE 10
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction over the Chapter 11 Cases after the Effective Date to the extent legally permissible, including, without limitation, jurisdiction to:

(a) Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the allowance or priority of Claims;

(b) Grant or deny any applications for allowance of compensation or reimbursement of expenses authorized under the Bankruptcy Code or the Plan;

(c) Resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which any Debtor is a party and to hear, determine and, if necessary, liquidate, any Claims arising from, or cure amounts related to, such assumption or rejection;

(d) Ensure that distributions to holders of Allowed Claims are accomplished in accordance with the Plan;

(e) Decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters and grant or deny any applications or motions involving any Debtor that may be pending on the Effective Date;

(f) Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

(g) Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan or any Person’s obligations incurred in connection with the Plan; provided, however, that any disputes with respect to the US Airways Code Share Agreement shall be subject to the provisions regarding jurisdiction contained therein.

(h) Modify the Plan before or after the Effective Date under Section 1127 of the Bankruptcy Code or modify the Disclosure Statement or any contract, instrument, release, or other agreement or document created in connection with the Plan or the Disclosure Statement; or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created in connection with the Plan and the Disclosure Statement, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

(i) Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

(j) Determine any other matters that may arise in connection with or related to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, except as otherwise provided in the Plan;

(k) Hear and determine Causes of Action and Defenses commenced by the Debtors or the Post-Effective Date Debtors to the extent the Bankruptcy Court otherwise has jurisdiction over such claims;

(l) Hear and determine any and all retained Claims commenced by the Debtors to the extent the Bankruptcy Court otherwise has jurisdiction over such claims;

(m) Enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation or enforcement of the Plan, except as otherwise provided in the Plan; and

(n) Enter an order closing the Chapter 11 Cases at the appropriate time.

ARTICLE 11
AMENDMENT AND WITHDRAWAL OF PLAN

11.1 Amendment of the Plan. At any time before the Confirmation Date, the Debtors may alter, amend, or modify the Plan in consultation with the Committee, subject only to the restrictions on modifications set forth in Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019. After the Confirmation Date, the Debtors may, under Section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or

omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, or as otherwise may be necessary to carry out the purposes and effects of the Plan so long as such proceedings do not materially and adversely affect the treatment of holders of Claims under the Plan; *provided*, *however*, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or applicable order of the Bankruptcy Court.

11.2 Revocation or Withdrawal of the Plan. The Debtors reserve the right to revoke or withdraw this Plan in consultation with the Committee. If the Plan is withdrawn or revoked, then the Plan shall be deemed null and void, and nothing contained in the Plan shall be deemed a waiver of any Claims by or against the Debtors or any other Person in any further proceedings involving the Debtors or an admission of any sort, and this Plan and any transaction contemplated by this Plan shall not be admitted into evidence in any proceeding.

ARTICLE 12
MISCELLANEOUS

12.1 Effectuating Documents; Further Transactions; Timing. The Debtors and the Post-Effective Date Debtors shall be authorized and directed to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents, and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. All transactions required to occur on the Effective Date under the terms of the Plan shall be deemed to have occurred simultaneously.

12.2 Exemption From Transfer Taxes. In accordance with Section 1146(c) of the Bankruptcy Code, the making, delivery, or recording of a deed or other instrument of transfer under this Plan shall not be subject to any stamp tax or similar tax, fee or assessment, and the appropriate state or local government officials or agents, including, without limitation, the Federal Aviation Administration, shall be directed to forego the collection of any such tax, fee or assessment and to accept for filing or recordation any of the foregoing instruments or other documents without the payment of any such tax, fee or assessment.

12.3 Governing Law. Except to the extent that the Bankruptcy Code or other federal law is controlling or the parties to a contract or agreement have agreed otherwise with respect to such contract or agreement, the rights, duties and obligations of the Debtors, the Post-Effective Date Debtors, and any other Person arising only under the Plan shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York, without giving effect to New York's choice of law provisions.

12.4 Modification of Payment Terms. The Post-Effective Date Debtors may modify the treatment of any Allowed Claim or Interest in any manner adverse only to the holder of such Claim or Interest at any time after the Effective Date upon the prior written consent of the Person whose Allowed Claim or Interest treatment is being adversely affected.

12.5 Provisions Enforceable. The Confirmation Order shall constitute a judicial determination that each term and provision of this Plan is valid and enforceable in accordance with its terms.

12.6 Quarterly Fees to the United States Trustee. All fees payable under 28 U.S.C. § 1930(a)(6), and interest and penalties payable under 31 U.S.C. § 3717, shall be paid by the Debtors in the amounts and at the times such amounts may become due up to and including the Effective Date. Thereafter, the Post-Effective Date Debtors shall pay all fees payable under 28 U.S.C. § 1930(a)(6), and interest and penalties payable under 31 U.S.C. § 3717, until the Chapter 11 Cases are closed, dismissed or converted.

12.7 Timing of Payment. Whenever any payment or distribution to be made under the Plan is due on a day other than a Business Day, such payment or distribution may instead be made, without interest, on the immediately following Business Day.

12.8 Notice of Confirmation. As soon as practicable following the Effective Date of the Plan, the Post-Effective Date Debtors shall file and serve a notice of the entry of the Confirmation Order in the manner required under Bankruptcy Rule 2002(f). The notice shall further identify the Effective Date and shall set forth the Administrative Claim Bar Date, the Professional Fees Bar Date, the Rejection Claims Bar Date and any other deadlines that may be established under the Plan or the Confirmation Order.

12.9 Successors and Assigns. The Plan is binding upon and will inure to the benefit of the Debtors, the Post-Effective Date Debtors, and each of their respective Agents, successors, and assigns, including, without limitation, any bankruptcy trustees or estate representatives.

12.10 Notices. Except as otherwise provided in the Plan, any notice or other communication required or permitted under the Plan will be in writing and deemed to have been validly served, given, delivered, and received upon the earlier of: (a) the third (3rd) calendar day after transmission by facsimile or hand delivery or deposit with an overnight express service or overnight mail delivery service; or (b) the third (3rd) calendar day after deposit in the United States mail, with proper first class postage prepaid. If such notice is made to the Debtors, it shall be addressed as follows:

Mesa Air Group, Inc., *et al*.
410 N. 44th Street, Suite 700
Phoenix, AZ 85008
Attention: Brian S. Gillman
Facsimile: 602-685-4352

with copies to:

Debra Grassgreen, Esq.
John W. Lucas
Pachulski Stang Ziehl & Jones LLP
150 California St.
15th Floor
San Francisco, CA 94111
Facsimile: 415-263-7010

-and-

Maria A. Bove, Esq.
Pachulski Stang Ziehl & Jones LLP
780 Third Ave., 36th Floor
New York, NY 10017
Facsimile: 212-561-7777

If such notice is made to the Committee, it shall be addressed as follows:

Brett H. Miller, Esq.
Lorenzo Marinuzzi, Esq.
Todd M. Goren, Esq.
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104
Facsimile: 212-468-7900

If such notice is made to the United States Trustee, it shall be addressed as follows:

Tracy Hope Davis, United States Trustee
Attn: Andrea B. Schwartz, Trial Attorney
33 Whitehall St., 21st Floor
New York, NY 10004
Facsimile: 212-668-2255

12.10.1 Notice to Claim and Interest Holders. Notices to Persons holding a Claim or Interest will be sent to the addresses set forth in such Person's proof of Claim or Interest or, if none was filed, at the address set forth in the Schedules.

12.10.2 Post-Effective Date Notices. Following the Effective Date, notices will only be served on the Post-Effective Date Debtors, the Office of the United States Trustee and those Persons who file with the Court and serve upon the Post-Effective Date Debtors a request, which includes such Person's name, contact person, address, telephone number and facsimile number, that such Person receive notice of post-Effective Date matters. Persons who had previously filed with the Court requests for special notice of the proceedings and other filings in the Chapter 11 Cases will not receive notice of post-Effective Date matters unless such Persons file a new request in accordance with this Section 12.10.2.

12.11 Incorporation by Reference. All exhibits, schedules and supplements to the Plan are incorporated and are made a part of the Plan as if set forth in full in the Plan.

12.12 Computation of Time. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply. Any reference to "day" or "days" shall mean calendar days, unless otherwise specified herein.

12.13 Conflict of Terms. In the event of a conflict between the terms of this Plan and the Disclosure Statement, the terms of this Plan will control.

12.14 Severability of Plan Provisions. If, prior to Confirmation, any non-material term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, Impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order will constitute a judicial determination that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms. In addition, in the event that certain Debtors are excluded from the scope of the Plan or the Plan is determine to be invalid, void or unenforceable as to such Debtors, the remaining provisions of the Plan shall remain valid and enforceable against the remaining Debtors to the Plan.

Dated: January 19, 2011

MESA AIR GROUP, INC. AND
ITS DEBTOR AFFILIATES

By: */s/ Michael J. Lotz*
Michael J. Lotz

Respectfully submitted by,

PACHULSKI STANG ZIEHL & JONES LLP

By: */s/ Debra I Grassgreen*
Richard M. Pachulski
Laura Davis Jones
Debra I. Grassgreen
Maria A. Bove
John W. Lucas

Attorneys for Debtors and Debtors in Possession

LIST OF EXHIBITS TO PLAN

Exhibit A: Reorganized Mesa Charter Documents

Exhibit B: List of Key Employment Agreements

Exhibit C: Non-Exclusive List of Retained Claims and/or Defenses

Exhibit D: Convenience Class Distribution Percentages

Exhibit 3.1

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF

MESA AIR GROUP, INC.

FIRST: The name of the corporation is:

Mesa Air Group, Inc. (the "Corporation").

SECOND: The address of the registered office of the Corporation in the State of Nevada is located at 6100 Neil Road, Suite 500, in the City of Reno, County of Washoe. The name of the registered agent at such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the laws of the State of Nevada.

FOURTH: The Corporation is authorized to issue two classes of stock, to be designated "Common Stock," no par value per share, and "Preferred Stock," no par value per share. The total number of shares of Common Stock that the Corporation shall have authority to issue is Fifteen Million (15,000,000), and the total number of shares of Preferred Stock that the Corporation shall have authority to issue is Two Million (2,000,000). Notwithstanding anything to the contrary, to the extent prohibited by Section 1123(a)(6) of the United States Bankruptcy Code (the "Bankruptcy Code") as in effect on the date of filing of this Amended and Restated Articles of Incorporation with the Secretary of State of the State of Nevada, the Corporation will not issue non-voting capital stock; provided, however, the foregoing restriction will (a) have no further force and effect beyond that required under Section 1123 of the Bankruptcy Code, (b) only have such force and effect for so long as Section 1123 of the Bankruptcy Code is in effect and applicable to the Corporation; and (c) in all events may be amended or eliminated in accordance with applicable laws as from time to time may be in effect.

The board of directors of the Corporation (the "Board") is authorized, subject to any limitations prescribed by law, to provide for the issuance of shares of Preferred Stock in series and, by filing a certificate pursuant to the applicable law of the State of Nevada, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and any qualifications, limitations or restrictions thereon. The number of authorized shares of any class of capital stock of the Corporation may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the outstanding shares of Common Stock, without a vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to the certificate or certificates establishing any series of Preferred Stock.

FIFTH: The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by statute or by these Amended and Restated Articles of Incorporation or the Bylaws of the Corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation. Election of directors need not be by written ballot, unless the Bylaws so provide.

SIXTH: The Board of Directors is authorized to make, adopt, amend, alter or repeal the Bylaws of the Corporation.

SEVENTH: [Intentionally Deleted.]

EIGHTH: To the fullest extent allowable under the Nevada Revised Statutes, no director or officer shall have personal liability to the Corporation or its shareholders, or to any other person or entity, for monetary damages for breach of his fiduciary duty as a director, except where there has been: (a) acts or omissions which involve intentional misconduct, fraud or knowing violation of law; or (b) authorization of the unlawful payment of a dividend or other distribution on the Corporation's capital stock, or the unlawful purchase of its capital stock. If the Nevada Revised Statutes are hereafter amended to authorize further elimination of liability of a director or officer, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the Nevada Revised Statutes, as so amended.

NINTH: The Corporation may, to the fullest extent permitted by the provisions of Section 78.751 of the Corporation Code of the Nevada Revised Statutes, as the same may be amended and supplemented, indemnify all persons whom it shall have power to indemnify under such section from and against any and all of the expenses, liabilities or other matters referred to in or covered by such section, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person. The Corporation shall pay or otherwise advance all expenses of officers and directors incurred in defending a civil, criminal, administrative or investigative action, suit or proceeding as such expenses are incurred and in advance of the final disposition of the action, suit or proceeding, provided that the indemnified officer or director undertakes to repay the amounts so advanced if a court of competent jurisdiction ultimately determines that such officer or director is not entitled to be indemnified by the Corporation. Nothing herein shall be construed to affect any rights to advancement of expenses to which personnel other than officers or directors of the Corporation may be entitled under any contract or otherwise by law. Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection existing at the time of, or increase the liability with respect to any acts or omissions occurring prior to, such repeal or modification.

TENTH: Pursuant to Section 78.434 of the Corporation Code of the Nevada Revised Statutes, as the same may be amended and supplemented, the Corporation elects not be governed by Sections 78.411 to 78.444 inclusive of the Nevada Revised Statutes.

ELEVENTH**:**

(a) *Definitions*. As used in this Article Eleventh, the following capitalized terms have the following meanings when used herein with initial capital letters (and any references to any portions of Treasury Regulation § 1.382-2T shall include any successor provisions):

(1) *"4.75-percent Transaction"* means any Transfer described in clause (i) or (ii) of paragraph (b)(1) of this Article Eleventh.

(2) *"4.75-percent Stockholder"* a Person who owns 4.75% or more of the aggregate of (i) the Corporation's then-outstanding Common Stock and (ii) the Corporation's Stock. For this purpose (i) a Person's ownership will be measured and determined pursuant to Section 382 of the Code, or any successor provision or replacement provision and the Treasury Regulations thereunder (ii) a Person's ownership includes direct and indirect ownership and (iii) a Person's ownership will include shares such Person would be deemed to constructively own or which otherwise would be aggregated with shares owned by such Person pursuant to Section 382 of the Code, or any successor provision or replacement provision and the Treasury Regulations thereunder (substituting 5 percent with 4.75 percent where relevant),

(3) *"Agent"* has the meaning set forth in paragraph (e) of this Article Eleventh.

(4) "*Change of Control"* means any "person" or "group" (each as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) either becomes the beneficial owner (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of voting securities of the Corporation (or securities convertible into or exchangeable for such voting securities) representing 50% or more of the combined voting power of all voting securities of the Corporation (on a fully diluted basis) or otherwise has the ability, directly or indirectly, to elect a majority of the Board of Directors of the Corporation or any person or two or more persons acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence on the management or policies of the Corporation.

(5) *"Common Stock"* means any interest in Common Stock, no par value per share, of the Corporation that would be treated as "stock" of the Corporation pursuant to Treasury Regulation § 1.382-2T(f)(18).

(6) *"Code"* means the United States Internal Revenue Code of 1986, as amended from time to time, and the rulings issued thereunder.

(7) *"Corporation Security"* or *"Corporation Securities"* means (i) shares of Common Stock, (ii) shares of Preferred Stock issued by the Corporation (other than preferred stock described in Section 1504(a)(4) of the Code), (iii) warrants, rights, options (including options within the meaning of Treasury Regulation § 1.382-2T(h)(4)(v) or Treasury Regulation §1.382-4(d)(9)) to purchase Securities of the Corporation, and (iv) any Stock.

(8) "*Effective Date*" means the date of filing of this Amended and Restated Articles of Incorporation of the Corporation with the Secretary of State of the State of Nevada.

(9) "*Excess Securities*" has the meaning given such term in paragraph (d) of this Article Eleventh.

(10) "*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(11) "*Expiration Date*" means the earlier of (i) the repeal of Section 382 of the Code or any successor statute if the Board of Directors determines that this Article Eleventh is no longer necessary for the preservation of Tax Benefits, (ii) the beginning of a taxable year of the Corporation to which the Board of Directors determines that no Tax Benefits may be carried forward, (iii) such date as the Board of Directors shall fix in accordance with paragraph (l) of this Article Eleventh, (iv) such date as the Company completes an initial public offering of its common stock, or (v) three years following the effective date of the Company's Chapter 11 Third Amended Joint Plan of Reorganization, dated January 19, 2011, as filed with the United States Bankruptcy Court for the Southern District of New York (the "Plan").

(12) "*Percentage Stock Ownership*" means the percentage Stock Ownership interest of any Person or group (as the context may require) for purposes of Section 382 of the Code as determined in accordance with the Treasury Regulation § 1.382-2T(g), (h), (j) and (k) or any successor provision. For purposes of applying Treasury Regulation § 1.382-2T(k)(2), the Corporation shall be treated as having "actual knowledge" of the beneficial ownership of all outstanding shares of Stock that would be attributed to any Person.

(13) "*Person*" means any individual, firm, corporation or other legal entity, including a group of persons treated as an entity pursuant to Treasury Regulation § 1.382-3(a)(1)(i); and includes any successor (by merger or otherwise) of such entity.

(14) "*Prohibited Distributions*" means any and all dividends or other distributions paid by the Corporation with respect to any Excess Securities received by a Purported Transferee.

(15) "*Prohibited Transfer*" means any Transfer or purported Transfer of Corporation Securities to the extent that such Transfer is prohibited and/or void under this Article Eleventh.

(16) "*Purported Transferee*" has the meaning set forth in paragraph (d) of this Article Eleventh.

(17) "*Securities*" and "*Security*" each has the meaning set forth in paragraph (g) of this Article Eleventh.

(18) "*Stock*" means any Common Stock or Preferred Stock that would be treated as "stock" of the Corporation pursuant to Treasury Regulation § 1.382-2T(f)(18) and any nonstock instruments treated as stock for purposes of Section 382 of the Code inclusive of nonstock instruments treated as stock pursuant to Treasury Regulation § 1.382-2T(f)(18) and the

Corporation's Warrants issued pursuant to the Plan and other options (within the meaning of Treasury Regulation § 1.382-4(d)(9)) to the extent characterized as stock under Treasury Regulation § 1.382-4(d) or under general principles of U.S. federal income tax law. To the extent substantial uncertainty exists as to the designation of a particular nonstock instrument as Stock for this purpose, such instrument will be included in or excluded from the definition of Stock for a Person in a manner most likely to preserve Tax Benefits.

(19) "*Stock Ownership*" means any direct or indirect ownership of Stock, including any ownership by virtue of application of constructive ownership rules, with such direct, indirect, and constructive ownership determined under the provisions of Section 382 of the Code and the regulations thereunder.

(20) "*Tax Benefits*" means the net operating loss carryforwards, capital loss carryforwards, general business credit carryforwards, alternative minimum tax credit carryforwards and foreign tax credit carryforwards, as well as any loss or deduction attributable to a "net unrealized built-in loss" of the Corporation or any direct or indirect subsidiary thereof, within the meaning of Section 382 of the Code.

(21) "*Transfer*" means, any direct or indirect sale, transfer, assignment, conveyance, claim of worthlessness subject to Section 382(g)(4)(D) of the Code, pledge or other disposition or other action taken by a Person, other than the Corporation, that alters the Percentage Stock Ownership of any Person. A Transfer also shall include the creation or grant of an option (including an option within the meaning of Treasury Regulation § 1.382-2T(h)(4)(v) or Treasury Regulation §1.382-4(d)(9)). For the avoidance of doubt, a Transfer shall not include the creation or grant of an option by the Corporation, nor shall a Transfer include the issuance of Stock by the Corporation.

(22) "*Transferee*" means any Person to whom Corporation Securities are Transferred.

(23) "*Treasury Regulations*" means the regulations, including temporary regulations or any successor regulations promulgated under the Code, as amended from time to time.

(b) *Transfer And Ownership Restrictions*.

(1) In order to preserve the Tax Benefits, from and after the Effective Date of this Article Eleventh any attempted Transfer of Corporation Securities prior to the Expiration Date and any attempted Transfer of Corporation Securities pursuant to an agreement entered into prior to the Expiration Date, shall be prohibited and void *ab initio* to the extent that, as a result of such Transfer (or any series of Transfers of which such Transfer is a part) (i) any Person or Persons would become a 4.75-percent Stockholder (ii) the Percentage Stock Ownership in the Corporation of any 4.75-percent Stockholder would be increased, or (iii) the Percentage Stock Ownership in the Corporation of any 4.75 -percent Stockholder would be decreased (whether or not the Transferee is or would be a 4.75-percent Stockholder).

(2) In order to ensure the Corporation's code share agreements are not subject to early termination, from and after the Effective Date any attempted Transfer of Corporation Securities shall be prohibited and void *ab initio* to the extent that, as a result of such Transfer (or series of Transfers of which such Transfer is a part), a Change of Control would occur.

(3) In order to ensure the Corporation does not become subject to the reporting obligations under the Exchange Act, from and after the Effective Date any attempted Transfer of Corporation Securities shall be prohibited and void *ab initio* to the extent that, as a result of such Transfer (or any series of Transfers of which such Transfer is a part), the Corporation would have 500 or more shareholders of record.

(4) In order to ensure the Corporation does not lose its status as a "U.S. citizen" within the meaning of 49 U.S.C. Section 40102(a)(15), as in effect on the date in question, or any successor statute or regulation, as interpreted by the U.S. Department of Transportation in applicable precedent, from and after the Effective Date any attempted Transfer of Corporation Securities shall be prohibited and void *ab initio* to the extent, as a result of such Transfer (or series of Transfers of which such Transfer is a part), such transfer the Corporation's Securities would cause the Corporation to lose its status as a U.S. citizen.

(c) *Exceptions*.

(1) The restrictions set forth in paragraph (b)(1) through (4) of this Article Eleventh shall not apply to certain transactions approved by the Board of Directors, including, but not limited to, a merger or consolidation, in which all holders of Common Stock (and/or Corporation Securities) receive or are offered the same opportunity to receive, cash or other consideration for all such Common Stock (and/or Corporation Securities), and upon the consummation of which the acquirer will own at least a majority of the outstanding shares of Common Stock (and/or Corporation Securities), (B) a tender or exchange offer by the Corporation to purchase Corporation Securities, (C) a purchase program effected by the Corporation on the open market and not the result of a privately-negotiated transaction, or (D) any optional or required redemption of a Corporation Security pursuant to the terms of such security.

(2) The restrictions set forth in paragraph (b)(1) through (4) of this Article Eleventh shall not apply to an attempted Transfer (including, without limitation, a 4.75-percent Transaction) if the transferor or the Transferee obtains the written approval of the Board of Directors or a duly authorized committee thereof. As a condition to granting its approval pursuant to this paragraph (c) of Article Eleventh, the Board of Directors, may, in its discretion, require (at the expense of the transferor and/or transferee) reasonable documentation, including, without limitation, an opinion of counsel or other tax advisor selected by the Board of Directors that the Transfer should not result in the application of any Section 382 of the Code limitation on the use of the Tax Benefits; provided that the Board may grant such approval notwithstanding the effect of such approval on the Tax Benefits if it determines that the approval is in the best interests of the Corporation. Further, the restrictions set forth in paragraph (b)(1) through (4) of this Article Eleventh shall not apply to an attempted Transfer (including, without limitation, a 4.75-percent Transaction) if the Board determines (treating all holder of Common Stock similarly) in its reasonable discretion that such restrictions are not necessary to preserve the value of the Tax Benefits. The Board of Directors may impose any conditions that it deems reasonable and appropriate in connection with any approval granted pursuant to this

subparagraph (2), including, without limitation, restrictions on the ability of any Transferee to Transfer Stock acquired through a Transfer. The Board of Directors, to the fullest extent permitted by law, may exercise the authority granted by this Article Eleventh through duly authorized officers or agents of the Corporation. Nothing in this paragraph (c) of this Article Eleventh shall be construed to limit or restrict the Board of Directors in the exercise of its fiduciary duties under applicable law.

(d) *Excess Securities*.

(1) No employee or agent of the Corporation shall record any Prohibited Transfer, and the purported transferee of such a Prohibited Transfer (the *"Purported Transferee"*) shall not be recognized as a stockholder of the Corporation for any purpose whatsoever in respect of the Corporation Securities which are the subject of the Prohibited Transfer (the *"Excess Securities"*). Until the Excess Securities are acquired by another person in a Transfer that is not a Prohibited Transfer, the Purported Transferee shall not be entitled with respect to such Excess Securities to any rights as a stockholder of the Corporation, including, without limitation, the right to vote such Excess Securities and to receive dividends or distributions, whether liquidating or otherwise, in respect thereof, if any, and the Excess Securities shall be deemed to remain with the transferor unless and until the Excess Securities are transferred to the Agent pursuant to paragraph (e) of this Article Eleventh or until an approval is obtained under paragraph (c) of this Article Eleventh. After the Excess Securities have been acquired in a Transfer that is not a Prohibited Transfer, the Corporation Securities shall cease to be Excess Securities. For this purpose, any Transfer of Excess Securities not in accordance with the provisions of paragraphs (d) or (e) of this Article Eleventh shall also be a Prohibited Transfer.

(2) The Corporation may require as a condition to the registration of the Transfer of any Corporation Securities or the payment of any distribution on any Corporation Securities that the proposed Transferee or payee furnish to the Corporation all information reasonably requested by the Corporation with respect to its direct or indirect ownership interests in such Corporation Securities. The Corporation may make such arrangements or issue such instructions to its stock transfer agent as may be determined by the Board of Directors to be necessary or advisable to implement this Article Eleventh, including, without limitation, authorizing such transfer agent to require an affidavit from a Purported Transferee regarding such Person's actual and constructive ownership of stock and other evidence that a Transfer will not be prohibited by this Article Eleventh as a condition to registering any transfer.

(e) *Transfer To Agent; Rescission.* If the Board of Directors determines that an attempted Transfer of Corporation Securities constitutes a Prohibited Transfer then, upon written demand by the Corporation sent within thirty days of the date on which the Board of Directors determines that the attempted Transfer would result in Excess Securities, then, at the election of the Board of Directors, (1) the Purported Transferee and the transferor shall take all steps necessary to rescind the Prohibited Transfer or (ii) shall transfer or cause to be transferred any certificate or other evidence of ownership of the Excess Securities within the Purported Transferee's possession or control, together with any Prohibited Distributions, to an agent designated by the Board of Directors (the *"Agent"*). The Agent shall thereupon sell to a buyer or buyers, which may include the Corporation, the Excess Securities transferred to it in one or more

arm's-length transactions (on the public securities market on which such Excess Securities are traded, if possible, or otherwise privately); *provided*, *however*, that any such sale must not constitute a Prohibited Transfer and, *provided*, *further*, that the Agent shall effect such sale or sales in an orderly fashion and shall not be required to effect any such sale within any specific time frame if, in the Agent's discretion, such sale or sales would disrupt the market for the Corporation Securities or otherwise would adversely affect the value of the Corporation Securities. If the Purported Transferee has resold the Excess Securities before receiving the Corporation's demand to surrender Excess Securities to the Agent, the Purported Transferee shall be deemed to have sold the Excess Securities for the Agent, and shall be required to transfer to the Agent any Prohibited Distributions and proceeds of such sale, except to the extent that the Corporation grants written permission to the Purported Transferee to retain a portion of such sales proceeds not exceeding the amount that the Purported Transferee would have received from the Agent pursuant to paragraph (f) of this Article Eleventh if the Agent rather than the Purported Transferee had resold the Excess Securities.

(f) *Application Of Proceeds And Prohibited Distributions*. The Agent shall apply any proceeds of a sale by it of Excess Securities and, if the Purported Transferee has previously resold the Excess Securities, any amounts received by it from a Purported Transferee, together, in either case, with any Prohibited Distributions, as follows: (a) first, such amounts shall be paid to the Agent to the extent necessary to cover its costs and expenses incurred in connection with its duties hereunder; (b) second, any remaining amounts shall be paid to the Purported Transferee, up to the amount paid by the Purported Transferee for the Excess Securities (or the fair market value at the time of the Transfer, in the event the purported Transfer of the Excess Securities was, in whole or in part, a gift, inheritance or similar Transfer) which amount shall be determined at the discretion of the Board of Directors; and (c) third, any remaining amounts shall be paid to one or more organizations qualifying under section 501(c)(3) of the Code (or any comparable successor provision) selected by the Board of Directors. The Purported Transferee of Excess Securities shall have no claim, cause of action or any other recourse whatsoever against any transferor of Excess Securities. The Purported Transferee's sole right with respect to such shares shall be limited to the amount payable to the Purported Transferee pursuant to this paragraph (f) of Article Eleventh. In no event shall the proceeds of any sale of Excess Securities pursuant to this paragraph (f) of Article Eleventh inure to the benefit of the Corporation or the Agent, except to the extent used to cover costs and expenses incurred by Agent in performing its duties hereunder.

(g) *Modification Of Remedies For Certain Indirect Transfers*. In the event of any Transfer which does not involve a transfer of securities of the Corporation within the meaning of Nevada law (*"Securities,"* and individually, a *"Security"*) but which would cause a 4.75-percent Stockholder to violate a restriction on Transfers provided for in this Article Eleventh, the application of paragraphs (e) and (f) of this Article Eleventh shall be modified as described in this paragraph (g) of this Article Eleventh. In such case, no such 4.75-percent Stockholder shall be required to dispose of any interest that is not a Security, but such 4.75-percent Stockholder and/or any Person whose ownership of Securities is attributed to such 4.75-percent Stockholder shall be deemed to have disposed of and shall be required to dispose of sufficient Securities (which Securities shall be disposed of in the inverse order in which they were acquired) to cause such 4.75-percent Stockholder, following such disposition, not to be in violation of this Article Eleventh. Such disposition shall be deemed to occur simultaneously with the Transfer giving rise

to the application of this provision, and such number of Securities that are deemed to be disposed of shall be considered Excess Securities and shall be disposed of through the Agent as provided in paragraphs (e) and (f) of this Article Eleventh, except that the maximum aggregate amount payable either to such 4.75-percent Stockholder, or to such other Person that was the direct holder of such Excess Securities, in connection with such sale shall be the fair market value of such Excess Securities at the time of the purported Transfer. All expenses incurred by the Agent in disposing of such Excess Stock shall be paid out of any amounts due such 4.75-percent Stockholder or such other Person. The purpose of this paragraph (g) of Article Eleventh is to extend the restrictions in paragraphs (b) and (e) of this Article Eleventh to situations in which there is a 4.75-percent Transaction without a direct Transfer of Securities, and this paragraph (g) of Article Eleventh, along with the other provisions of this Article Eleventh, shall be interpreted to produce the same results, with differences as the context requires, as a direct Transfer of Corporation Securities.

(h) *Legal Proceedings; Prompt Enforcement*. If the Purported Transferee fails to rescind the transaction or surrender the Excess Securities or the proceeds of a sale thereof to the Agent within thirty days from the date on which the Corporation makes a written demand pursuant to paragraph (e) of this Article Eleventh (whether or not made within the time specified in paragraph (e) of this Article Eleventh), then the Corporation shall promptly take all cost effective actions which it believes are appropriate to enforce the provisions hereof, including the institution of legal proceedings to compel the surrender. Nothing in this paragraph (h) of Article Eleventh shall (i) be deemed inconsistent with any Transfer of the Excess Securities provided in this Article Eleventh being void *ab initio*, (ii) preclude the Corporation in its discretion from immediately bringing legal proceedings without a prior demand or (iii) cause any failure of the Corporation to act within the time periods set forth in paragraph (e) of this Article Eleventh to constitute a waiver or loss of any right of the Corporation under this Article Eleventh. The Board of Directors may authorize such additional actions as it deems advisable to give effect to the provisions of this Article Eleventh.

(i) *[Intentionally Deleted.]*

(j) *Obligation To Provide Information.* As a condition to the registration of the Transfer of any Stock, any Person who is a beneficial, legal or record holder of Stock, and any proposed Transferee and any Person controlling, controlled by or under common control with the proposed Transferee, shall provide such information as the Corporation may reasonably request from time to time in order to determine compliance with this Article Eleventh or the status of the Tax Benefits of the Corporation.

(k) *Legends*. The Board of Directors may require that any certificates issued by the Corporation evidencing ownership of shares of Stock that are subject to the restrictions on transfer and ownership contained in this Article Eleventh bear the following legend:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN TRANSFER RESTRICTIONS SET FORTH IN THE AMENDED AND RESTATED ARTICLES OF INCORPORATION (AS THERETOFORE AMENDED, THE "CHARTER"), OF THE CORPORATION. A COPY OF THE CHARTER CONTAINING SUCH TRANSFER RESTRICTIONS IS AVAILABLE UPON WRITTEN REQUEST TO THE CORPORATION'S CORPORATE SECRETARY AT ITS PRINCIPAL PLACE OF BUSINESS."

(l) *Authority Of Board Of Directors*.

(1) The Board of Directors shall have the power to determine all matters necessary for assessing compliance with this Article Eleventh, including, without limitation, (i) the identification of 4.75-percent Stockholders, (ii) whether a Transfer is a 4.75-percent Transaction or a Prohibited Transfer, (iii) the Percentage Stock Ownership in the Corporation of any 4.75-percent Stockholder, (iv) whether an instrument constitutes a Corporation Security or Stock, (v) the amount (or fair market value) due to a Purported Transferee pursuant to paragraph (f) of this Article Eleventh, and (vi) any other matters which the Board of Directors determines to be relevant; and the good faith determination of the Board of Directors on such matters shall be conclusive and binding for all the purposes of this Article Eleventh. In addition, the Board of Directors may, to the extent permitted by law, from time to time establish, modify, amend or rescind by-laws, regulations and procedures of the Corporation not inconsistent with the provisions of this Article Eleventh (including, without limitation, for purposes of determining whether any Transfer of Corporation Securities would jeopardize the Corporation's ability to preserve and use the Tax Benefits) and for the orderly application, administration and implementation of this Article Eleventh.

(2) Nothing contained in this Article Eleventh shall limit the authority of the Board of Directors to take such other action to the extent permitted by law as it deems necessary or advisable to protect the Corporation and its stockholders in preserving the Tax Benefits or otherwise. Without limiting the generality of the foregoing, in the event of a change in law making one or more of the following actions necessary or desirable, the Board of Directors may, by adopting a written resolution, (i) accelerate or extend the Expiration Date, (ii) modify the ownership interest percentage in the Corporation or the Persons or groups covered by this Article Eleventh, (iii) modify the definitions of any terms set forth in this Article Eleventh or (iv) modify the terms of this Article Eleventh as appropriate, in the instance of the restriction in (b)(1) of the Article Eleventh only, in order to prevent an ownership change for purposes of Section 382 of the Code as a result of any changes in applicable Treasury Regulations or otherwise; *provided, however*, that in such instance only the Board of Directors shall not cause there to be such acceleration, extension or modification unless it determines, by adopting a written resolution, that such action is reasonably necessary or advisable to preserve the Tax Benefits or that the continuation of these restrictions is no longer reasonably necessary for the preservation of the Tax Benefits. Stockholders of the Corporation shall be notified of such determination through a filing with the Securities and Exchange Commission or such other method of notice as the Secretary of the Corporation shall deem appropriate.

(3) In the case of an ambiguity in the application of any of the provisions of this Article Eleventh, including any definition used herein, the Board of Directors shall have the power to determine the application of such provisions with respect to any situation based on its reasonable belief, understanding or knowledge of the circumstances. In the event this Article Eleventh requires an action by the Board of Directors but fails to provide specific guidance with respect to such action, the Board of Directors shall have the power to determine

the action to be taken so long as such action is not contrary to the provisions of this Article Eleventh. All such actions, calculations, interpretations and determinations which are done or made by the Board of Directors in good faith shall be conclusive and binding on the Corporation, the Agent, and all other parties for all other purposes of this Article Eleventh. The Board of Directors may delegate all or any portion of its duties and powers under this Article Eleventh to a committee of the Board of Directors as it deems necessary or advisable and, to the fullest extent permitted by law, may exercise the authority granted by this Article Eleventh through duly authorized officers or agents of the Corporation. Nothing in this Article Eleventh shall be construed to limit or restrict the Board of Directors in the exercise of its fiduciary duties under applicable law.

(m) *Reliance*. To the fullest extent permitted by law, the Corporation and the members of the Board of Directors shall be fully protected in relying in good faith upon the information, opinions, reports or statements of the chief executive officer, the chief financial officer, the chief accounting officer or the corporate controller of the Corporation and the Corporation's legal counsel, independent auditors, transfer agent, investment bankers or other employees and agents in making the determinations and findings contemplated by this Article Eleventh. The members of the Board of Directors shall not be responsible for any good faith errors made in connection therewith. For purposes of determining the existence and identity of, and the amount of any Corporation Securities which are described in Rule 13d-1(d) of Regulation 13D-G and are owned by any stockholder, the Corporation is entitled to rely on the existence and absence of filings of Schedule 13D or 13G under the Securities and Exchange Act of 1934, as amended (or similar filings), as of any date, subject to its actual knowledge of the ownership of Corporation Securities.

(n) *Benefits Of This Article Eleventh*. Nothing in this Article Eleventh shall be construed to give to any Person other than the Corporation or the Agent any legal or equitable right, remedy or claim under this Article Eleventh. This Article Eleventh shall be for the sole and exclusive benefit of the Corporation and the Agent.

(o) *Severability*. If any provision of this Article Eleventh or the application of any such provision to any Person or under any circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Article Eleventh.

(p) *Waiver*. With regard to any power, remedy or right provided herein or otherwise available to the Corporation or the Agent under this Article Eleventh, (i) the Board of Directors shall have full power and authority to waive any condition or provision on behalf of the Corporation or the Agent; (ii) no waiver will be effective unless expressly contained in a writing signed by the waiving party; and (iii) no alteration, modification or impairment will be implied by reason of any previous waiver, extension of time, delay or omission in exercise, or other indulgence.

TWELFTH: Except as expressly provided in these Amended Restated Articles of Incorporation, the Corporation reserves the right to amend, alter, change or repeal any provision contained in these Amended Restated Articles of Incorporation, in the manner now or hereafter prescribed by the laws of Nevada and these Amended Restated Articles of Incorporation, and all rights and powers conferred herein upon stockholders and directors are granted subject to this reservation.

These Amended and Restated Articles of Incorporation of the Corporation were duly adopted in accordance with the applicable provisions of the Nevada Revised Statutes.

IN WITNESS WHEREOF, the Corporation has caused these Amended and Restated Articles of Incorporation to be executed by its Secretary this 28th day of February, 2011.

MESA AIR GROUP, INC.

BY: /s/ Christopher Pappaioanou
Name: Christopher Pappaioanou
Title: Secretary

I, Christopher Pappaioanou, declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct to the best of my knowledge, information, and belief.

/s/ Christopher Pappaioanou
Christopher Pappaioanou

Exhibit 3.2

BYLAWS
OF
MESA AIR GROUP, INC.

ARTICLE I
SHAREHOLDERS

1.1 Place of Meetings. All meetings of shareholders shall be held at such place (if any) within or without the State of Nevada as may be determined from time to time by the Board of Directors or, if not determined by the Board of Directors, by the Chairman of the Board, the President or the Chief Executive Officer; provided that the Board of Directors may, in its sole discretion, determine that any meeting of shareholders shall not be held at any place but shall be held solely by means of remote communication in accordance with Section 1.13.

1.2 Annual Meeting. The first annual meeting of shareholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting following the effective date of these Bylaws (the "Effective Date") shall be held not later than 15 months following such Effective Date, and not later than each one year anniversary thereafter, provided, however, in no event shall the third annual meeting of shareholders for the election of directors be held earlier than the business day immediately following the expiration of the 36th month following the Effective Date or later than the expiration of the 39th month following the Effective Date. Each such subsequent annual meeting of shareholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held in accordance with applicable Nevada Revised Statutes. Each such annual meeting shall be held on a date to be fixed by the Board of Directors at a time to be fixed by the Board of Directors and stated in the notice of the meeting. If for any reason directors are not elected at an annual meeting of shareholders, they may be elected at any special meeting of shareholders which is called and held for that purpose.

1.3 Special Meetings. Special meetings of shareholders may be called at any time by any two directors, the Chairman of the Board, the Chief Executive Officer, or the President or the lesser of (A) holders of record of not less than 25% of the company's shares determined on a fully diluted basis, and (B) holders of record of not less than 50% of the company's shares entitled to vote at the special meeting, for any purpose or purposes prescribed in the notice of the meeting and shall be held on such date and at such time as the Board may fix. Business transacted at any special meeting of shareholders shall be confined to the purpose or purposes stated in the notice of meeting. The calculation of "fully diluted" as used in this Section 1.3 shall include in the denominator all: (1) outstanding shares, (2) outstanding warrants (on an as exercised and as converted to common basis), (3) unvested shares of restricted common stock issued under the company's Management Equity Pool, (4) shares reserved for future grant under the company's Management Equity Pool, and (5) any other convertible securities on an as converted to common basis.

Upon a request in writing sent by registered mail to the Secretary of the corporation by any shareholder or shareholders entitled to request a special meeting of shareholders pursuant to this Section 1.3, which request contains the information required pursuant to Sections 1.10 and 2.15, as applicable, and upon a determination by the Secretary of the validity of such request, it shall be the duty of the Secretary to present the request to the Board of Directors, whereupon the Board of Directors (a) shall determine a place and time for such meeting, which time shall be not less than 100 nor more than 120 days after the receipt of such request, and (b) shall fix, in accordance with Section 4.5, a record date for the determination of shareholders entitled to vote at such meeting. Upon Board action as provided in this Section 1.3, the Secretary of the corporation shall cause notice to be given to the shareholders, in accordance with Section 1.4 hereof, that a meeting will be held for the purposes set forth in the shareholder's request, as well as any additional purpose or purposes determined by the Board of Directors in accordance with this Section 1.3.

1.4 Notice of Meetings.

(a) Written notice of each meeting of shareholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date on which the meeting is to be held, to each shareholder entitled to vote at such meeting as of the record date fixed by the Board of Directors for determining the shareholders entitled to notice of the meeting, except as otherwise provided herein or as required by law (meaning here and hereafter, as required from time to time by the Nevada Revised Statutes or the Amended and Restated Articles of Incorporation of the corporation (the "Articles of Incorporation")). The notice of any meeting shall state the place, if any, date, hour and purposes or purposes of the meeting, and the means of remote communication, if any, by which shareholders and proxy holders may be deemed to be present in person and vote at such meeting.

(b) Notice to shareholders may be given by personal delivery, mail, or, with the consent of the shareholder entitled to receive notice, by facsimile or other means of electronic transmission. If mailed, such notice shall be delivered by postage prepaid envelope directed to each shareholder at such shareholder's address as it appears in the records of the corporation and shall be deemed given when deposited in the United States mail. Notice given by electronic transmission pursuant to this subsection shall be deemed given: (1) if by facsimile telecommunication, when directed to a facsimile telecommunication number at which the shareholder has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the shareholder has consented to receive notice; (3) if by posting on an electronic network together with separate notice to the shareholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the shareholder. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by personal delivery, by mail, or by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(c) Notice of any meeting of shareholders need not be given to any shareholder if waived by such shareholder either in a writing signed by such shareholder or by electronic transmission, whether such waiver is given before or after such meeting is held. If such a waiver is given by electronic transmission, the electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the shareholder.

1.5 Voting List. The officer who has charge of the stock ledger of the corporation shall prepare, at least 10 days before each meeting of shareholders, a complete list of the shareholders entitled to vote at the meeting; the list shall reflect the shareholders entitled to vote as of the tenth day before the meeting date, showing the mailing address of each shareholder and the number of shares registered in the name of each shareholder. The corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any such shareholder, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, (b) during ordinary business hours at the principal place of business of the corporation, or (c) in any other manner provided by law. The stock ledger shall be the only evidence as to the shareholders who are entitled to examine the list required by this Section 1.5 or to vote in person or by proxy at any meeting of shareholders.

1.6 Quorum. Except as otherwise provided by law or these Bylaws, the holders of a majority of the shares of the capital stock of the corporation entitled to vote at the meeting, present in person or represented by proxy, regardless of whether the proxy has authority to vote on all matters, shall constitute a quorum for the transaction of business. Where a separate class vote by a class or classes or series is required, a majority of the shares of such class or classes or series present in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter.

1.7 Adjournments. Any meeting of shareholders may be adjourned to any other time and to any other place at which a meeting of shareholders may be held under these Bylaws by the chairman of the meeting or, in the absence of such person, by any officer entitled to preside at or to act as secretary of such meeting, or by the holders of a majority of the shares of stock present or represented at the meeting and entitled to vote, although less than a quorum. When a meeting is adjourned to another place, date or time, written notice need not be given of the adjourned meeting if the date, time, and place, if any, thereof, and the means of remote communication, if any, by which shareholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than 30 days after the date for which the meeting was originally noticed, or if the Board of Directors fixes a new record date for determining the shareholders entitled to vote at the adjourned meeting in accordance with Section 4.5, written notice of the place, if any, date, and time of the adjourned meeting and the means of remote communications, if any, by which shareholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting, shall be given in conformity herewith. The board of directors must fix a new record date if the meeting is adjourned to a date more than 60 days later than the date set for the original meeting. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each shareholder shall have one vote for each share of stock entitled to vote held of record by such shareholder and a proportionate vote for each fractional share so held, unless otherwise provided by law or in the Articles of Incorporation. Each shareholder of record entitled to vote at a meeting of shareholders may vote in person or may authorize any other person or persons to vote or act for such shareholder by a written proxy executed by the shareholder or the shareholder’s authorized agent or by an electronic

transmission permitted by law and delivered to the Secretary of the corporation. Any copy, facsimile transmission or other reliable reproduction of the writing or electronic transmission created pursuant to this section may be substituted or used in lieu of the original writing or electronic transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile transmission or other reproduction shall be a complete reproduction of the entire original writing or electronic transmission.

1.9 Action at Meeting.

(a) At any meeting of shareholders for the election of one or more directors at which a quorum is present, the election shall be determined by a plurality of the votes cast by the shareholders entitled to vote at the election. For purposes of these Bylaws, a share present at a meeting, but for which there is an abstention or as to which a shareholder gives no authority or direction as to a particular matter or director nominee, shall be counted as present for the purpose of establishing a quorum but shall not be counted as a vote cast.

(b) All other matters shall be approved if the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action (or if there are two or more classes of stock entitled to vote as separate classes, then in the case of each such class, a majority of the votes cast on such matter by each such class present in person or represented by proxy and entitled to vote on the matter), provided that a quorum is present, except when a different vote is required by express provision of law, the Articles of Incorporation or these Bylaws.

(c) All voting, including on the election of directors, but excepting where otherwise required by law, may be by a voice vote, provided, however, that upon demand therefor by a shareholder entitled to vote or the shareholder's proxy, a vote by ballot shall be taken. Each ballot shall state the name of the shareholder or proxy voting and such other information as may be required under the procedure established for the meeting. The corporation may, and to the extent required by law, shall, in advance of any meeting of shareholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The corporation may designate one or more persons as an alternate inspector to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of shareholders, the person presiding at the meeting may, and to the extent required by law, shall, appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath to faithfully execute the duties of inspector with strict impartiality and according to the best of his ability.

1.10 Notice of Shareholder Business.

(a) At an annual or special meeting of the shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) properly brought before the meeting by or at the direction of the Board of Directors, or (iii) properly brought before the meeting by a shareholder of record. The foregoing clause (iii) shall be the exclusive means for a shareholder to propose business (other than business included in the corporation's

proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) at an annual meeting of shareholders. For business to be properly brought before an annual meeting by a shareholder, whether or not the shareholder is seeking to have a proposal included in the corporation's proxy statement or information statement, it must be a proper matter for shareholder action under the Nevada Revised Statutes, and the shareholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a shareholder proposal to be presented at an annual meeting shall be received at the corporation's principal executive offices not earlier than the close of business on the 120th day, nor later than the close of business on the 90th day, prior to the first anniversary of the date of the preceding year's annual meeting as first specified in the corporation's notice of meeting (without regard to any postponements or adjournments of such meeting after such notice was first sent), except that if no annual meeting was held in the previous year or the date of the annual meeting is more than 30 days earlier or later than such anniversary date, notice by the shareholders to be timely must be received not later than the close of business on the later of the 90th day prior to the annual meeting or the 10th day following the date on which public announcement of the date of such meeting is first made. "Public announcement" for purposes hereof shall have the meaning set forth in Section 2.15(c) of these Bylaws. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above. For business to be properly brought before a special meeting by a shareholder, the business must be limited to the purpose or purposes set forth in a request under Section 1.3.

(b) A shareholder's notice to the Secretary of the corporation shall set forth as to each matter the shareholder proposes to bring before the meeting (i) a brief description of the business desired to be brought before the meeting and the text of the proposal or business, including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the Bylaws of the corporation, the language of the proposed amendment, and the reasons for conducting such business at the annual meeting, (ii) the name and address, as they appear on the corporation's books, of the shareholder proposing such business and the names and addresses of the beneficial owners, if any, on whose behalf the business is being brought, (iii) a representation that the shareholder is a holder of record of stock of the corporation entitled to vote at the meeting on the date of such notice and intends to appear in person or by proxy at the meeting to propose the business specified in the notice, (iv) any material interest of the shareholder and such other beneficial owner in such business, and (v) the following information regarding the ownership interests of the shareholder or such other beneficial owner and any Shareholder Associated Person (as defined below) or any member of such beneficial shareholder's immediate family sharing the same household, which shall be supplemented in writing by the shareholder not later than 10 days after the record date for voting at the meeting to disclose such interests as of such record date: (A) the class and number of shares of the corporation that are owned beneficially and of record by such person; (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the corporation or with a value derived in whole or in part from the value of any class or series of shares of the corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the corporation or otherwise and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the corporation (a "Derivative

Instrument") directly or indirectly owned beneficially by such person; (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which such person has a right to vote any shares of any security of the corporation; (D) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including, but not limited to any short interest in any security of the corporation (for purposes of this Section 1.10 and Section 2.15, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security)) has been made, the effect or intent of which is to mitigate loss or increase profit to or manage the risk or benefit of stock price changes for, or to increase or decrease the voting power of, such person (each, a "Relevant Hedge Transaction"); (E) any rights to dividends on the shares of the corporation owned beneficially by such shareholder that are separated or separable from the underlying shares of the corporation; (F) any proportionate interest in shares of the corporation, Derivative Instruments or Relevant Hedge Transaction held, directly or indirectly, by a general or limited partnership in which such person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; and (G) any performance-related fees (other than an asset-based fee) to which such person is entitled based on any increase or decrease in the value of shares of the corporation, Derivative Instruments or Relevant Hedge Transaction, if any, as of the date of such notice, including, without limitation, any such interests held by members of such person's immediate family sharing the same household.

For purposes of these Bylaws, "Shareholder Associated Person" of any shareholder shall mean (i) any person controlling or controlled by, directly or indirectly, or acting in concert with, such shareholder, (ii) any beneficial owner of such shares of stock of the corporation owned of record or beneficially by such shareholders and (iii) any person controlling, controlled by or under common control with such Shareholder Associated Person.

(c) Notwithstanding the foregoing provisions of this Section 1.10, a shareholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations thereunder with respect to the matters set forth in this Section 1.10.

(d) Nothing in this Section 1.10 shall affect the right of a stockholder to request inclusion of a proposal in the corporation's proxy statement or information statement pursuant to Rule 14a-8 under the Exchange Act.

1.11 Conduct of Business. At every meeting of the shareholders, the Chairman of the Board, or, in his absence, the Chief Executive Officer, or, in his absence, such other person as may be appointed by the Board of Directors, shall act as chairman. The Secretary of the corporation or a person designated by the chairman of the meeting shall act as secretary of the meeting. Unless otherwise approved by the chairman of the meeting, attendance at the shareholders' meeting is restricted to shareholders of record, persons authorized in accordance with Section 1.8 of these Bylaws to act by proxy, and officers of the corporation.

The chairman of the meeting shall call the meeting to order, establish the agenda, and conduct the business of the meeting in accordance therewith or, at the chairman's discretion, the business of the meeting may be conducted otherwise in accordance with the wishes of the shareholders in attendance. The date and time of the opening and closing of the polls for each matter upon which the shareholders will vote at the meeting shall be announced at the meeting.

The chairman shall also conduct the meeting in an orderly manner, rule on the precedence of, and procedure on, motions and other procedural matters, and exercise discretion with respect to such procedural matters with fairness and good faith toward all those entitled to take part. Without limiting the foregoing, the chairman may (a) restrict attendance at any time to bona fide shareholders of record and their proxies and other persons in attendance at the invitation of the presiding officer or Board of Directors, (b) restrict use of audio or video recording devices at the meeting, and (c) impose reasonable limits on the amount of time taken up at the meeting on discussion in general or on remarks by any one shareholder. Should any person in attendance become unruly or obstruct the meeting proceedings, the chairman shall have the power to have such person removed from the meeting. Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at a meeting except in accordance with the procedures set forth in this Section 1.11 and Section 1.10 above. The chairman of a meeting may determine and declare to the meeting that any proposed item of business was not brought before the meeting in accordance with the provisions of this Section 1.11 and Section 1.10 above and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

1.12 Shareholder Action Without Meeting. Any action required or permitted to be taken by the shareholders of the corporation must be effected at a duly called annual or special meeting of shareholders of the corporation and may not be effected by any consent in writing by such shareholders.

1.13 Meetings by Remote Communication. If authorized by the Board of Directors, and subject to such guidelines and procedures as the Board may adopt, shareholders and proxy holders not physically present at a meeting of shareholders may, by means of remote communication, participate in the meeting and be deemed present in person and vote at the meeting, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (a) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a shareholder or proxy holder, (b) the corporation shall implement reasonable measures to provide such shareholders and proxy holders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (c) if any shareholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

ARTICLE II
BOARD OF DIRECTORS

2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law or the Articles of Incorporation. In the event of

a vacancy on the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled. Directors need not be shareholders of the corporation. Any member of the Board of Directors who is, or recently has been, affiliated in any way with any union operating at the company, aircraft finance party doing business with the company or supplier to the company ("Interested Director"), shall abstain from any and all deliberations during meetings of the Board of Director or meetings of any Committee of the Board of Directors on which such director sits, where matters involving union contract negotiations and/or discussions between the corporation and any union are taking place and shall be prohibited from receiving any sensitive information provided to members of the Board of Directors regarding the corporation that is reasonably related to such negotiations and/or discussions.

2.2 Number and Term of Office. Subject to the rights of the holders of any series of preferred stock to elect directors under specified circumstances, the number of directors shall initially be nine (9) and, thereafter, shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption). The directors, other than those who may be elected by the holders of any series of preferred stock under specified circumstances, shall be divided into three classes, with the term of office of the first class to expire at the first annual meeting of shareholders held after the Effective Date ; the term of office of the second class to expire at the second annual meeting of shareholders held after the Effective Date; the term of office of the third class to expire at the third annual meeting of shareholders held after the Effective Date; and thereafter for each such term to expire at each third succeeding annual meeting of shareholders after such election. Notwithstanding the preceding sentence and the division of directors into three classes, the term of office of all three classes of directors shall expire at the third annual meeting of shareholders held after the Effective Date, which meeting shall be held not earlier than the business day immediately following the expiration of the 36th month following the Effective Date and not later than the expiration of the 39th month following the Effective Date as set forth in Section 1.2 (such date of election of the full Board being hereinafter referred to as the "Full Board Election Date"), and thereafter the directors shall again be divided into three classes, with the term of office of the first class to expire at the first annual meeting of shareholders held after the Full Board Election Date; the term of office of the second class to expire at the second annual meeting of shareholders held after the Full Board Election Date; the term of office of the third class to expire at the third annual meeting of shareholders held after the Full Board Election Date, and thereafter for each such term to expire at each third succeeding annual meeting of shareholders after such election. All directors shall hold office until the expiration of the term for which elected and until their respective successors are elected, except in the case of the death, resignation or removal of any director. Except as modified by the third full sentence of this Section 2.2, at each annual meeting of shareholders commencing with the first annual meeting held after the Effective Date, (i) directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of shareholders after their election, with each director to hold office until his successor shall have been duly elected and qualified, and (ii) if authorized by a resolution of the Board of Directors, directors may be elected to fill any vacancy on the Board of Directors, regardless of how such vacancy shall have been created. For purposes of clarification only, it is the intent of these Bylaws to hold the third annual meeting held after the Effective Date

following the expiration of the Shareholders Agreement entered into in connection with the Third Amended Joint Plan of Reorganization of the corporation dated as of January 19, 2011, as filed with the United States Bankruptcy Court for the Southern District of New York.

2.3 Vacancies and Newly Created Directorships. Subject to the rights of the holders of any series of preferred stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification or other cause (including removal from office by a vote of the shareholders) may be filled only by a majority vote of the directors then in office, though less than a quorum, or by the sole remaining director, or, to the extent required by the Articles of Incorporation or if there are no directors, by the shareholders, and directors so chosen shall hold office for a term expiring at the next annual meeting of shareholders at which the term of office of the class to which they have been elected expires or until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors shall shorten the term of any incumbent director.

2.4 Resignation. Any director may resign by delivering notice in writing or by electronic transmission to the President, Chief Executive Officer, Chairman of the Board or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

2.5 Removal. Subject to the rights of the holders of any series of preferred stock then outstanding, any directors, or the entire Board of Directors, may be removed from office at any time, but only for cause, by the affirmative vote of the holders of two-thirds of the voting power of all of the outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class. Vacancies in the Board of Directors resulting from such removal may be filled by a majority of the directors then in office, though less than a quorum, or by the sole remaining director. Directors so chosen shall hold office until the next annual meeting of shareholders at which the term of office of the class to which they have been elected expires.

2.6 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place, either within or without the State of Nevada, as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of shareholders.

2.7 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, the Chief Executive Officer, the President or two or more directors and may be held at any time and place, within or without the State of Nevada.

2.8 Notice of Special Meetings. Notice of any special meeting of directors shall be given to each director by whom it is not waived by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director by (a) giving notice to such director in person or by telephone, electronic transmission or voice message system at least 24 hours in advance of the meeting, (b) sending a facsimile to his last known facsimile number,

or delivering written notice by hand to his last known business or home address, at least 24 hours in advance of the meeting, or (c) mailing written notice to his last known business or home address at least three days in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

2.9 Participation in Meetings by Telephone Conference Calls or Other Methods of Communication. Directors or any members of any committee designated by the directors may participate in a meeting of the Board of Directors or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.10 Quorum. A majority of the total number of authorized directors shall constitute a quorum at any meeting of the Board of Directors. In the absence of a quorum at any such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or at a meeting of a committee which authorizes a particular contract or transaction.

2.11 Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of those present shall be sufficient to take any action, unless a different vote is specified by law, the Articles of Incorporation or these Bylaws.

2.12 Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee of the Board of Directors may be taken without a meeting if all members of the Board or committee, as the case may be, consent to the action in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

2.13 Committees. The Board of Directors may designate one or more committees, each committee to consist solely of one or more of the directors of the corporation, with such lawfully delegated powers and duties as it therefor confers, to serve at the pleasure of the Board. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of the Nevada Revised Statutes, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time

request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these Bylaws for the Board of Directors.

2.14 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the corporation or any of its parent or subsidiary corporations in any other capacity and receiving compensation for such service.

2.15 Nomination of Director Candidates.

(a) In addition to any other applicable requirements, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Subject to the rights of holders of any class or series of Preferred Stock then outstanding, nominations for the election of directors may be made at an annual meeting by (i) the Board of Directors or a duly authorized committee thereof or (ii) any shareholder entitled to vote in the election of directors generally who complies with the procedures set forth in this Bylaw and who is a shareholder of record at the time notice is delivered to the Secretary of the corporation. The foregoing clause (ii) shall be the exclusive means for a shareholder to make nominations at an annual meeting of shareholders. A shareholder who complies with the notice procedures set forth below is permitted to present the nomination at the meeting of shareholders but is not entitled to have a nominee included in the corporation's proxy statement or information statement in the absence of an applicable rule of the Securities and Exchange Commission requiring the corporation to do so. Any shareholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at an annual meeting only if timely notice of such shareholder's intent to make such nomination or nominations has been given in writing to the Secretary of the corporation. To be timely, a shareholder nomination for a director to be elected at an annual meeting shall be received at the corporation's principal executive offices not earlier than the close of business on the 120th day, nor later than the close of business on the 90th day, prior to the first anniversary of the date of the preceding year's annual meeting as first specified in the corporation's notice of meeting (without regard to any postponements or adjournments of such meeting after such notice was first sent), except that if no annual meeting was held in the previous year or the date of the annual meeting is more than 30 days earlier or later than such anniversary date, notice by the shareholders to be timely must be received not later than the close of business on the later of the 90th day prior to the annual meeting or the 10th day following the date on which public announcement of the date of such meeting is first made. Each such notice shall set forth (i) the name and address, as they appear on the corporation's books, of the shareholder who intends to make the nomination and the names and addresses of the beneficial owners, if any, on whose behalf the nomination is being made and of the person or persons to be nominated, (ii) a representation that the shareholder is a holder of record of stock of the corporation entitled to vote for the election of directors on the date of such notice and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, (iii) the following information regarding the ownership interests of the shareholder and any Shareholder Associated Person, which shall be supplemented in writing by the shareholder not later than 10 days after the record date for notice of the meeting

to disclose such interests as of such record date: (A) the class and number of shares of the corporation that are owned beneficially and of record by such person; (B) whether and the extent to which any Derivative Instrument is directly or indirectly owned beneficially owned by such person; (C) whether and the extent to which any Relevant Hedge Transaction has been entered into by such person; (D) any proxy, contract, arrangement, understanding, or relationship pursuant to which such person has a right to vote any shares of any security of the corporation; (E) any short interest in any security of the corporation; (F) any rights to dividends on the shares of the corporation owned beneficially by such person that are separated or separable from the underlying shares of the corporation; (G) any proportionate interest in shares of the corporation, Derivative Instruments or Relevant Hedge Transaction held, directly or indirectly, by a general or limited partnership in which such shareholder or any such beneficial owner is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; and (H) any performance-related fees (other than an asset-based fee) to which such person is entitled based on any increase or decrease in the value of shares of the corporation, Derivative Instruments or Relevant Hedge Transaction, if any, as of the date of such notice, including, without limitation, any such interests held by members of such shareholder's or beneficial owner's immediate family sharing the same household, (iv) a description of all arrangements or understandings between such person and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder, (v) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such person, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the shareholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant, (vi) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission, had the nominee been nominated, or intended to be nominated, by the Board of Directors, and (vii) the consent of each nominee to serve as a director of the corporation if so elected. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above. Notwithstanding anything in this Section 2.15(a) to the contrary, in the event that the number of directors to be elected at an annual meeting is increased and there is no public announcement by the corporation naming the nominees for the additional directorships at least 100 days prior to the first anniversary of the date of the preceding year's annual meeting as first specified in the corporation's notice of meeting (without regard to any postponements or adjournments of such meeting after such notice was first sent), a shareholder's notice required by this Section 2.15(a) shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the corporation.

(b) Nominations of persons for election to the Board of Directors may be made at a special meeting of shareholders at which directors are to be elected pursuant to the corporation's notice of meeting (i) by or at the direction of the Board of Directors or a committee thereof or (ii) by any shareholder of the corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in this Bylaw and who is a shareholder of record at the time such notice is delivered to the Secretary of the corporation. In the event the corporation calls a special meeting of shareholders for the purpose of electing one or more directors to the Board of Directors, any such shareholder may nominate a person or persons (as the case may be), for election to such position(s) as are specified in the corporation's notice of meeting, if the shareholder's notice as required by Section 2.15(a) is delivered to the Secretary at the principal executive offices of the corporation not earlier than the 90th day prior to such special meeting and not later than the close of business on the later of the 70th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above. The foregoing clause (ii) shall be the exclusive means for a shareholder to make nominations at a special meeting of shareholders. A shareholder who complies with the notice procedures set forth in Section 2.15(a) is permitted to present the nomination at the special meeting of shareholders but is not entitled to have a nominee included in the corporation's proxy statement or information statement in the absence of an applicable rule of the Securities and Exchange Commission requiring the corporation to do so.

(c) For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed or furnished by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(d) Notwithstanding the foregoing provisions of this Section 2.15, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw.

(e) Only persons nominated in accordance with the procedures set forth in this Section 2.15 shall be eligible to serve as directors. Except as otherwise provided by law, the chairman of the meeting shall have the power and duty (i) to determine whether a nomination was made in accordance with the procedures set forth in this Section 2.15 and (ii) if any proposed nomination was not made in compliance with this Section 2.15, to declare that such nomination shall be disregarded.

(f) If the chairman of the meeting for the election of directors determines that a nomination of any candidate for election as a director at such meeting was not made in accordance with the applicable provisions of this Section 2.15, such nomination shall be void; provided, however, that nothing in this Section 2.15 shall be deemed to limit any voting rights upon the occurrence of dividend arrearages provided to holders of Preferred Stock pursuant to the Preferred Stock designation for any series of Preferred Stock.

ARTICLE III
OFFICERS

3.1 Enumeration. The officers of the corporation shall consist of a Chief Executive Officer, a President, a Secretary, a Treasurer, a Chief Financial Officer and such other officers with such other titles as the Board of Directors shall determine, including, at the discretion of the Board of Directors, a Chairman of the Board and one or more Vice Presidents and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.

3.2 Election. Officers shall be elected annually by the Board of Directors at its first meeting following the annual meeting of shareholders. Officers may be appointed by the Board of Directors at any other meeting.

3.3 Qualification. No officer need be a shareholder. Any two or more offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, by the Articles of Incorporation or by these Bylaws, each officer shall hold office until his successor is elected and qualified, unless a different term is specified in the vote appointing the officer, or until his earlier death, resignation or removal.

3.5 Resignation and Removal. Any officer may resign by delivering his written resignation to the corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. Any officer elected by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors.

3.6 Chairman of the Board. The Board of Directors may appoint a Chairman of the Board. If the Board of Directors appoints a Chairman of the Board, he shall perform such duties and possess such powers as are assigned to the Chairman by the Board of Directors and these Bylaws. Unless otherwise provided by the Board of Directors, he shall preside at all meetings of the Board of Directors.

3.7 Chief Executive Officer. The Chief Executive Officer of the corporation shall, subject to the direction of the Board of Directors, have general supervision, direction and control of the business and the officers of the corporation. He shall preside at all meetings of the shareholders and, in the absence or nonexistence of a Chairman of the Board, at all meetings of the Board of Directors. He shall have the general powers and duties of management usually vested in the chief executive officer of a corporation, including general supervision, direction and control of the business and supervision of other officers of the corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

3.8 President. Subject to the direction of the Board of Directors and such supervisory powers as may be given by these Bylaws or the Board of Directors to the Chairman of the Board or the Chief Executive Officer, if such titles be held by other officers, the President shall have general supervision, direction and control of the business and supervision of other officers of the corporation. Unless otherwise designated by the Board of Directors, the President shall be the Chief Executive Officer of the corporation. The President shall have such other powers and

duties as may be prescribed by the Board of Directors or these Bylaws. He shall have power to sign stock certificates, contracts and other instruments of the corporation which are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the corporation, other than the Chairman of the Board and the Chief Executive Officer.

3.9 Vice Presidents. Any Vice President shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the President may from time to time prescribe. In the event of the absence, inability or refusal to act of the President, the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the President and when so performing shall have all the powers of and be subject to all the restrictions upon the President. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

3.10 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board of Directors or the President may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are set forth in these Bylaws and as are incident to the office of the Secretary, including, without limitation, the duty and power to give notices of all meetings of shareholders and special meetings of the Board of Directors, to keep a record of the proceedings of all meetings of shareholders and the Board of Directors, to maintain a stock ledger and prepare lists of shareholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer, the President or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of shareholders or directors, the person presiding at the meeting shall designate a temporary secretary to keep a record of the meeting.

3.11 Treasurer. The Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation, the duty and power to keep and be responsible for all funds and securities of the corporation, to maintain the financial records of the corporation, to deposit funds of the corporation in depositories as authorized, to disburse such funds as authorized, to make proper accounts of such funds, and to render as required by the Board of Directors accounts of all such transactions and of the financial condition of the corporation.

3.12 Chief Financial Officer. The Chief Financial Officer shall perform such duties and shall have such powers as may from time to time be assigned to the Chief Financial Officer by the Board of Directors, the Chief Executive Officer or the President. Unless otherwise designated by the Board of Directors, the Chief Financial Officer shall be the Treasurer of the corporation.

3.13 Salaries. Officers of the corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

3.14 Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

ARTICLE IV
CAPITAL STOCK

4.1 Issuance of Stock. Subject to the provisions of the Articles of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the corporation or the whole or any part of any unissued balance of the authorized capital stock of the corporation held in its treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such consideration and on such terms as the Board of Directors may determine.

4.2 Certificates of Stock. The shares of the corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any class or series of stock of the corporation shall be uncertificated shares; provided, however, that no such resolution shall apply to shares represented by a certificate until such certificate is surrendered to the corporation. Every holder of stock of the corporation represented by certificates, and, upon written request to the corporation's transfer agent or registrar, any holder of uncertificated shares, shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, certifying the number and class of shares of stock owned by such shareholder in the corporation. Each such certificate shall be signed by, or in the name of the corporation by, the Chairman or Vice Chairman, if any, of the Board of Directors, or the President or a Vice President, and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation. Any or all of the signatures on the certificate may be a facsimile.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Articles of Incorporation, the Bylaws, applicable securities laws or any agreement among any number of shareholders or among such holders and the corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

4.3 Transfers. Except as otherwise established by rules and regulations adopted by the Board of Directors, and subject to applicable law, shares of stock may be transferred on the books of the corporation: (i) in the case of shares represented by a certificate, by the surrender to the corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or authenticity of signature as the corporation or its transfer agent may reasonably require; and (ii) in the case of uncertificated shares, upon the receipt of proper transfer instructions from the registered owner thereof. Except as may be otherwise required by law, the Articles of Incorporation or the Bylaws, the corporation shall be entitled to treat the

record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the corporation in accordance with the requirements of these Bylaws.

4.4 Lost, Stolen or Destroyed Certificates. The corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen, or destroyed, or it may issue uncertificated shares if the shares represented by such certificate have been designated as uncertificated shares in accordance with Section 4.2, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity as the Board of Directors may require for the protection of the corporation or any transfer agent or registrar.

4.5 Record Dates. The Board of Directors may fix in advance a record date for the determination of the shareholders entitled to vote at any meeting of shareholders. Such record date shall not precede the date on which the resolution fixing the record date is adopted and shall not be more than 60 nor less than 10 days before the date of such meeting.

If no record date is fixed by the Board of Directors, the record date for determining the shareholders entitled to notice of or to vote at a meeting of shareholders shall be the close of business on the day before the day on which notice is given, or, if notice is waived, the close of business on the day before the day on which the meeting is held.

A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the determination of shareholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for shareholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for the determination of shareholders entitled to vote in accordance with the foregoing provisions.

The Board of Directors may fix in advance a record date (a) for the determination of shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, concession or exchange of stock, or (b) for the purpose of any other lawful action. Any such record date shall not precede the date on which the resolution fixing the record date is adopted and shall not be more than 60 days prior to the action to which such record date relates. If no record date is fixed by the Board of Directors, the record date for determining shareholders entitled to express consent to corporate action in writing without a meeting when no prior action by the Board of Directors is necessary shall be the date on which the first written consent is expressed. The record date for determining shareholders for any other purpose shall be the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

ARTICLE V
GENERAL PROVISIONS

5.1 Fiscal Year. The fiscal year of the corporation shall be as fixed by the Board of Directors.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board of Directors.

5.3 Waiver of Notice. Whenever any notice whatsoever is required to be given by law, by the Articles of Incorporation or by these Bylaws, a waiver of such notice either in writing signed by the person entitled to such notice or such person's duly authorized attorney, or by electronic transmission or any other method permitted under the Nevada Revised Statutes, whether before, at or after the time stated in such waiver, or the appearance of such person or persons at such meeting in person or by proxy, shall be deemed equivalent to such notice. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting shall constitute waiver of notice except attendance for the sole purpose of objecting to the timeliness or manner of notice.

5.4 Actions with Respect to Securities of Other Corporations. Except as the Board of Directors may otherwise designate, the Chief Executive Officer or President or any officer of the corporation authorized by the Chief Executive Officer or President shall have the power to vote and otherwise act on behalf of the corporation, in person or by proxy, and may waive notice of, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact to this corporation (with or without power of substitution) at any meeting of shareholders or shareholders (or with respect to any action of shareholders) of any other corporation or organization, the securities of which may be held by this corporation and otherwise to exercise any and all rights and powers that this corporation may possess by reason of this corporation's ownership of securities in such other corporation or other organization.

5.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the shareholders, directors, a committee or any officer or representative of the corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.6 Articles of Incorporation. All references in these Bylaws to the Articles of Incorporation shall be deemed to refer to the Articles of Incorporation of the corporation, as amended and in effect from time to time.

5.7 Severability. Any determination that any provision of these Bylaws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these Bylaws.

5.8 Pronouns. All pronouns used in these Bylaws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

5.9 Notices. Except as otherwise specifically provided herein or required by law, all notices required to be given to any shareholder, director, officer, employee or agent of the corporation shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage paid, or by sending such notice by commercial courier service, or by facsimile or other electronic transmission, provided that notice to shareholders by electronic transmission shall be given in the manner provided in

Section 78.370 of the Nevada Revised Statutes. Any such notice shall be addressed to such shareholder, director, officer, employee or agent at his last known address as the same appears on the books of the corporation. The time when such notice shall be deemed to be given shall be the time such notice is received by such shareholder, director, officer, employee or agent, or by any person accepting such notice on behalf of such person, if delivered by hand, facsimile, other electronic transmission or commercial courier service, or the time such notice is dispatched, if delivered through the mails. Without limiting the manner by which notice otherwise may be given effectively, notice to any shareholder shall be deemed given: (a) if by facsimile, when directed to a number at which the shareholder has consented to receive notice; (b) if by electronic mail, when directed to an electronic mail address at which the shareholder has consented to receive notice; (c) if by a posting on an electronic network together with separate notice to the shareholder of such specific posting, upon the later of (i) such posting and (ii) the giving of such separate notice; (d) if by any other form of electronic transmission, when directed to the shareholder; and (e) if by mail, when deposited in the mail, postage prepaid, directed to the shareholder at such shareholder's address as it appears on the records of the corporation.

5.10 Reliance Upon Books, Reports and Records. Each director, each member of any committee designated by the Board of Directors, and each officer of the corporation shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account or other records of the corporation as provided by law, including reports made to the corporation by any of its officers, by an independent certified public accountant, or by an appraiser selected with reasonable care.

5.11 Time Periods. In applying any provision of these Bylaws which require that an act be done or not done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

5.12 Facsimile Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

ARTICLE VI
AMENDMENTS

6.1 By the Board of Directors. Except as otherwise set forth in these Bylaws, these Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present, provided, however, that the Board may not amend Sections 1.2, 1.3, 2.2 (but only with respect to the timing and number of directors to stand for election on the Full Board Election Date) or 6.2 of these Bylaws, or this sentence of Section 6.1, without the affirmative vote of the holders of a majority of the voting power of all the shares of capital stock of the corporation issued and outstanding and entitled to vote generally in any election of directors voting together as a single class.

6.2 By the Shareholders. Except as otherwise set forth in these Bylaws, these Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the affirmative vote of the holders of at majority of the voting power of all of the shares of capital stock of the corporation issued and outstanding and entitled to vote generally in any election of directors, voting together as a single class. Such vote may be held at any annual meeting of shareholders, or at any special meeting of shareholders provided that notice of such alteration, amendment, repeal or adoption of new Bylaws shall have been stated in the notice of such special meeting.

ARTICLE VII
INDEMNIFICATION OF DIRECTORS AND OFFICERS

7.1 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative ("proceeding"), by reason of the fact that he or a person of whom he is the legal representative, is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director or officer of another corporation, or as a controlling person of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director or officer, or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Nevada Revised Statutes, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than such law permitted the corporation to provide prior to such amendment) against all expenses, liability and loss reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of his heirs, executors and administrators; provided, however, that except as provided in Section 7.2 of this Article VII, the corporation shall indemnify any such person seeking indemnity in connection with a proceeding (or part thereof) initiated by such person only if (a) such indemnification is expressly required to be made by law, (b) the proceeding (or part thereof) was authorized by the Board of Directors, (c) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the Nevada Revised Statutes, or (d) the proceeding (or part thereof) is brought to establish or enforce a right to indemnification or advancement under an indemnity agreement or any other statute or law or otherwise as required under Section 78.7502 of the Nevada Revised Statutes. The rights hereunder shall be contract rights and shall include the right to be paid expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses incurred by a director or officer of the corporation in his capacity as a director or officer (and not in any other capacity in which service was or is tendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of such proceeding, shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately by final judicial decision from which there is no further right to appeal that such director or officer is not entitled to be indemnified under this section or otherwise.

7.2 Right of Claimant to Bring Suit. If a claim under Section 7.1 is not paid in full by the corporation within 60 days after a written claim has been received by the corporation, or 20 days in the case of a claim for advancement of expenses, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if such suit is not frivolous or brought in bad faith, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to this corporation) that the claimant has not met the standards of conduct which make it permissible under the Nevada Revised Statutes for the corporation to indemnify the claimant for the amount claimed. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Nevada Revised Statutes, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its shareholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the corporation shall be entitled to recover such expenses upon a final judicial decision from which there is no further right to appeal that the indemnitee has not met any applicable standard for indemnification set forth in the Nevada Revised Statutes. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, shall be on the corporation.

7.3 Indemnification of Employees and Agents. The corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and to the advancement of related expenses, to any employee or agent of the corporation to the fullest extent of the provisions of this Article VII with respect to the indemnification of and advancement of expenses to directors and officers of the corporation.

7.4 Non-Exclusivity of Rights. The rights conferred on any person in this Article VII shall not be exclusive of any other right which such persons may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaw, agreement, vote of shareholders or disinterested directors or otherwise.

7.5 Indemnification Contracts. The Board of Directors is authorized to enter into a contract with any director, officer, employee or agent of the corporation, or any person serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans, providing for indemnification rights equivalent to or, if the Board of Directors so determines, greater than, those provided for in this Article VII.

7.6 Insurance. The corporation may maintain insurance to the extent reasonably available, at its expense, to protect itself and any such director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Nevada Revised Statutes.

7.7 Effect of Amendment. Any amendment, repeal or modification of any provision of this Article VII shall not adversely affect any right or protection of an indemnitee or his successor in respect of any act or omission occurring prior to such amendment, repeal or modification.

INVESTOR RIGHTS AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT (the "**Agreement**") is made as of March 1, 2011, by and between MESA AIR GROUP, INC., a Nevada corporation (the "**Company**"), and US AIRWAYS, INC., a Delaware corporation (the "**Investor**").

RECITALS**:**

The Company's wholly owned subsidiary, Mesa Airlines, Inc., a Nevada corporation ("**Mesa"),** and the Investor have entered into an Amendment to the Code Share and Revenue Sharing Agreement, dated February 1, 2001, as amended (the "**Amendment**"), of even date herewith, which provides that the Company shall issue to the Investor, pursuant to the Company's Plan of Reorganization, as amended from time to time (the "**Mesa Plan**"), 1,000,000 shares (the "**Shares**") of the Company's common stock, no par value per share (the "**Common Stock**"), representing ten percent of the equity capitalization of the Company on a fully-diluted basis. The Amendment further provides that the Company and the Investor shall enter into this Agreement in order to provide the Investor with, among other things, certain rights to register shares of the Common Stock held by such Investor, rights to receive information pertaining to the Company and other rights, as further set forth herein.

AGREEMENT**:**

The parties agree as follows:

1. Registration Rights; Other Matters Relating to the Shares.

1.1 Certain Definitions. As used in this Agreement, the following terms have the following respective meanings:

"**Affiliate**" means, with respect to a specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person. For purposes of this definition, the term "control," including the terms "controlling," "controlled by" and "under common control," means possession, direct or indirect, of power to direct or cause the direction of the management or policies, whether through ownership of voting securities or otherwise.

"**Board**" means the board of directors of the Company.

"**Commission**" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, or any similar successor federal statute, and the rules and regulations thereunder, all as the same shall be in effect from time to time.

"**Holder**" means (i) the Investor and (ii) any Person holding Registrable Securities to whom the rights under this Agreement have been transferred in accordance with Section 1.11 hereof.

"**Indenture**" shall have the definition set forth in Section 2.3(f).

"**Initiating Holder(s)**" means any Holder or Holders who propose to register securities, the aggregate offering price of which, net of underwriting discounts and commissions, is at least $500,000.

"**Notes**" shall have the definition set forth in Section 2.3(f) of this Agreement.

"**Other Stockholders**" means Persons other than Holders who, by virtue of agreements with the Company, are entitled to include their securities in certain registrations hereunder.

"**Person**" shall mean any individual, partnership, limited liability company, corporation, trust, unincorporated organization, government or agency or political subdivision thereof.

The terms "**register**," "**registered**" and "**registration**" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement by the Commission.

"**Registration Expenses**" shall mean all expenses incurred by the Company in complying with Section 1 hereof, including, without limitation, all registration, qualification, listing and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for the Company, blue sky fees and expenses, and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company, which shall be paid in any event by the Company), but shall not include Selling Expenses.

"**Registrable Securities**" shall mean (i) the Shares and (ii) any securities of the Company issued as a dividend or other distribution with respect to or in exchange for or in replacement of the Shares.

"**Rule 144**" means Rule 144 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

"**Rule 145**" means Rule 145 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

"**Sale of the Company**" means, at any time following the date of this Agreement, the occurrence of any of the following: (i) the consummation of any transaction or series of related transactions in which any "person" or "group" (as such terms are used in Section 13(d)(3) of the Exchange Act) "beneficially owns" (as such term is defined in Section 13(d)(3) of the Exchange Act) more than 50% of the Common Stock (calculated on an as-if-converted and fully diluted basis), (ii) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or

substantially all of the properties or assets of the Company and its subsidiaries, taken as a whole, to any "person" or "group" (as such terms are used in Section 13(d)(3) of the Exchange Act), or (iii) the consummation of any transaction, or series of related transactions (including, without limitation, any merger or consolidation), the result of which is that any "person" or "group" (as such terms are used in Section 13(d)(3) of the Exchange Act) becomes the "beneficial owner" (as such term is used in Section 13(d)(3) of the Exchange Act), directly or indirectly, of more than 50% of the Common Stock or, as applicable, more than 50% of the equity of the entity surviving such transaction.

"**Securities Act**" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"**Selling Expenses**" shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of the Registrable Securities by the Holders, and fees and disbursements of counsel for any Holder.

1.2 Registration on Form S-3.

(a) Request for Registration on Form S-3. If at any time when it is eligible to use a Form S-3 registration statement, the Company shall receive from the Initiating Holder(s) a written request that the Company effect a registration on Form S-3, the Company will:

(i) Promptly deliver written notice of the proposed registration to all other Holders; and

(ii) As soon as practicable, use its reasonable best efforts to effect such registration, qualification or compliance (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws, and appropriate compliance with applicable regulations issued under the Securities Act and any other governmental requirements or regulations) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request delivered to the Company within 20 days after delivery of such written notice from the Company; provided, however, that the Company shall not be obligated to take any action to effect any such registration, qualification or compliance pursuant to this Section 1.2:

(A) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification, or compliance unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act; or

(B) If in the good faith judgment of the Board, such registration would be materially detrimental to the Company and the Board concludes, as a result, that it is essential to defer the filing of such registration

statement at such time, and the Company thereafter delivers to Initiating Holder(s) a certificate, signed by the President or Chief Executive Officer of the Company, stating that in the good faith judgment of the Board it would be seriously detrimental to the Company or its stockholders for a registration statement to be filed in the near future, then the Company's obligation to use its reasonable best efforts to register, qualify, or comply under this Section 1.2 shall be deferred for a period not to exceed 90 days from the date of delivery of the written request from the Initiating Holder(s); provided, however, that the Company may not invoke this right more than once in any 12-month period.

(b) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 1.2(a) after the Company has effected two registrations pursuant to Section 1.2(a). A registration shall not be counted as "effected" for purposes of this Section 1.2(b) until such time as the applicable registration statement has been declared effective by the Commission, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Section 1.2(b).

(c) Underwriting; Procedures. If the Initiating Holder(s) intend to distribute the Registrable Securities covered by the request by means of an underwriting, the right of any Holder to registration pursuant to this Section 1.2 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. If the Initiating Holder(s) intend to distribute the Registrable Securities by means of an underwriting, they shall so advise the Company as part of their request made pursuant to Section 1.2 and the Company shall include such information in the written notice referred to in Section 1.2(a)(i). In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. A Holder may elect to include in such underwriting all or a part of the Registrable Securities held by such Holder. The Company shall (together with all Holders or other Persons proposing to distribute their securities through such underwriting) enter into and perform its obligations under an underwriting agreement, in a form reasonably acceptable to the counsel representing the Holders, with the managing underwriter selected for such underwriting by a majority in interest of the Initiating Holder(s) (which managing underwriter shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Section 1.2, if the managing underwriter advises the Initiating Holder(s) in writing that marketing factors require a limitation of the number of shares to be underwritten, the number of shares to be included in the underwriting or registration shall be allocated as set forth in Section 1.12. Any Registrable Securities and/or other securities so excluded or withdrawn shall also be withdrawn from registration.

(d) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities as soon as practicable (but in any event within 45 days) after receipt of the request or requests of the Holders.

1.3 Company Registration.

(a) Notice of Registration. If the Company shall determine to register any of its securities, either for its own account or the account of a security holder or holders other than (A) a registration pursuant to Section 1.2 hereof, (B) a registration relating solely to employee benefit plans, (C) a registration relating solely to a Rule 145 transaction, (D) a registration on any registration form that does not permit secondary sales, the Company will or (E) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

(i) Promptly (but in any event at least 10 days prior to the filing of any registration statement) deliver to each Holder written notice thereof in accordance with Section 3.4; and

(ii) Use its reasonable best efforts to include in such registration (and any related qualification under blue sky laws or other compliance), except as set forth in Section 1.3(b) below, and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests made by any Holder and delivered to the Company within 20 days after the written notice is delivered by the Company. Such written request may include all or a portion of a Holder's Registrable Securities.

(b) Underwriting; Procedures. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 1.3(a)(i). In such event, the right of any Holder to registration pursuant to this Section 1.3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and the other holders distributing their securities through such underwriting) enter into and perform their obligations under an underwriting agreement in the form agreed to between the Company and the managing underwriter selected for such underwriting by the Company and in customary form. Notwithstanding any other provision of this Section 1.3, if the managing underwriter determines in good faith that marketing factors require a limitation of the number of shares to be underwritten, the managing underwriter may limit the number of Registrable Securities to be included in the registration and underwriting to an amount not less than 20% of the securities included in such registration and underwriting. The Company shall so advise all holders of securities requesting registration, and the number of shares of securities that are entitled to be included in the registration and underwriting shall be allocated as set forth in Section 1.12. If any Person who has requested inclusion in such registration as provided above disapproves of the terms of the underwriting, such Person shall be excluded therefrom by written notice delivered by the Company or the managing underwriter. Any Registrable Securities and/or other securities so excluded or withdrawn shall also be withdrawn from registration.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.3 prior to the effectiveness of such registration, whether or not any Holder has elected to include securities in such registration, and shall promptly notify any Holder that has elected to include shares in such registration of such termination or withdrawal.

1.4 Registration Procedures. In the case of each registration, qualification, or compliance effected by the Company pursuant to this Section 1, the Company will keep each Holder advised in writing as to the initiation of each registration, qualification, and compliance and as to the completion thereof and, at its expense, the Company will use its reasonable best efforts to:

(a) Prepare and file with the Commission a registration statement with respect to such securities and use its reasonable best efforts to cause such registration statement to become and remain effective for a period of at least 120 days or until the distribution described in the registration statement has been completed, whichever occurs first; provided, however, that (i) such 120-day period shall be extended for a period of time equal to the period the Holder refrains from selling any securities included in such registration at the request of an underwriter of Common Stock or other securities of the Company, and (ii) in the case of any registration of Registrable Securities on Form S-3 which are intended to be offered on a continuous or delayed basis, subject to compliance with applicable Commission rules, such 120-day period shall be extended for up to an additional 90 days to keep the registration statement effective until all such Registrable Securities are sold;

(b) Furnish to the Holders participating in such registration and to the underwriters of the securities being registered such reasonable number of copies of the registration statement, preliminary prospectus, final prospectus, and such other documents as such Holders or such underwriters may reasonably request in order to facilitate the public offering of such securities;

(c) Prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection with such registration statements as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement;

(d) Notify each seller of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing, and at the request of any such seller, prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchaser of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing;

(e) Use its reasonable best efforts to register and qualify the securities covered by such registration statement under such other securities or blue sky laws of such

jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(f) Cause all such Registrable Securities to be listed, not later than the effectiveness of such registration, on each securities exchange on which similar securities issued by the Company are then listed;

(g) Provide a transfer agent and registrar for all Registrable Securities and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering; and

(i) Furnish, at the request of any Holder requesting registration of Registrable Securities pursuant to this Section 1, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Section 1, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities and (ii) to the extent such a letter may be delivered in accordance with then-applicable professional standards, a "comfort" letter, dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities (to the extent the then-applicable standards of professional conduct permit said letter to be addressed to the Holders); provided, however, that only Investor, and not any assignee of Investor or other Holder, shall be entitled to receive the opinion provided for in clause (i).

1.5 Information from Holder. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 1 with respect to the Registrable Securities of any selling Holder that such Holder or Holders of Registrable Securities furnish to the Company such information regarding such Holder or Holders, the Registrable Securities held by them, and the distribution proposed by such Holder or Holders as the Company may reasonably request in writing for purposes of complying with the Securities Act and as shall be reasonably required in connection with any registration, qualification or compliance referred to in this Section 1.

1.6 Indemnification.

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, each of its officers, directors, partners, members, officers,

stockholders, legal counsel, accountants, and each Person controlling such Holder within the meaning of Section 15 of the Securities Act, with respect to which registration, qualification, or compliance has been effected pursuant to this Section 1, and each underwriter (as defined in the Securities Act), if any, and each Person who controls any underwriter within the meaning of Section 15 of the Securities Act, against all expenses, claims, losses, damages or liabilities (joint or several) (or actions, proceedings or settlements in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, offering circular, or other document (including any related registration statement, notification, or the like), or any amendment or supplement thereto, incident to any such registration, qualification, or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or any violation by the Company of the Securities Act or any rule or regulation promulgated under the Securities Act, the Exchange Act or state securities laws applicable to the Company in connection with any such registration, qualification or compliance, and the Company will reimburse each such Holder, each of its officers, directors, partners, members, officers, stockholders, legal counsel and accountants, and each Person controlling such Holder, each such underwriter and each Person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating, preparing, defending or settling any such claim, loss, damage, liability or action, as such expenses are incurred, provided, however, that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission or alleged untrue statement or omission, made in reliance upon and in conformity with written information furnished to the Company by such Holder, controlling Person, underwriter, or other aforementioned Person and stated to be specifically for use therein. It is agreed that the indemnity agreement contained in this Section 1.6 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld).

(b) Each Holder will (severally and not jointly), if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification, or compliance is being effected, indemnify and hold harmless the Company, each of its directors, officers, partners, legal counsel and accountants, and each underwriter, if any, of the Company's securities covered by such a registration statement, each Person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, and each other such Holder, each of their officers, directors, and partners and each Person controlling such Holder within the meaning of Section 15 of the Securities Act, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular, or other document, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company and such Holders, directors, officers, partners, legal counsel and accountants, underwriters or control Persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, as such expenses are incurred, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other

document in reliance upon and in conformity with written information furnished to the Company by such Holder and stated to be specifically for use therein, provided, however, that the obligations of such Holder hereunder shall not apply to amounts paid in settlement of any such claims, losses, damages or liabilities (or actions in respect thereof) if such settlement is effected without the consent of such Holder (which consent shall not be unreasonably withheld); and provided that that in no event shall any indemnity under this Section 1.6 exceed the net proceeds received by such Holder in such offering.

(c) Each party entitled to indemnification under this Section 1.6 (the "**Indemnified Party**") shall give written notice to the party required to provide indemnification (the "**Indemnifying Party**") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 1.6 unless the failure to give such notice is materially prejudicial to an Indemnifying Party's ability to defend such action. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with the defense of such claim and litigation resulting therefrom.

(d) If the indemnification provided for in this Section 1.6 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any claim, loss, damage, liability or expense referred to therein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such claim, loss, damage, liability or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and the Indemnified party, on the other hand, in connection with the statements or omissions that resulted in such claim, loss, damage, liability, or expense, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact related to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission. The Company and the Holders agree that it would not be just and equitable if contribution pursuant to this Section 1.6 were based solely upon the number of entities from whom contribution was requested or by any other method of allocation which does not take account of the equitable considerations referred to above. In no event shall any contribution by a Holder under this Section 1.6 exceed the net proceeds received by such Holder in such offering.

(e) The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages, and liabilities referred to above in this Section 1.6 shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim, subject to the provisions of
Section 1.6(c). No Person guilty of fraudulent misrepresentation (within the meaning of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(f) The obligations of the Company and Holders under this Section 1.6 shall survive the completion of any offering of Registrable Securities in a registration statement.

1.7 Expenses of Registration. All Registration Expenses incurred in connection with any registration effected pursuant to this Section 1 shall be borne by the Company. All Selling Expenses relating to securities registered on behalf of the Holders shall be borne by the holders of the registered securities included in such registration, pro rata on the basis of the number of shares so registered.

1.8 Rule 144 Reporting. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the Commission that may at any time permit such Holders to sell securities of the Company to the public without registration, the Company agrees to use its reasonable best efforts to:

(a) Make and keep current public information available, as those terms are understood and defined in Rule 144;

(b) File with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) So long as a Holder owns any Registrable Securities, to furnish to the Holder forthwith upon request, to the extent accurate, a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and of any other reporting requirements of the Securities Act and the Exchange Act, a copy of the most recent annual or quarterly report of the Company so filed by the Company, and such other reports and documents of the Company so filed by the Company and such other information in the possession of or reasonably obtainable by the Company as a Holder may reasonably request in availing itself of Rule 144 or any other rule or regulation of the Commission allowing a Holder to sell any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act).

1.9 Affiliate Status. Nothing in this Agreement shall be construed as an acknowledgment or admission with respect to any Holder’s status as an Affiliate of the Company.

1.10 Transfer of Registration Rights. The rights to cause the Company to register securities granted to any party hereto under Section 1 may be assigned by a Holder provided that the Company is given written notice at the time of or within a reasonable time after

such transfer or assignment, stating the name and address of the transferee or assignee and identifying the securities with respect to which such registration rights are being transferred or assigned. Such transferees (i) may not be competitors of the Company in any respect other than by virtue of an acquisition of Holder, and (ii) in the case of any transfer to an entity that is not an Affiliate of a Holder, shall be limited to two such transferees.

1.11 Procedure for Underwriter Cutbacks. In any circumstance in which all of the Registrable Securities and other shares of Common Stock of the Company with registration rights (the "**Other Shares**") requested to be included in a registration on behalf of Holders or Other Stockholders cannot be so included as a result of limitations of the aggregate number of shares of Registrable Securities and Other Shares that may be so included, the number of shares of Registrable Securities and Other Shares that may be so included shall be allocated (a) first, pro rata among the Initiating Holder(s), based on the number of Registrable Securities held by such Initiating Holder(s), or in such other proportions as shall mutually be agreed to by all such Initiating Holder(s), and (b) second, pro rata among all selling Holders that are not Initiating Holder(s), to the extent that any Registrable Securities may be sold by selling Holders in such underwriting in excess of the number of Registrable Securities sold by the Initiating Holder(s).

1.12 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Investor, enter into any agreement with any holder or prospective holder of any securities of the Company which would allow such holder or prospective holder to include such securities in any registration statement filed by the Company, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of his, her or its securities will not reduce the amount of the Registrable Securities of the Holders which is included.

1.13 Termination of Rights. The rights of any particular Holder to cause the Company to register securities under Sections 1.2 and 1.3 shall terminate and be of no further force and effect at such time as (a) the Common Stock is listed on the New York Stock Exchange or The Nasdaq Stock Market; (b) no Registrable Securities held by such Holder bear any restrictive legends, and (c) such Holder's Registrable Securities may be sold into the public market without regard to any contractual restriction or any volume, manner of sale or other restriction under Rule 144.

1.14 Section 1145 of the Bankruptcy Code. The Company hereby covenants and agrees that the initial issuance of the Shares pursuant to the Mesa Plan is exempt from the registration requirements of the Securities Act pursuant to Section 1145 of the Bankruptcy Code, and as such the certificates representing the Shares shall not be stamped or otherwise imprinted with any legends. The rights of any Holder to cause the Company to register Registrable Securities pursuant to this Section 1 shall apply without regard to the application of Section 1145 of the Bankruptcy Code to the initial issuance of the Shares.

2. Affirmative Covenants of the Company. The Company hereby covenants and agrees as follows:

2.1 Financial Information.

(a) The Company will furnish to the Investor the following:

(i) As soon as practicable after the end of each fiscal year, and in any event within 90 days thereafter, consolidated balance sheets of the Company and its subsidiaries, if any, as of the end of such fiscal year, and consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such year, prepared in accordance with generally accepted accounting principles ("**GAAP**") consistently applied, all in reasonable detail and certified by independent certified public accountants of national standing selected by the Company and approved by the Board; provided, however, that the delivery requirement set forth in this Section 2.1(a)(i) shall be deemed satisfied by the Company's timely filing of such information in an Annual Report on Form 10-K filed with the Commission in compliance with the requirements of the Exchange Act; and

(ii) As soon as practicable after the end of each of the first three quarters of each fiscal year, and in any event within 45 days thereafter, consolidated balance sheets of the Company and its subsidiaries, if any, as of the end of such fiscal quarter, and consolidated statements of income and cash flow for such period and for the current fiscal year to date; provided, however, that the delivery requirement set forth in this Section 2.1(a)(ii) shall be deemed satisfied by the Company's timely filing of such information in a Quarterly Report on Form 10-Q filed with the Commission in compliance with the requirements of the Exchange Act.

(b) The Investor may elect to terminate its right to receive financial information pursuant to this Section 2.1 at any time, temporarily or permanently, by giving notice of such election to the Company pursuant to Section 3.4.

2.2 Investor Approval Rights. Neither the Company nor any subsidiary of the Company shall, without the prior written consent of the Investor:

(a) Enter into any transaction with a related person (as defined in Item 404 of Regulation S-K promulgated under the Exchange Act), except for compensation transactions in the ordinary course of business that have been approved by a majority of the Company's independent directors;

(b) Pay dividends or make other distributions to stockholders, or repurchase, redeem or retire any shares of capital stock of the Company (except pursuant to the Company's or any subsidiary's employee equity incentive plans); provided, however, that the Investor shall be deemed to have approved the payment of dividends or other distributions to stockholders solely from the net cash proceeds actually received by the Company from the sale of its debt and equity investment in Spirit Airlines, Inc. (the "**Spirit Proceeds**") if and to the extent the Spirit Proceeds (including any amounts used to repay the Notes) exceed $125,000,000;

(c) Make any payment with respect to the Notes or redeem, repurchase or retire any Notes other than on a pro rata basis in accordance with the priority of such Notes established by the Indenture;

(d) Amend the Company's certificate of incorporation or bylaws in any manner that would adversely affect the Investor relative to any other security holder of the Company (including in connection with the issuance of preferred stock);

(e) Increase the number of shares available for grant under the Company's or any subsidiary's equity incentive plans; or

(f) Enter into any amendment or waiver to the terms of the Indenture (the "**Indenture**") among the Company, the subsidiary guarantors signatory thereto, and US Bank National Association, as trustee, governing the issuance of the Company's 8% Notes (Series A), 8% Notes (Series B), US Airways Notes and Management Notes (collectively, the "**Notes**"), whether through a supplemental indenture, consent of the noteholders, or otherwise, if such amendment, waiver or other action would adversely impact the rights of the Investor under the US Airways Notes.

2.3 "Most Favored Nation" Covenant.

(a) The Company shall not agree to any protective provision benefiting any other stockholder of the Company unless (1) the Company shall have granted to the Investor rights at least as favorable as those proposed to be granted to any such stockholder, and (2) such protective provision entitles the Investor to vote its shares of Common Stock with respect to the matter(s) covered thereby.

(b) In addition to the foregoing, the Company shall not grant any of the following rights to any party receiving 1,000,000 or fewer shares of Common Stock in connection with the Mesa Plan, unless equivalent or greater rights shall have been granted to the Investor:

(i) Any right to appoint a member of the Board or to attend meetings of the Board or any committee thereof; or

(ii) Approval rights with respect to:

(A) the exercise of drag-along rights;

(B) any public offering or similar transaction with respect to the Company's securities;

(C) the incurrence of any material indebtedness;

(D) the issuance of preferred stock of the Company;

(E) the amendment of the Company's certificate of incorporation or bylaws;

(F) the adoption of a business plan of the Company, or any amendment to a business plan in place at the time the Company emerges from bankruptcy;

(G) the annual budget of the Company;

(H) any significant acquisition by the Company or any subsidiary, the Sale of the Company or any other significant corporate transaction;

(I) the Company's or any subsidiary's commitment to material capital expenditures; or

(J) the appointment of a Chief Executive Officer or Chief Financial Officer of the Company.

2.4 Confirmation Regarding Certain Agreements. The Company confirms to Investor that, except as otherwise set forth on a schedule to this Agreement, neither it nor any of its subsidiaries is a party to any agreement or other understanding providing to any stockholder of the Company any contractual protection provision or similar veto or consent right to the taking of any action by the Company.

2.5 Termination of Covenants. The covenants set forth in this Section 2 shall terminate and be of no further force or effect at such time as (a) the Common Stock is listed on the New York Stock Exchange or The Nasdaq Stock Market, and (b) the Investor and/or its Affiliates collectively no longer hold the greater of (i) 62.5% of the Shares or (ii) 4.9% of the Company's Common Stock then outstanding; provided, however, that Sections 2.2(c) and (f) shall survive and remain effective for so long as Investor holds any US Airways Notes.

3. Miscellaneous.

3.1 Governing Law. This Agreement shall be governed in all respects by the laws of the State of Nevada without regard to choice of laws or conflict of laws provisions thereof.

3.2 Successors and Assigns. Except as otherwise specifically set forth in this Agreement, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided by this Agreement.

3.3 Entire Agreement. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subjects hereof.

3.4 Notices, Etc. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon delivery, when delivered personally or by overnight courier or sent by fax (upon customary confirmation of receipt), or five days after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, addressed

(a) if to the Investor, at the Investor's address set forth on the signature page of this Agreement, or at such other address as the Investor shall have furnished to the Company in writing, or (b) if to any other holder of any Shares, at such address as such holder shall have furnished the Company in writing, or, until any such holder so furnishes an address to the Company, then to and at the address of the last holder of such Shares who has so furnished an address to the Company, or (c) if to the Company, at its address set forth on the signature page of this Agreement, or at such other address as the Company shall have furnished to the Investor. Unless specifically stated otherwise, if notice is provided by mail, it shall be deemed to be delivered five days after proper deposit in a mailbox, and if notice is delivered by hand or by messenger, it shall be deemed to be delivered upon actual delivery.

3.5 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to the Investor upon any breach or default of the Company under this Agreement shall impair any such right, power or remedy of the Investor, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing or as provided in this Agreement. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

3.6 Dispute Resolution Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and disbursements in addition to any other relief to which such party may be entitled.

3.7 Counterparts. This Agreement may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which may be executed by less than all parties, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

3.8 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement and the balance of this Agreement shall be enforceable in accordance with its terms.

3.9 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

3.10 Amendment and Waiver. Any provision of this Agreement may be amended, terminated or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Investor.

3.11 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 Agreement, the transactions contemplated hereby, or the subject matter hereof (whether based on contract, tort or any other theory).

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

COMPANY:

MESA AIR GROUP, INC.

By: /s/ Christopher J. Pappaioanou
Name: Christopher J. Pappaioanou
Title: V.P. & General Counsel

Address for Notice:

410 North 44th Street, Suite 100
Phoenix, Arizona 85008

INVESTOR:

US AIRWAYS, INC.

By: /s/ Stephen L. Johnson
Name: Stephen L. Johnson
Title: EVP Corporate & Government Affairs

Address for Notice:

111 West Rio Salado Parkway
Tempe, Arizona 85281
Attention: Stephen L. Johnson

Exhibit 4.3.1

SHAREHOLDERS' AGREEMENT

This Shareholders' Agreement (this "Agreement") is made effective as of March 1, 2011 (the "Effective Date"), by and among Mesa Air Group, Inc., a Nevada corporation (the "Company"), and each holder of Common Stock (as defined below) (individually, a "Stockholder," and collectively, together with any subsequent Transferee (defined below) who become parties hereto as a Stockholder pursuant to Section 3(a), the "Stockholders"). Unless otherwise defined herein, all capitalized terms shall have the meaning assigned to them in the Plan (defined below).

RECITALS:

A. On January 5, 2010, the Company and certain of its directly and indirectly wholly owned subsidiaries filed a voluntary petition under Chapter 11 of Title 11 of the United States Code, as amended (the "Bankruptcy Code"), with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

B. The Company and certain of its directly and indirectly wholly-owned subsidiaries filed with the Bankruptcy Court a Third Amended Joint Plan of Reorganization of Mesa Air Group, Inc. and Affiliated Debtors Under Chapter 11 of the Bankruptcy Code (as amended, the "Plan") and related Disclosure Statement In Support of Second of the Plan, which was approved by the Bankruptcy Court on January 20, 2011.

C. Under the terms of the Plan, the Company has authorized the issuance of up to 10,000,000 shares of Common Stock, no par value per share (referred to in the Plan as "New Common Stock" and hereinafter referred to in this Agreement as the "Common Stock"), and warrants to purchase shares of Common Stock (referred to in the Plan as "New Warrants" and hereinafter referred to as the "Warrants") to certain holders of Allowed Claims (as defined in the Plan) in the Company's Bankruptcy proceedings.

D. The Plan, as amended, further provides that each holder of an Allowed Claim who is issued shares of Common Stock and those members of the Company's management who receive shares of Common Stock pursuant to the Management Equity Pool (as defined in the Plan) (such holders referred to herein as a "Stockholder"), whether as of the Effective Date (as defined in the Plan) of the Plan or subsequent thereto as a result of the issuance of the Company's issuance of additional shares of Common Stock pursuant to Allowed Claims or upon exercise of Warrants issued on account of Allowed Claims, shall agree to the voting obligations set forth in Section 5.7 of the Plan, which are hereinafter summarized as follows: a Stockholder shall agree to vote all shares of Common Stock of the Company registered in its name or beneficially owned by him, her or it, and any transferee thereof, in accordance with a majority of the Board of Directors of the Company on such matters requiring or submitted for shareholder approval, *provided, however,* that such voting requirement shall only apply to those shares of Common Stock that exceed such Stockholder's Estimated Initial Pro Rata Share of Restructured Unsecured Equity (the "Excess Voting Shares"). The term "Estimated Initial Pro Rata Share of Restructured Unsecured Equity" shall mean, as of the Effective Date, an amount of Restructured Unsecured Equity (either in the form of New Common Stock or New Warrants, as applicable pursuant to Sections 4.3.2 and 4.5.2 of the Plan) necessary to permit the holder of such Allowed

Claim to hold a percentage of the Restructured Unsecured Equity obtained by dividing (i) the Aggregate Distribution Share applicable to such holder's Allowed Claims by (ii) the aggregate of (A) the Aggregate Distribution Share of holders of all then Allowed Claims entitled to receive Restructured Unsecured Equity under the Plan plus (B) the Aggregate Distribution Share of holders of all Disputed Claims that the Debtors then estimate may become Allowed Claims entitled to receive Restructured Unsecured Equity under the Plan. For the purpose of calculations hereunder, each New Warrant, together with the corresponding share of New Common Stock to be acquired upon exercise of the New Warrant, shall equal one and one-tenth unit of Restructured Unsecured Equity.

For purposes of example only, if a Stockholder of an Allowed Claim that is entitled to receive shares of Common Stock on the Effective Date equal to ten percent (10%) of the Restructured Unsecured Equity (*i.e.*, 1,000,000 shares based on 10,000,000 shares reserved for issuance under the Plan) and on such date only 3,000,000 shares of Common Stock are issued and outstanding, then such holder shall be required to vote 700,000 of the 1,000,000 shares held by such holder in accordance with this Shareholders Agreement and may vote the remaining 300,000 shares (*i.e.*, 10% of the 3,000,000 shares issued and outstanding) in its sole discretion.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and the consummation of the sale and purchase of Purchased Assets by the Company pursuant to the Purchase Agreement, and for other valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Voting of Common Stock. During the Term (defined below), at every meeting of the stockholders of the Company called subsequent to the Effective Date, and at every adjournment or postponement thereof, and on every action or approval by written consent, if any, of the stockholders of the Company (collectively, the "Company Actions"), Stockholder (in Stockholder's capacity as such) shall appear at the meeting or otherwise cause the Common Stock to be present thereat for purposes of establishing a quorum and, to the extent not voted by the persons appointed as proxies pursuant to this Agreement, each Stockholder agrees to vote all Excess Voting Shares then held by such Stockholder with respect to any and all Company Actions in such manner as directed by a majority of the Board of Directors of the Company. Notwithstanding the foregoing, until the expiration of the Term, each Stockholder shall be permitted to vote any Common Stock that he, she or it hold in its sole discretion that does not consist of Excess Voting Shares.

2. Irrevocable Proxy. To secure each Stockholder's obligations to vote such Stockholder's shares of Common Stock in accordance with Section 1, each Stockholder hereby appoints each member of the Company's Board of Directors and any of them, in their capacities as officers of the Company (the "Grantees"), as such Stockholder's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, for and in the name, place and stead of such Stockholder, to vote all of such Stockholder's Common Stock or to instruct nominees or record holders to vote the Common Stock in accordance with Section 1 hereof and, in the discretion of the Grantees, with respect to any proposed adjournments or postponements of any meeting of stockholders of the Company at which any of the Company Actions are to be considered. The proxy and power granted by each Stockholder pursuant to this Section 2 are coupled with an interest and are given to secure the performance of such party's

duties under Section 1. Each such proxy and power will be irrevocable for the Term. The proxy and power, so long as any party hereto is an individual, will survive the death, incompetency and disability of such party or any other individual affiliate holder of the Common Stock and, so long as any party hereto is an entity, will survive the merger or reorganization of such party or any other entity holding any Common Stock.

3. *Transfer of Shares* A Stockholder shall be permitted to transfer shares of Common Stock, subject to the restrictions set forth herein and in the Company's Amended and Restated Certificate of Incorporation, to one or more transferees (each a "Transferee"). Notwithstanding anything set forth above, as a condition precedent to any transfer of shares of Common Stock, whether voluntarily or by operation of law, the Transferee in such transfer shall be or shall have become a party to this Agreement and shall have agreed in writing to be bound by all of the terms and conditions hereof applicable to the transferring Stockholder to the same extent as if such transferee were a Stockholder hereunder, by executing a counterpart signature page to this Agreement; and no Stockholder shall transfer any shares of Common Stock to a Transferee unless such Stockholder provides a written instrument to the Company notifying the Company of such transfer and agreeing in writing to be bound by the terms of this Agreement. Notwithstanding anything to the contrary contained in this Section 3(a), no Stockholder shall be permitted at any time to transfer to any person any shares of Common Stock if such transfer would not be in compliance with the Securities Act of 1933, as amended, and the regulations promulgated thereunder, or any applicable state securities laws. For purposes of this Agreement, a "transfer" shall mean, with respect to any security, the direct or indirect assignment, sale, transfer, tender, exchange, pledge, hypothecation, or the gift, placement in trust, or other disposition of such security.

4. Representations and Warranties of Stockholder.

(a) Stockholder hereby represents and warrants to the Company as follows: (i) Stockholder is the beneficial or record owner of the Common Stock indicated on the signature page of this Agreement free and clear of any and all pledges, liens, security interests, mortgage, claims, charges, restrictions, options, title defects or encumbrances, in each case that would impair or adversely affect Stockholder's ability to perform its obligations under this Agreement; (ii) Stockholder has full power and authority to make, enter into and carry out the terms of this Agreement and to grant the irrevocable proxy as set forth in Section 2; and (iii) this Agreement has been duly and validly executed and delivered by Stockholder and constitutes a valid and binding agreement of Stockholder enforceable against Stockholder in accordance with its terms. Stockholder agrees to notify the Company promptly of any transfers of Common Stock after the date of this Agreement. If the Stockholder is a married individual and the Stockholder's Common Stock constitute community property or otherwise need spousal approval in order for this Agreement to be a legal, valid and binding obligation of the Stockholder, this Agreement has been duly authorized, executed and delivered by, and constitutes a legal, valid and binding obligation of, the Stockholder's spouse, enforceable against such spouse in accordance with its terms.

(b) As of the date hereof and for so long as this Agreement remains in effect, except for this Agreement or as otherwise permitted by this Agreement, Stockholder has full legal power, authority and right to vote all of the Common Stock then owned of record or

beneficially by Stockholder without the consent or approval of, or any other action on the part of, any other person. Without limiting the generality of the foregoing, Stockholder has not entered into any voting agreement (other than this Agreement) with any person with respect to any of the Common Stock, granted any person any proxy (revocable or irrevocable) or power of attorney with respect to any of the Common Stock, deposited any of the Common Stock in a voting trust or entered into any arrangement or agreement with any person limiting or affecting Stockholder's legal power, authority or right to vote the Common Stock on any matter.

(c) The execution and delivery of this Agreement and the performance by Stockholder of Stockholder's agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which Stockholder is a party or by which Stockholder (or any of Stockholder's assets) is bound, except for any such breach, violation, conflict or default which, individually or in the aggregate, would not impair or adversely affect Stockholder's ability to perform Stockholder's obligations under this Agreement or render inaccurate any of the representations made by Stockholder herein.

(d) Stockholder understands and acknowledges that the Company has issued shares of Common Stock and/or Warrants to Stockholder in accordance with the Plan in reliance upon Stockholder's execution and delivery of this Agreement and the representations and warranties of Stockholder contained herein.

5. Termination. This Agreement shall terminate upon the earlier of (a) the exercise of 80% or more of the Warrants issued under the Plan, (b) three (3) years after the Effective Date of the Plan; or (c) following an initial public offering of the Company (the "Term"). Notwithstanding the foregoing, such term may be extended by a Stockholder with respect to such Stockholder to the extent set forth by written notice of such Stockholder to the Company, which notice should be acknowledged by the Company.

6. Restrictive Legend. All certificates representing Common Stock owned or hereafter acquired by the Stockholders or any transferee of the Stockholders is bound by this Agreement shall have affixed thereto a legend substantially in the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A SHAREHOLDERS' AGREEMENT, AS AMENDED FROM TIME TO TIME, A COPY OF WHICH IS AVAILABLE FOR INSPECTION AT THE OFFICES OF THE SECRETARY OF THE COMPANY."

7. General.

(a) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(b) Specific Performance. In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, each party hereto shall be entitled to specific performance of the agreements and obligations of the Stockholders hereunder

and to such other injunctive or other equitable relief as may be granted by a court of competent jurisdiction. The Company shall not be required to prove actual damages or post a bond with respect to such proceedings.

(c) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA OTHER THAN CONFLICT OF LAWS PRINCIPLES THEREOF DIRECTING THE APPLICATION OF ANY LAW OTHER THAN THAT OF NEVADA. COURTS WITHIN THE STATE OF NEVADA WILL HAVE JURISDICTION OVER ALL DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE AGREEMENTS, INSTRUMENTS AND DOCUMENTS CONTEMPLATED HEREBY. THE PARTIES HEREBY CONSENT TO AND AGREE TO SUBMIT TO THE JURISDICTION OF SUCH COURTS. EACH OF THE PARTIES HERETO WAIVES, AND AGREES NOT TO ASSERT IN ANY SUCH DISPUTE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM THAT (I) SUCH PARTY IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, (II) SUCH PARTY AND SUCH PARTY'S PROPERTY IS IMMUNE FROM ANY LEGAL PROCESS ISSUED BY SUCH COURTS OR (III) ANY LITIGATION COMMENCED IN SUCH COURTS IS BROUGHT IN AN INCONVENIENT FORUM.

(d) Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION OR AGREEMENT CONTEMPLATED HEREBY OR THE ACTIONS OF ANY PARTY HERETO IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

(e) Attorne ys ' Fees. If any action that law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party will be entitled to recover reasonable attorneys' fees and other costs incurred in such proceeding, in addition to any relief which such party may be entitled.

(f) Notices. All notices, requests, claims, demands or other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly given (a) when delivered, if delivered by hand, (b) one Business Day after transmitted, if transmitted by a nationally recognized overnight courier service, (c) when telecopied, if telecopied (which is confirmed), or (d) three Business Days after mailing, if mailed by registered or certified mail (return receipt requested), to the parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 7(f)):

(i) If to Company:

Mesa Air Group, Inc.
410 N. 44th Street, Suite 700
Phoenix, Arizona 85008
Attention: General Counsel
Telephone: (602) 685-4000
Fax: (602) 685-4350

With a simultaneous copy to:

DLA Piper LLP (US)
2525 E. Camelback Road, Suite 1000
Phoenix, Arizona 85016
Attention: Gregory R. Hall, Esq.
Tel: (480) 606-5128
Fax: (480) 606-5528

(ii) If to the address specified on the signature page hereto.

(g) Complete Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings relating to such subject matter.

(h) Amendments and Waivers. This Agreement may not be amended or terminated and the observance of any term hereunder may not be waived with respect to any Stockholder without the written consent of the Board of Directors of the Company. Any term hereof may be amended and the observance of any term hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by the written consent of the Board of Directors of the Company and the Stockholders holding at least a majority of the then outstanding shares of Common Stock of the Company held by all Stockholders. Any amendment, termination or waiver effected in accordance with this Section 7(h) shall be binding on all parties hereto, even if they do not execute such consent. No waivers of or exceptions to any term, condition or provision of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

(i) Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

(j) Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement may be executed by facsimile or PDF electronic signatures.

(k) Section Headings and References. The section headings are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties. Any reference in this agreement to a particular section or subsection shall refer to a section or subsection of this Agreement, unless specified otherwise.

(l) Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon the parties hereto and their respective successors, assigns, heirs, executors and administrators and shall inure to the benefit of and be enforceable by each person who shall be a holder of the Common Stock from time to time; provided, however, that prior to the receipt by the Company of adequate written notice of the transfer of any Common Stock to a Transferee specifying the full name and address of such Transferee, the Company may deem and treat the person listed as the holder of such Common Stock in its records as the absolute owner and holder of such Common Stock for all purposes.

(m) Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties to this Agreement and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement except as expressly provided in this Agreement.

(n) Additional Stockholders. Upon the transfer of Common Stock pursuant to the terms of Section 3(a) to a Transferee or the exercise of a Warrant by a person who, upon such exercise, constitutes a Stockholder, the Company, without prior action on the part of any Stockholder shall require each such Transferee or Stockholder to execute and deliver this Agreement. Each such party, upon execution and delivery of this Agreement by the Company and such party, shall be deemed a Stockholder hereunder.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the day and year first above written.

COMPANY:

Mesa Air Group, Inc.

By: /s/ Christopher J. Pappaioanou
Name: Christopher J. Pappaioanou
Its: V.P. & General Counsel

STOCKHOLDER:

By: /s/ Stephen L. Johnson

Name: Stephen L. Johnson

Title: EVP Corporate & Government Affairs

Address:

111 W Rio Salado Pkwy
Tempe, AZ 85281

Common Stock:

1,000,000 shares of Common Stock

February 27, 2014

US Airways, Inc.

111 West Rio Salado Parkway
Tempe, Arizona 85281
Attention: Stephen L. Johnson

RE: Shareholders' Agreement, made effective as of March 1, 2011, by and among Mesa Air Group, Inc. (the "Company"), and each holder of Common Stock of the Company (the "Shareholders Agreement:").

Ladies and Gentlemen:

By this letter we hereby request your agreement to extend the term set forth In subsection (b) of Section 5 of the Shareholders Agreement to be three (3) years from the date this letter is signed by US Airways, Inc.; provided, however, that the foregoing extension shall not apply to Section 3 thereof, and the sole transfer restrictions applicable to the undersigned shall be those set forth in the Company's Amended and Restated Articles of Incorporation as modified by the letter agreement between the Company and US Airways, Inc. regarding such articles, dated the date hereof. Except as otherwise set forth in this letter, all other terms of the Shareholders Agreement shall remain in full force and effect.

Sincerely,

MESA AIR GROUP, INC.

/s/ Brian S. Gillman
Brian S. Gillman
Executive Vice President and General Counsel

ACKNOWLEDGED AND AGREED TO:

US AIRWAYS, INC.

By: /s/ Kenneth W. Wimberly

Name: Kenneth W. Wimberly

Title: Vice President and Deputy General Counsel

Date: February 27, 2014

602-685-4000
fax: 602-685-4350
410 North 44th Street
Suite 700
Phoenix, Arizona 85008
www.mesa-air.com

Exhibit 4.3.3

March 22, 2017

Mesa Air Group, Inc.
410 N. 44th Street, Suite 700
Phoenix, Arizona 85008
Attention: Brian S. Gillman

Re: Shareholders' Agreement, made effective as of March 1, 2011, by and among Mesa Air Group, Inc. (the "Company"), and each holder of Common Stock of the Company (the "Shareholders' Agreement'')

Dear Mr. Gillman:

American Airlines, Inc. ("American'') understands and acknowledges that the Shareholders' Agreement has been in full force and effect since March 1, 2011 and has been applicable to American since December 30, 2015 when US Airways, Inc. merged into American and transferred to American, by operation of law, all of its rights, title and interest in the shares of Common Stock of the Company and assigned to American, the Shareholders' Agreement and all of its rights, interests and obligations under the Shareholders' Agreement.

American further agrees to extend the term set forth in subsection (b) of Section 5 of the Shareholders' Agreement to be an additional three (3) years from February 27, 2017; provided, however, that the foregoing extension shall not apply to Section 3 thereof, and the Company further acknowledges that there are no transfer restrictions currently applicable to American. Except as otherwise set forth in this letter, all other terms of the Shareholders' Agreement shall remain in full force and effect.

Sincerely,

AMERICAN AIRLINES, INC.

By: /s/ Kenneth W. Wimberly
Name: Kenneth W. Wimberly
Title: Vice President and Deputy General Counsel

ACKNOWLEDGED AND AGREED TO:

MESA AIR GROUP, INC.

By: /s/ Brian S. Gillman
Name: Brian S. Gillman
Title: Executive Vice President and General Counsel

Exhibit 4.3.4

AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT

This Amended and Restated Shareholders' Agreement (this "Amended and Restated Shareholders' Agreement" or "Agreement") is made effective as of December_____, 2017, (the "Effective Date"), by and among Mesa Air Group, Inc., a Nevada corporation (the "Company'"), and the undersigned affiliated holders (each a "Holder" and, collectively, the "Holders") of the Common Stock and/or Warrants (each as defined below) set forth on the signature page of this Agreement.

RECITALS:

A. As of the date of this Agreement, there is outstanding 4,510,024 shares of common stock, no par value per share, of the Company (the "Common Stock") and warrants to purchase an aggregate of 4,792,250 shares of Common Stock (the "Warrants"), for a fully diluted equity of 9,402,274 shares of Common Stock (the "Company's Fully Diluted Equity").

B. As of the date of this Agreement, each Holder owns the number of shares of Common Stock and the Warrants set forth under such Holder's signature to this Agreement.

C. This Amended and Restated Shareholders' Agreement is being entered into by the Company and the undersigned Holders for the sole purpose of consolidating into one agreement and replacing in their entirety the following three Shareholders' Agreements: (i) Shareholders' Agreement, dated effective as of August 31, 2015, between the Company and P Marblegate Ltd.; and (ii) Shareholders' Agreement, dated effective as of November 14, 2016, between the Company and Penguin Lax, Inc. (collectively, the "Prior Shareholders' Agreements").

D. The Prior Shareholders' Agreement were entered (i) as a condition precedent to the Company's agreement to extend the original expiration date of the Warrants held by such Holders (originally due to expire 60 months following the date of issuance) for an additional 24 months, or (ii) in connection with a transfer of the Warrants.

E. The Company's Board of Directors (the "Board) has approved the Holder desires to acquire shares of Common Stock and/or Warrants which, after given effect to such acquisition, would result in Holders having a beneficial interest of no greater than 644,556 shares of the Company's Fully Diluted Equity.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Voting of Common Stock. At every meeting of the stockholders of the Company (hereinafter "Stockholders") called subsequent to the date of this Agreement, and at every adjournment or postponement thereof, and on every action or approval by written consent, if any, of the Stockholders (collectively, the "Company Actions"), Holder shall appear at the meeting or otherwise cause any Excess Voting Shares (as defined below) to be present thereat for purposes of establishing a quorum and, to the extent not voted by the persons appointed as proxies pursuant to this Agreement, to vote all Excess Voting Shares then held by such Stockholder with respect to any and all Company Actions in such manner as directed by a majority of the Board.

Notwithstanding the foregoing, Stockholder shall be permitted to vote any shares of Common Stock that it holds in its sole discretion that do not consist of Excess Voting Shares.

The term "Excess Voting Shares" shall mean at any time those shares of Common Stock then held by Holder that are in excess of Holder's percentage interest in the Company's Fully Diluted Equity, For purposes of example only, if Holder beneficially owns 1,000,000 shares of Common Stock and the Company's Fully Diluted Equity is 10,000,000 shares of Common Stock, then Holder's percentage interest in the Company's Fully Diluted Equity is 10%. If, at the time of a Company Action the number of outstanding shares of Common Stock is 4,000,000, then Holder may only vote 400,000 of the 1,000,000 shares owned by Holder (i.e., 10% x 4,000,000) and the remaining 600,000 shares owned by Holder would be deemed "Excess Voting Shares" under this Agreement. For purposes of this Agreement, the parties agree that calculation of the percentages set forth in this Agreement at any time during the term of this Agreement shall be based on the *then* outstanding shares of Common Stock and the Company's Fully Diluted Equity at the time such calculation is being made (i.e., rather than being based on the numbers set forth in the first Recital, of this Agreement).

2. Irrevocable Proxy. To secure Holder's obligations to vote any Excess Voting Shares beneficially owned by Holder in accordance with the terms of this Agreement, Holder hereby appoints each member of the Board and any of them (the "Grantees"), as Holder's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, for and in the name, place and stead of Holder, to vote the Excess Voting Shares or to instruct nominees or record holders to vote the Excess Voting Shares in accordance with Section 1 hereof and, in the discretion of the Grantees, with respect to any proposed adjournments or postponements of any meeting of stockholders of the Company at which any of the Company Actions are to be considered, The proxy and power granted by Holder pursuant to this Section 2 are coupled with an interest and are given to secure the performance of such party's duties under Section 1. Each such proxy and power will be irrevocable for the Term. The proxy and power, so long as any party hereto is an individual, will survive the death, incompetency and disability of such party or any other individual affiliate holder of the Common Stock and, so long as any party hereto is an entity, will survive the merger or reorganization of such party or any other entity holding any Common Stock.

3. Transfer of Shares.

(a) Any transfer of shares of Common Stock and/or Warrants by Holder to another party (a "Transferee") shall be subject to, and made in compliance with, Article Eleventh of the Company's Amended and Restated Articles of Incorporation (as amended to date). In addition, Holder shall not be permitted at any time to transfer to any person any shares of Common Stock or any Warrants if such transfer would not be in compliance with the Securities Act of 1933, as amended, and the regulations promulgated thereunder, or any applicable state securities laws. For purposes of this Agreement, a "transfer" shall mean, with respect to any security, the direct or indirect assignment, sale, transfer, tender, exchange, pledge, hypothecation, or the gift, placement in trust, or other disposition of such security.

(b) Any Transferee shall be required to execute a copy of this Shareholders Agreement at the time of such transfer or such transfer shall be deemed null and void.

4. Representations and Warranties of Holder.

(a) Holder hereby represents and warrants to the Company as follows: (i) Holder is the beneficial or record owner of the shares of Common Stock and/or Warrants indicated on the signature page of this Agreement free and clear of any and all pledges, liens, security interests, mortgage, claims, charges, restrictions, options, title defects or encumbrances, in each case that would impair or adversely affect Holder's ability to perform its obligations under this Agreement; (ii) Holder has full power and authority to make, enter into and carry out the terms of this Agreement and to grant the irrevocable proxy as set forth in Section 2; and (iii) this Agreement has been duly and validly executed and delivered by Holder and constitutes a valid and binding agreement of Holder enforceable against Holder in accordance with its terms. Holder agrees to notify the Company promptly of any proposed transfers of any shares of Common Stock or any Warrants.

(b) As of the date hereof and for so long as this Agreement remains in effect, except for this Agreement or as otherwise permitted by this Agreement, Holder has full legal power, authority and right to vote all of shares of Common Stock then owned of record or beneficially by Holder without the consent or approval of, or any other action on the part of, any other person. Without limiting the generality of the foregoing, Holder has not entered into any voting agreement (other than this Agreement) with any person with respect to any shares of Common Stock or any Warrants (or any shares of Common Stock underlying any Warrants), granted any person any proxy (revocable or irrevocable) or power of attorney with respect to any shares of Common Stock or any Warrants (or any shares of Common Stock underlying any Warrants), deposited such shares of Common Stock or any Warrants (or any of the shares of Common Stock underlying any Warrants) in a voting trust or entered into any arrangement or agreement with any person limiting or affecting Holder's legal power, authority or right to vote any shares of Common Stock on any matter.

(c) The execution and delivery of this Agreement and the performance by Holder of its agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which Holder is a party or by which Holder (or any of Holder's assets) are bound, except for any such breach, violation, conflict or default which, individually or in the aggregate, would not impair or adversely affect Holder's ability to perform its obligations under this Agreement or render inaccurate any of the representations made by Holder herein.

5. Representations and Warranties of the Company.

(a) The Company has full corporate power and authority to make, enter into and carry out the terms of this Agreement.

(b) This Agreement has been duly and validly executed and delivered by the Company and constitutes a valid and binding agreement of the Company enforceable against the Company in accordance with its terms.

6. Effectiveness of Agreement; Termination.

(a) Effectiveness of Agreement. This Agreement and the voting obligations set forth herein shall become effective as of the date set forth in the introductory paragraph on page one of this Agreement.

(b) Termination. This Agreement shall terminate at such time as the Company's outstanding Warrants have been fully exercised and/or expired, as the case may be, or upon written agreement of the Company.

7. Restrictive Legend. All certificates representing Common Stock owned or hereafter acquired by Holder during the Term shall have affixed thereto a legend substantially in the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A SHAREHOLDERS' AGREEMENT, AS AMENDED FROM TIME TO TIME, A COPY OF WHICH IS AVAILABLE FOR INSPECTION AT THE OFFICES OF THE SECRETARY OF THE COMPANY."

8. General.

(a) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(b) Specific Performance, In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, the Company shall be entitled to specific performance of the agreements and obligations of Holder hereunder and to such other injunctive or other equitable relief as may be granted by a court of competent jurisdiction. The Company shall not be required to prove actual damages or post a bond with respect to such proceedings.

(c) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA OTHER THAN CONFLICT OF LAWS PRINCIPLES THEREOF DIRECTING THE APPLICATION OF ANY LAW OTHER THAN THAT OF NEVADA. COURTS WITHIN THE STATE OF NEVADA WILL HAVE JURISDICTION OVER ALL DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE AGREEMENTS, INSTRUMENTS AND DOCUMENTS CONTEMPLATED HEREBY, THE PARTIES HEREBY CONSENT TO AND AGREE TO SUBMIT TO THE JURISDICTION OF SUCH COURTS, EACH OF THE PARTIES HERETO WAIVES, AND AGREES NOT TO ASSERT IN ANY SUCH DISPUTE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM THAT (I) SUCH PARTY IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, (II) SUCH PARTY AND SUCH PARTY'S PROPERTY IS IMMUNE FROM ANY LEGAL PROCESS ISSUED BY SUCH COURTS OR (III) ANY LITIGATION COMMENCED IN SUCH COURTS IS BROUGHT IN AN INCONVENIENT FORUM.

(d) Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION OR AGREEMENT CONTEMPLATED HEREBY OR THE ACTIONS OF ANY PARTY HERETO IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

(e) Attorneys' Fees. If any action that law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party will be entitled to recover reasonable attorneys' fees and other costs incurred in such proceeding, in addition to any relief which such party may be entitled.

(f) Notices. All notices, requests, claims, demands or other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly given (a) when delivered, if delivered by hand, (b) one business day after transmitted, if transmitted by a nationally recognized overnight courier service, (c) when telecopied, if telecopied (which is confirmed), or (d) three business days after mailing, if mailed by registered or certified mail (return receipt requested), to the parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8(f)):

(i) If to Company:

Mesa Air Group, Inc.
410 N. 44th Street, Suite 700
Phoenix, Arizona 85008
Attention; Brian S. Gillman
Telephone: (602)685-4000
Facsimile: (602) 685-4350

With a simultaneous copy to:

DLA Piper LLP (US)
2525 E. Camelback Road, Suite 1000
Phoenix, Arizona 85016
Attention: Gregory R. Hall, Esq.
Telephone: (480) 606-5128
Facsimile: (480) 606-5528

(ii) If to the Holder, the address specified on the Holder's signature page hereto.

(g) Complete Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof; and supersedes all prior agreements and understandings relating to such subject matter, including the Prior Shareholders' Agreements.

(h) Amendments and Waivers. Except with respect to termination pursuant to Section 6, this Agreement may not be amended or terminated and the observance of any term hereunder may not be waived with respect to Holder without the written consent of the Board. Any term hereof may be amended and the observance of any term hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by the written consent of the Board and each Holder. Any amendment, termination or waiver effected in accordance with this Section 8(h) shall be binding on all parties hereto, even if they do not execute such consent. No waivers of or exceptions to any term, condition or provision of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

(i) Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

(j) Counterparts., Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement may be executed by facsimile or PDF electronic signatures.

(k) Section Headings and References. The section headings are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties. Any reference in this agreement to a particular section or subsection shall refer to a section or subsection of this Agreement, unless specified otherwise.

(l) Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon the parties hereto and their respective successors and assigns; provided, however, that prior to the receipt by the Company of adequate written notice of the transfer of any Common Stock or any Warrants to a Transferee specifying the full name and address of such Transferee, the Company may deem and treat the person listed as the holder of such Common Stock and/or Warrants in its records as the absolute owner and holder of such Common Stock and/or Warrants for all purposes.

(m) Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties to this Agreement and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement except as expressly provided in this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Amended and Restated Shareholders' Agreement has been executed by the parties hereto as of the day and year first above written.

COMPANY:

MESA AIR GROUP, INC.

By: /s/ Brian S. Gillman
Name: Brian S. Gillman
Its: EVP & General Counsel

[Signature Page to Shareholders' Agreement]

HOLDERS:

PENGUIN LAX, INC.

By: /s/ Paul Arrouet
Name: Paul Arrouet
Title: Secretary
Company: Penguin Lax, Inc.

Address:
c/o Mablegate Asset Management
80 Field Point Road, Suite 101
Greenwich, CT 06830

Warrants:

Certificate Nos.

No. of Shares Underlying Warrants 24,177

Common Stock:

Certificate Nos. _____

No. of Shares Represented by such Certificates _____

P MARBLEGATE LTD.

By: /s/ Andrew Milgram
Name: Andrew Milgram
Its: Authorized Signatory

Address:
c/o Mablegate Asset Management
Greenwich, CT 06830

Warrants:

Warrants to Purchase an Aggregate of _____Shares of Common Stock

Common Stock:

Shares of Common Stock: 417,994

Exhibit 4.3.5

AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT

This Amended and Restated Shareholders' Agreement (the "Agreement") is made effective as of June 1, 2016, between Mesa Air Group, Inc. (the "Company"), and the undersigned holder ("Holder") of the Common Stock and/or Warrants (each as defined below) set forth on the signature page of this Agreement.

RECITALS:

A. As of the date of this Agreement, there is outstanding 3,411,972 shares of common stock, no par value per share, of the Company (the "Common Stock") and warrants to purchase an aggregate of 5,979,641 shares of Common Stock (the "Warrants"), for a fully diluted equity of 9,391,613 shares of Common Stock (the "Company's Fully Diluted Equity").

B. As of the date of this Agreement, Holder owns the number of shares of Common Stock and the Warrants set forth under Holder's signature to this Agreement.

C. Holder previously entered into that certain Shareholders' Agreement, dated as of March 2, 2014, with the Company (the "Original Shareholders' Agreement"), a copy of which is attached hereto as Exhibit B.

D. Holder desires to accept the Company's offer to extend the term of Holder's Warrants.

E. As a condition to such Warrant extension, Holder has agreed to enter into this Amended and Restated Shareholders' Agreement.

F. Company and Holder agree that Holder shall continue to be permitted to purchase and sell Additional Equity.

G. The purchase, and any subsequent sale, of the Additional Equity by Holder is prohibited under Article Eleventh of the Company's Amended and Restated Certificate of Incorporation, as amended (the "Company's Charter"), without the prior approval of the Board of Directors of the Company (the "Board").

H. By resolution on December 19, 2014, the Board agreed to permit Holder to purchase the Additional Equity and transfer the Additional Equity, so long as such transferee is in compliance with the terms of the Company's Charter, subject to Holder's execution of the Original Shareholders' Agreement and compliance with the terms thereof (the "Resolutions," a copy of which is attached hereto as Exhibit A).

I. Upon execution of this Agreement by the Company and Holder, the Original Shareholders' Agreement shall be replaced in its entirety by this Agreement, provided that all capitalized terms used but not defined herein shall have the meanings assigned to them in the Original Shareholders' Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Voting of Common Stock. At every meeting of the stockholders of the Company (hereinafter "Stockholders") called subsequent to the date of this Agreement, and at every adjournment or postponement thereof, and on every action or approval by written consent, if any, of the Stockholders (collectively, the "Company Actions"), Holder shall appear at the meeting or otherwise cause any Excess Voting Shares (as defined below) to be present thereat for purposes of establishing a quorum and, to the extent not voted by the persons appointed as proxies pursuant to this Agreement, to vote all Excess Voting Shares then held by such Stockholder with respect to any and all Company Actions in such manner as directed by a majority of the Board. Notwithstanding the foregoing, Stockholder shall be permitted to vote any shares of Common Stock that it holds in its sole discretion that do not consist of Excess Voting Shares.

The term "Excess Voting Shares" shall mean at any time those shares of Common Stock then held by Holder that are in excess of Holder's percentage interest in the Company's Fully Diluted Equity. For purposes of example only, if Holder beneficially owns 1,000,000 shares of Common Stock and the Company's Fully Diluted Equity is 10,000,000 shares of Common Stock, then Holder's percentage interest in the Company's Fully Diluted Equity is 10%. If, at the time of a Company Action the number of outstanding shares of Common Stock is 4,000,000, then Holder may only vote 400,000 of the 1,000,000 shares owned by Holder (i.e., 10% x 4,000,000) and the remaining 600,000 shares owned by Holder would be deemed "Excess Voting Shares" under this Agreement. For purposes of this Agreement, the parties agree that calculation of the percentages set forth in this Agreement at any time during the term of this Agreement shall be based on the then outstanding shares of Common Stock and the Company's Fully Diluted Equity at the time such calculation is being made (i.e., rather than being based on the numbers set forth in the first Recital of this Agreement).

2. Irrevocable Proxy. To secure Holder's obligations to vote any Excess Voting Shares beneficially owned by Holder in accordance with the terms of this Agreement, Holder hereby appoints each member of the Board and any of them (the "Grantees"), as Holder's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, for and in the name, place and stead of Holder, to vote the Excess Voting Shares or to instruct nominees or record holders to vote the Excess Voting Shares in accordance with Section 1 hereof and, in the discretion of the Grantees, with respect to any proposed adjournments or postponements of any meeting of stockholders of the Company at which any of the Company Actions are to be considered. The proxy and power granted by Holder pursuant to this Section 2 are coupled with an interest and are given to secure the performance of such party's duties under Section 1. Each such proxy and power will be irrevocable for the Term. The proxy and power, so long as any party hereto is an individual, will survive the death, incompetency and disability of such party or any other individual affiliate holder of the Common Stock and, so long as any party hereto is an entity, will survive the merger or reorganization of such party or any other entity holding any Common Stock.

3. Transfer and Acquisition of Shares

(a) Notwithstanding clause (iii) of paragraph (b)(1) of Article the Eleventh of the Company's Charter, Holder shall be permitted to transfer shares of Common Stock and/or Warrants, including any Additional Equity, subject to the restrictions set forth in the Company's Charter to one or more transferees (each a "Transferee"). In addition, Holder shall not be permitted at any time to transfer to any person any shares of Common Stock or any Warrants if such transfer would not be in compliance with the Securities Act of 1933, as amended, and the regulations promulgated thereunder, or any applicable state securities laws. For purposes of this Agreement, a "transfer" shall mean, with respect to any security, the direct or indirect assignment, sale, transfer, tender, exchange, pledge, hypothecation, or the gift, placement in trust, or other disposition of such security.

(b) Any Transferee shall be required to execute a copy of the Form of Shareholders' Agreement attached hereto as Exhibit C at the time of such transfer or such transfer shall be deemed null and void.

(c) In the event that Holder acquires shares of Common Stock and/or Warrants from another party (a "Transferor") and such shares of Common Stock and/or Warrants are subject to a shareholders' agreement between Transferor and the Company that substantially conforms to the Form of Shareholders' Agreement attached hereto as Exhibit C, such shares of Common Stock and/or Warrants shall become subject to this Agreement upon transfer to Holder, and Holder shall not be required to enter into a new shareholders' agreement with the Company in order to effect such transfer.

4. Representations and Warranties of Holder.

(a) Holder hereby represents and warrants to the Company as follows: (i) Holder is the beneficial or record owner of the shares of Common Stock and/or Warrants indicated on the signature page of this Agreement free and clear of any and all pledges, liens, security interests, mortgage, claims, charges, restrictions, options, title defects or encumbrances, in each case that would impair or adversely affect Holder's ability to perform its obligations under this Agreement; (ii) Holder has full power and authority to make, enter into and carry out the terms of this Agreement and to grant the irrevocable proxy as set forth in Section 2; and (iii) this Agreement has been duly and validly executed and delivered by Holder and constitutes a valid and binding agreement of Holder enforceable against Holder in accordance with its terms. Holder agrees to notify the Company promptly of any proposed transfers of any shares of Common Stock or any Warrants.

(b) As of the date hereof and for so long as this Agreement remains in effect, except for this Agreement or as otherwise permitted by this Agreement, Holder has full legal power, authority and right to vote all of shares of Common Stock then owned of record or beneficially by Holder without the consent or approval of, or any other action on the part of, any other person. Without limiting the generality of the foregoing, Holder has not entered into any voting agreement (other than this Agreement) with any person with respect to any shares of Common Stock or any Warrants (or any shares of Common Stock underlying any Warrants), granted any person any proxy (revocable or irrevocable) or power of attorney with respect to any shares of

Common Stock or any Warrants (or any shares of Common Stock underlying any Warrants), deposited such shares of Common Stock or any Warrants (or any of the shares of Common Stock underlying any Warrants) in a voting trust or entered into any arrangement or agreement with any person limiting or affecting Holder's legal power, authority or right to vote any shares of Common Stock on any matter.

(c) The execution and delivery of this Agreement and the performance by Holder of its agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which Holder is a party or by which Holder (or any of Holder's assets) are bound, except for any such breach, violation, conflict or default which, individually or in the aggregate, would not impair or adversely affect Holder's ability to perform its obligations under this Agreement or render inaccurate any of the representations made by Holder herein.

5. Representations and Warranties of the Company.

(a) The Company has full corporate power and authority to make, enter into and carry out the terms of this Agreement.

(b) This Agreement has been duly and validly executed and delivered by the Company and constitutes a valid and binding agreement of the Company enforceable against the Company in accordance with its terms.

(c) The execution and delivery of this Agreement and the performance by Company of its agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which Company is a party or by which Company (or any of Company's assets) are bound (including, but not limited to, the Company's Charter), except for any such breach, violation, conflict or default which, individually or in the aggregate, would not impair or adversely affect Company's ability to perform its obligations under this Agreement or render inaccurate any of the representations made by Company herein; and

(d) The Board has approved Holder's acquisition of the Additional Equity, effective upon Holder's execution of this Agreement and subject to Holder's compliance with the terms hereof.

(e) The attached Resolutions are a true, correct and complete copy of the resolutions duly and properly adopted by the Board evidencing approval of this Agreement and the consummation of the transaction contemplated hereby, which resolutions have not been amended, modified or rescinded and remain in full force and effect.

6. Effectiveness of Agreement; Termination.

(a) Effectiveness of Agreement. This Agreement and the voting obligations set forth herein shall become effective as of the date set forth in the introductory paragraph on page one of this Agreement.

(b) Termination. This Agreement shall terminate at such time the Company's outstanding Warrants have been fully exercised and/or expired, as the case may be, or upon written agreement of the Company.

7. Restrictive Legend. All certificates representing Common Stock owned or hereafter acquired by Holder during the Term shall have affixed thereto a legend substantially in the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A SHAREHOLDERS' AGREEMENT, AS AMENDED FROM TIME TO TIME, A COPY OF WHICH IS AVAILABLE FOR INSPECTION AT THE OFFICES OF THE SECRETARY OF THE COMPANY."

8. General.

(a) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(b) Specific Performance. In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, the Company shall be entitled to specific performance of the agreements and obligations of Holder hereunder and to such other injunctive or other equitable relief as may be granted by a court of competent jurisdiction. The Company shall not be required to prove actual damages or post a bond with respect to such proceedings.

(c) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA OTHER THAN CONFLICT OF LAWS PRINCIPLES THEREOF DIRECTING THE APPLICATION OF ANY LAW OTHER THAN THAT OF NEVADA. COURTS WITHIN THE STATE OF NEVADA WILL HAVE JURISDICTION OVER ALL DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE AGREEMENTS, INSTRUMENTS AND DOCUMENTS CONTEMPLATED HEREBY. THE PARTIES HEREBY CONSENT TO AND AGREE TO SUBMIT TO THE JURISDICTION OF SUCH COURTS. EACH OF THE PARTIES HERETO WAIVES, AND AGREES NOT TO ASSERT IN ANY SUCH DISPUTE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM THAT (I) SUCH PARTY IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, (II) SUCH PARTY AND SUCH PARTY'S PROPERTY IS IMMUNE FROM ANY LEGAL PROCESS ISSUED BY SUCH COURTS OR (III) ANY LITIGATION COMMENCED IN SUCH COURTS IS BROUGHT IN AN INCONVENIENT FORUM.

(d) Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION OR AGREEMENT

CONTEMPLATED HEREBY OR THE ACTIONS OF ANY PARTY HERETO IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

(e) Attorneys' Fees. If any action that law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party will be entitled to recover reasonable attorneys' fees and other costs incurred in such proceeding, in addition to any relief which such party may be entitled.

(f) Notices. All notices, requests, claims, demands or other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly given (a) when delivered, if delivered by hand, (b) one business day after transmitted, if transmitted by a nationally recognized overnight courier service, (c) when telecopied, if telecopied (which is confirmed), or (d) three business days after mailing, if mailed by registered or certified mail (return receipt requested), to the parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8(f)):

(i) If to Company:

Mesa Air Group, Inc.
410 N, 44th Street, Suite 700
Phoenix, Arizona 85008
Attention: Brian S. Gillman
Telephone: (602) 685-4000
Facsimile: (602) 685-4350

With a simultaneous copy to:

DLA Piper LLP (US)
2525 E. Camelback Road, Suite 1000
Phoenix, Arizona 85016
Attention: Gregory R. Hall, Esq.
Telephone: (480) 606-5128
Facsimile: (480) 606-5528

(ii) If to the Holder, the address specified on the Holder's signature page hereto.

(g) Complete Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings relating to such subject matter.

(h) Amendments and Waivers. Except with respect to termination pursuant to Section 6, this Agreement may not be amended or terminated and the observance of any term hereunder may not be waived with respect to Holder without the written consent of the Board. Any term hereof may be amended and the observance of any term hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by the written

consent of the Board and Holder. Any amendment, termination or waiver effected in accordance with this Section 8(h) shall be binding on all parties hereto, even if they do not execute such consent. No waivers of or exceptions to any term, condition or provision of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

(i) Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

(j) Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement may be executed by facsimile or PDF electronic signatures.

(k) Section Headings and References. The section headings are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties. Any reference in this agreement to a particular section or subsection shall refer to a section or subsection of this Agreement, unless specified otherwise.

(l) Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon the parties hereto and their respective successors and assigns; provided, however, that prior to the receipt by the Company of adequate written notice of the transfer of any Common Stock or any Warrants to a Transferee specifying the full name and address of such Transferee, the Company may deem and treat the person listed as the holder of such Common Stock and/or Warrants in its records as the absolute owner and holder of such Common Stock and/or Warrants for all purposes.

(m) Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties to this Agreement and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement except as expressly provided in this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the day and year first above written.

COMPANY:

Mesa Air Group, Inc.

By: /s/ Brian S. Gillman
Name: Brian S. Gillman
Its: EVP & General Counsel

HOLDER:

CITIGROUP GLOBAL MARKETS INC.

By: /s/ Brian S. Broyles
Name: Brian S. Broyles
Title: Authorized Signatory

Address:

CITIGROUP GLOBAL MARKETS INC.

390 Greenwich Street, 4th Floor

New York, NY 10013

Attn: Brian Broyles

Warrants:

Certificate Number	**Amount**
ZQ00000877	6,919
ZQ00000913	137,822
ZQ00000932	31,329
ZQ00000942	218,360
ZQ00000944	57,068
ZQ00000947	6,664
ZQ00000948	204,958
ZQ00000950	298
ZQ00000951	1,317
ZQ00000952	8,771
ZQ00000953	22,357
ZQ00000954	51,035

Total Warrants	746,898

Common Stock:

Certificate Nos. Not aplicable

No. of Shares Represented by such Certificates Not aplicable

EXHIBIT A

RESOLUTIONS

EXHIBIT B

ORIGINAL SHAREHOLDERS' AGREEMENT

12

SHAREHOLDERS' AGREEMENT

This Shareholders' Agreement (this "Agreement") is made effective as of March 2, 2015 (the "Effective Date"), by and among Mesa Air Group, Inc., a Nevada corporation (the "Company"), and the undersigned holder (the "Holder") of the Common Stock and/or Warrants (each as defined below) set forth on the signature page of this Agreement.

RECITALS:

A. As of the date of this Agreement, there is outstanding 3,411,972 shares of common stock, no par value per share, of the Company (the "Common Stock") and warrants to purchase an aggregate of 5,979,641 shares of Common Stock (the "Warrants"), for a fully diluted equity of 9,391,613 shares of Common Stock (the "Company's Fully Diluted Equity").

B. As of the date of this Agreement, Holder beneficially owns an aggregate of 446,101 shares of Common Stock and/or Warrants, as described on the signature page to this Agreement (or 4.7499% of the Company's Fully Diluted Equity).

C. Holder desires to acquire additional shares of Common Stock and/or Warrants (the "Additional Equity") which, after giving effect to such acquisition, would result in Holder having a beneficial interest in up to 10% (or 939,161 shares) of the Company's Fully Diluted Equity.

D. The purchase, and any subsequent sale, of the Additional Equity by Holder is prohibited under Article Eleventh of the Company's Amended and Restated Certificate of Incorporation, as amended (the "Company's Charter"), without the prior approval of the Board of Directors of the Company (the "Board").

E. By resolution on December 19, 2015, the Board agreed to permit Holder to purchase the Additional Equity and transfer the Additional Equity, so long as such transferee is in compliance with the terms of the Company's Charter, subject to Holder's execution of this Agreement and compliance with the terms hereof (the "Resolutions," a copy of which is attached hereto as Exhibit A).

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Voting of Common Stock. At every meeting of the stockholders of the Company (hereinafter "Stockholders") called subsequent to the date of this Agreement, and at every adjournment or postponement thereof, and on every action or approval by written consent, if any, of the Stockholders (collectively, the "Company Actions"), Holder shall appear at the meeting or otherwise cause any Excess Voting Shares (as defined below) to be present thereat for purposes of establishing a quorum and, to the extent not voted by the persons appointed as proxies pursuant to this Agreement, to vote all Excess Voting Shares then held by such Stockholder with respect to any and all Company Actions in such manner as directed by a majority of the Board. Notwithstanding the foregoing, Stockholder shall be permitted to vote any shares of Common Stock that it holds in its sole discretion that do not consist of Excess Voting Shares.

The term "Excess Voting Shares" shall mean at any time those shares of Common Stock then held by Stockholder that are equal to or in excess 10% of the Company's then outstanding shares of Common Stock. For purposes of this Agreement, the parties agree that calculation of the percentages set forth in this Agreement at any time during the Term shall be based on the then outstanding shares of Common Stock and the Company's Fully Diluted Equity at the time such calculation is being made (i.e., rather than being based on the numbers set forth in the first Recital of this Agreement).

2. Irrevocable Proxy. To secure Holder's obligations to vote any Excess Voting Shares beneficially owned by Holder in accordance with the terms of this Agreement, Holder hereby appoints each member of the Board and any of them (the "Grantees"), as Holder's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, for and in the name, place and stead of Holder, to vote the Excess Voting Shares or to instruct nominees or record holders to vote the Excess Voting Shares in accordance with Section 1 hereof and, in the discretion of the Grantees, with respect to any proposed adjournments or postponements of any meeting of stockholders of the Company at which any of the Company Actions are to be considered. The proxy and power granted by Holder pursuant to this Section 2 are coupled with an interest and are given to secure the performance of such party's duties under Section 1. Each such proxy and power will be irrevocable for the Term. The proxy and power, so long as any party hereto is an individual, will survive the death, incompetency and disability of such party or any other individual affiliate holder of the Common Stock and, so long as any party hereto is an entity, will survive the merger or reorganization of such party or any other entity holding any Common Stock.

3. Transfer of Shares Notwithstanding clause (iii) of paragraph (b)(1) of Article the Eleventh of the Company's Charter, Holder shall be permitted to transfer shares of Common Stock or Warrants, including any Additional Equity, subject to the restrictions set forth in the Company's Charter to one or more transferees (each a "Transferee"). Notwithstanding anything to the contrary contained in this Section 3, Holder shall not be permitted at any time to transfer to any person any shares of Common Stock or any Warrants if such transfer would not be in compliance with the Securities Act of 1933, as amended, and the regulations promulgated thereunder, or any applicable state securities laws. For purposes of this Agreement, a "transfer" shall mean, with respect to any security, the direct or indirect assignment, sale, transfer, tender, exchange, pledge, hypothecation, or the gift, placement in trust, or other disposition of such security.

4. Representations and Warranties of Holder.

(a) Holder hereby represents and warrants to the Company as follows: (i) Holder is the beneficial or record owner of the shares of Common Stock and/or Warrants indicated on the signature page of this Agreement free and clear of any and all pledges, liens, security interests, mortgage, claims, charges, restrictions, options, title defects or encumbrances, in each case that would impair or adversely affect Holder's ability to perform its obligations under this Agreement; (ii) Holder has full power and authority to make, enter into and carry out the terms of this Agreement and to grant the irrevocable proxy as set forth in Section 2; and (iii) this Agreement has been duly and validly executed and delivered by Holder and constitutes a valid and binding agreement of Holder enforceable against Holder in accordance with its terms.

Holder agrees to notify the Company promptly of any proposed transfers of any shares of Common Stock or any Warrants.

(b) As of the date hereof and for so long as this Agreement remains in effect, except for this Agreement or as otherwise permitted by this Agreement, Holder has full legal power, authority and right to vote all of shares of Common Stock then owned of record or beneficially by Holder without the consent or approval of, or any other action on the part of, any other person. Without limiting the generality of the foregoing, Holder has not entered into any voting agreement (other than this Agreement) with any person with respect to any shares of Common Stock or any Warrants (or any shares of Common Stock underlying any Warrants), granted any person any proxy (revocable or irrevocable) or power of attorney with respect to any shares of Common Stock or any Warrants (or any shares of Common Stock underlying any Warrants), deposited such shares of Common Stock or any Warrants (or any of the shares of Common Stock underlying any Warrants) in a voting trust or entered into any arrangement or agreement with any person limiting or affecting Holder's legal power, authority or right to vote any shares of Common Stock on any matter.

(c) The execution and delivery of this Agreement and the performance by Holder of its agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which Holder is a party or by which Holder (or any of Holder's assets) are bound, except for any such breach, violation, conflict or default which, individually or in the aggregate, would not impair or adversely affect Holder's ability to perform its obligations under this Agreement or render inaccurate any of the representations made by Holder herein.

5. Representations and Warranties of the Company.

(a) The Company has full corporate power and authority to make, enter into and carry out the terms of this Agreement;

(b) This Agreement has been duly and validly executed and delivered by the Company and constitutes a valid and binding agreement of the Company enforceable against the Company in accordance with its terms;

(c) The execution and delivery of this Agreement and the performance by Company of its agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which Company is a party or by which Company (or any of Company's assets) are bound (including, but not limited to, the Company's Charter), except for any such breach, violation, conflict or default which, individually or in the aggregate, would not impair or adversely affect Company's ability to perform its obligations under this Agreement or render inaccurate any of the representations made by Company herein; and

(d) The Board has approved Holder's acquisition of the Additional Equity, effective upon Holder's execution of this Agreement and subject to Holder's compliance with the terms hereof.

(e) The attached Resolutions are a true, correct and complete copy of the resolutions duly and properly adopted by the Board evidencing approval of this Agreement and the consummation of the transaction contemplated hereby, which resolutions have not been amended, modified or rescinded and remain in full force and effect.

6. Effectiveness of Agreement; Termination.

(a) Effectiveness of Agreement. This Agreement and the voting obligations set forth herein shall become effective at such time as Holder increases its beneficial interest in shares of Common Stock and/or Warrants above 4.75% of the aggregate of the Company's then outstanding Common Stock and Warrants.

(b) Termination. This Agreement shall terminate at such time as Holder beneficially owns less than 4.75% of the aggregate total of the Company's then outstanding Warrants and Common Stock (the "Term"). Notwithstanding the foregoing, the parties may mutually agree to a different Term, which agreement shall be set forth in a written agreement signed by the parties. For the avoidance of doubt, Holder shall be permitted to decrease its beneficial interest in shares of Common Stock and/or Warrants below 4.75% of the aggregate total of the Company's then outstanding Warrants and Common Stock, notwithstanding clause (iii) of paragraph (b) (1) of Article the Eleventh of the Company's Charter.

7. Restrictive Legend. All certificates representing Common Stock owned or hereafter acquired by Holder during the Term shall have affixed thereto a legend substantially in the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A SHAREHOLDERS' AGREEMENT, AS AMENDED FROM TIME TO TIME, A COPY OF WHICH IS AVAILABLE FOR INSPECTION AT THE OFFICES OF THE SECRETARY OF THE COMPANY."

8. General.

(a) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(b) Specific Performance. In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, the Company shall be entitled to specific performance of the agreements and obligations of Holder hereunder and to such other injunctive or other equitable relief as may be granted by a court of competent jurisdiction. The Company shall not be required to prove actual damages or post a bond with respect to such proceedings.

(c) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA OTHER THAN CONFLICT OF LAWS PRINCIPLES THEREOF DIRECTING THE APPLICATION OF ANY LAW OTHER THAN THAT OF NEVADA. COURTS WITHIN THE STATE OF NEVADA WILL HAVE JURISDICTION OVER ALL DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE AGREEMENTS, INSTRUMENTS AND DOCUMENTS CONTEMPLATED HEREBY. THE PARTIES HEREBY CONSENT TO AND AGREE TO SUBMIT TO THE JURISDICTION OF SUCH COURTS. EACH OF THE PARTIES HERETO WAIVES, AND AGREES NOT TO ASSERT IN ANY SUCH DISPUTE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM THAT (I) SUCH PARTY IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, (II) SUCH PARTY AND SUCH PARTY'S PROPERTY IS IMMUNE FROM ANY LEGAL PROCESS ISSUED BY SUCH COURTS OR (III) ANY LITIGATION COMMENCED IN SUCH COURTS IS BROUGHT IN AN INCONVENIENT FORUM.

(d) Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION OR AGREEMENT CONTEMPLATED HEREBY OR THE ACTIONS OF ANY PARTY HERETO IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

(e) Attorneys' Fees. If any action that law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party will be entitled to recover reasonable attorneys' fees and other costs incurred in such proceeding, in addition to any relief which such party may be entitled.

(f) Notices. All notices, requests, claims, demands or other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly given (a) when delivered, if delivered by hand, (b) one business day after transmitted, if transmitted by a nationally recognized overnight courier service, (c) when telecopied, if telecopied (which is confirmed), or (d) three business days after mailing, if mailed by registered or certified mail (return receipt requested), to the parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8(f)):

(i) If to Company:

Mesa Air Group, Inc.
410 N, 44th Street, Suite 700
Phoenix, Arizona 85008
Attention: Brian S. Gillman
Telephone: (602) 685-4000
Facsimile: (602) 685-4350

With a simultaneous copy to:

DLA Piper LLP (US)
2525 E. Camelback Road, Suite 1000
Phoenix, Arizona 85016
Attention: Gregory R. Hall, Esq.
Telephone: (480) 606-5128
Facsimile: (480) 606-5528

(ii) If to the Holder, the address specified on the Holder's signature page hereto.

(g) Complete Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings relating to such subject matter.

(h) Amendments and Waivers. Except with respect to termination pursuant to Section 6, this Agreement may not be amended or terminated and the observance of any term hereunder may not be waived with respect to Holder without the written consent of the Board. Any term hereof may be amended and the observance of any term hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by the written consent of the Board and Holder. Any amendment, termination or waiver effected in accordance with this Section 8(h) shall be binding on all parties hereto, even if they do not execute such consent. No waivers of or exceptions to any term, condition or provision of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

(i) Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

(j) Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement may be executed by facsimile or PDF electronic signatures.

(k) Section Headings and References. The section headings are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties. Any reference in this agreement to a particular section or subsection shall refer to a section or subsection of this Agreement, unless specified otherwise.

(1) Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon the parties hereto and their respective successors and assigns; provided, however, that prior to the receipt by the Company of adequate written notice of the transfer of any Common Stock or any Warrants to a Transferee specifying the full name and address of such Transferee, the Company may deem and treat the person listed as the holder of such Common Stock and/or Warrants in its records as the absolute owner and holder of such Common Stock and/or Warrants for all purposes.

(m) Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties to this Agreement and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement except as expressly provided in this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the day and year first above written.

COMPANY:

Mesa Air Group, Inc.

By: /s/ Michael Lotz
Name: Michael Lotz
Its: President & CFO

[Signature Page to Shareholders' Agreement]

HOLDER: Citigroup Global Markets Inc

By: /s/ Brian S. Broyles
Name: Brian S. Broyles
Title: Authorized Signatory

Address:

Citigroup Global Markets Inc
Attn: Ken Keeley
390 Greenwich St 4th Floor
New York, NY 10013

Warrants:

Certificate Nos.ZQ00000877, ZQ00000759

No. of Shares Underlying Warrants 446,101.00

Common Stock:

Certificate Nos.

No. of Shares Represented by such Certificates

EXHIBIT A

FORM OF RESOLUTIONS

ADOPTED

BY

THE BOARD OF DIRECTORS

OF

MESA AIR GROUP, INC.

December 19, 2014

Approval of Increase and Subsequent Transfer of Warrant Holdings

WHEREAS, the Company currently has outstanding 3,411,972 shares of common stock and warrants to purchase 5,979,641 shares of common stock, for a fully diluted equity of 9,391,613 shares of common stock (hereinafter, the **"Company's Fully Diluted Equity"**).

WHEREAS, Citigroup Global Markets Inc. has represented to the Company that it currently has a beneficial interest in 446,101 shares of common stock of the Company (or 13.07% of the Company's outstanding common stock and 4.75% of the Company's Fully Diluted Equity).

WHEREAS, Citigroup Global Markets Inc. has advised the Company that it desires to acquire additional shares of common stock and/or warrants to purchase shares of common stock of the Company (the **"Additional Equity"**) which, after giving effect to such proposed acquisition, would result in Citigroup Global Markets Inc. having a beneficial interest in 10% (or 939,161 shares) of the Company's Fully Diluted Equity (or 27.53% of the Company's outstanding common stock).

WHEREAS, the acquisition and subsequent transfer of the Additional Equity requires the approval of the Board under the terms of Article Eleventh of the Company's Amended and Restated Articles of Incorporation, as amended (the **"Restated Articles")**, which imposes restrictions on certain transfers of the Company's capital stock in order to protect the Company's net operating losses.

WHEREAS, the Board is willing to approve Citigroup Global Markets Inc.'s acquisition and subsequent transfer of the Additional Equity, subject to Citigroup Global Markets Inc.'s execution of a Shareholders Agreement substantially in the form attached hereto as Exhibit A (the **"Shareholders' Agreement"),** which agreement will grant a proxy to the Board to vote any shares of common stock beneficially owned by Citigroup Global Markets Inc. equal to or in excess of 10% of the Company's then outstanding shares of common stock on any matter submitted to a vote of the shareholders of the Company (i.e., vote all shares of common stock owned by Citigroup Global Markets Inc. that are equal to or greater than 341,197 shares).

WHEREAS, the term of the Shareholders' Agreement shall expire at such time as Citigroup Global Markets Inc. beneficially owns less than 4.75% of the Company's Fully Diluted Equity.

NOW THEREFORE BE IT:

RESOLVED, that Board hereby approves Citigroup Global Markets Inc.'s acquisition of and subsequent transfer of the Additional Equity, provided such purchase does not result in Citigroup Global Markets Inc. having a beneficial interest in greater than 10% of the Company's Fully Diluted Equity and provided that Citigroup Global Markets Inc. enters in the Shareholders' Agreement prior to or concurrently with such acquisition; and

RESOLVED FURTHER, that the Company's Chief Executive Officer, President, Chief Financial Officer and Executive Vice President and General Counsel (the **"Authorized Officers"**) be, and each of them hereby is, authorized, empowered and directed in the name and on behalf of the Company, to execute the Shareholders Agreement, in the form attached to this Written Consent, together with such changes thereto as any such Authorized Officer deems necessary or appropriate, and to take any and all other actions reasonably necessary or appropriate to carry out the intent of the preceding resolutions, and that any and all actions taken by such Authorized Officers in connection therewith are hereby ratified, confirmed, and approved.

EXHIBIT C

FORM OF SHAREHOLDERS' AGREEMENT

FORM OF SHAREHOLDERS' AGREEMENT

This Shareholders' Agreement (the "Agreement") is made effective as of _____ ___, 2016, between Mesa Air Group, Inc. (the "Company"), and the undersigned holder ("Holder") of the Common Stock and/or Warrants (each as defined below) set forth on the signature page of this Agreement.

RECITALS:

A. As of the date of this Agreement, there is outstanding 3,411,972 shares of common stock, no par value per share, of the Company (the "Common Stock") and warrants to purchase an aggregate of 5,979,641 shares of Common Stock (the "Warrants"), for a fully diluted equity of 9,391,613 shares of Common Stock (the "Company's Fully Diluted Equity").

B. As of the date of this Agreement, Holder owns the number of shares of Common Stock and the Warrants set forth under Holder's signature to this Agreement.

C. By resolution on July 21, 2015, the Company's Board of Directors (the "Board"), agreed to extend the original expiration date of the Warrants (originally due to expire 60 months following the date of issuance) for an additional 24 months, subject to the execution of a Shareholders' Agreement in the form set forth herein.

D. Holder desires to extend the term of Holder's Warrants for such 24-month period, and, therefore, has agreed to execute this Agreement.

E. Upon execution of this Agreement by the Company and Holder, the Original Shareholders' Agreement shall be replaced in its entirety by this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

9. Voting of Common Stock. At every meeting of the stockholders of the Company (hereinafter "Stockholders") called subsequent to the date of this Agreement, and at every adjournment or postponement thereof, and on every action or approval by written consent, if any, of the Stockholders (collectively, the "Company Actions"), Holder shall appear at the meeting or otherwise cause any Excess Voting Shares (as defined below) to be present thereat for purposes of establishing a quorum and, to the extent not voted by the persons appointed as proxies pursuant to this Agreement, to vote all Excess Voting Shares then held by such Stockholder with respect to any and all Company Actions in such manner as directed by a majority of the Board. Notwithstanding the foregoing, Stockholder shall be permitted to vote any shares of Common Stock that it holds in its sole discretion that do not consist of Excess Voting Shares.

The term "Excess Voting Shares" shall mean at any time those shares of Common Stock then held by Holder that are in excess of Holder's percentage interest in the Company's Fully Diluted Equity. For purposes of example only, if Holder beneficially owns 1,000,000 shares of Common Stock and the Company's Fully Diluted Equity is 10,000,000 shares of Common Stock, then Holder's percentage interest in the Company's Fully Diluted Equity is 10%. If, at the time of

a Company Action the number of outstanding shares of Common Stock is 4,000,000, then Holder may only vote 400,000 of the 1,000,000 shares owned by Holder (i.e., 10% x 4,000,000) and the remaining 600,000 shares owned by Holder would be deemed "Excess Voting Shares" under this Agreement. For purposes of this Agreement, the parties agree that calculation of the percentages set forth in this Agreement at any time during the term. of this Agreement shall be based on the then outstanding shares of Common Stock and the Company's Fully Diluted Equity at the time such calculation is being made (i.e., rather than being based on the numbers set forth in the first Recital of this Agreement).

10. Irrevocable Proxy. To secure Holder's obligations to vote any Excess Voting Shares beneficially owned by Holder in accordance with the terms of this Agreement, Holder hereby appoints each member of the Board and any of them (the "Grantees"), as Holder's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, for and in the name, place and stead of Holder, to vote the Excess Voting Shares or to instruct nominees or record holders to vote the Excess Voting Shares in accordance with Section 1 hereof and, in the discretion of the Grantees, with respect to any proposed adjournments or postponements of any meeting of stockholders of the Company at which any of the Company Actions are to be considered. The proxy and power granted by Holder pursuant to this Section 2 are coupled with an interest and are given to secure the performance of such party's duties under Section 1. Each such proxy and power will be irrevocable for the Term. The proxy and power, so long as any party hereto is an individual, will survive the death, incompetency and disability of such party or any other individual affiliate holder of the Common Stock and, so long as any party hereto is an entity, will survive the merger or reorganization of such party or any other entity holding any Common Stock.

11. Transfer of Shares

(a) Any transfer of shares of Common Stock and/or Warrants by Holder to another party (a "Transferee") shall be subject to, and made in compliance with, Article Eleventh of the Company's Amended and Restated Articles of Incorporation (as amended to date). In addition, Holder shall not be permitted at any time to transfer to any person any shares of Common Stock or any Warrants if such transfer would not be in compliance with the Securities Act of 1933, as amended, and the regulations promulgated thereunder, or any applicable state securities laws. For purposes of this Agreement, a "transfer" shall mean, with respect to any security, the direct or indirect assignment, sale, transfer, tender, exchange, pledge, hypothecation, or the gift, placement in trust, or other disposition of such security.

(b) Any Transferee shall be required to execute a copy of this Shareholders Agreement at the time of such transfer or such transfer shall be deemed null and void.

12. Representations and Warranties of Holder.

(a) Holder hereby represents and warrants to the Company as follows: (i) Holder is the beneficial or record owner of the shares of Common Stock and/or Warrants indicated on the signature page of this Agreement free and clear of any and all pledges, liens, security interests, mortgage, claims, charges, restrictions, options, title defects or encumbrances, in each case that would impair or adversely affect Holder's ability to perform its obligations

under this Agreement; (ii) Holder has full power and authority to make, enter into and carry out the terms of this Agreement and to grant the irrevocable proxy as set forth in Section 2; and (iii) this Agreement has been duly and validly executed and delivered by Holder and constitutes a valid and binding agreement of Holder enforceable against Holder in accordance with its terms. Holder agrees to notify the Company promptly of any proposed transfers of any shares of Common Stock or any Warrants.

(b) As of the date hereof and for so long as this Agreement remains in effect, except for this Agreement or as otherwise permitted by this Agreement, Holder has full legal power, authority and right to vote all of shares of Common Stock then owned of record or beneficially by Holder without the consent or approval of, or any other action on the part of, any other person. Without limiting the generality of the foregoing, Holder has not entered into any voting agreement (other than this Agreement) with any person with respect to any shares of Common Stock or any Warrants (or any shares of Common Stock underlying any Warrants), granted any person any proxy (revocable or irrevocable) or power of attorney with respect to any shares of Common Stock or any Warrants (or any shares of Common Stock underlying any Warrants), deposited such shares of Common Stock or any Warrants (or any of the shares of Common Stock underlying any Warrants) in a voting trust or entered into any arrangement or agreement with any person limiting or affecting Holder's legal power, authority or right to vote any shares of Common Stock on any matter.

(c) The execution and delivery of this Agreement and the performance by Holder of its agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which Holder is a party or by which Holder (or any of Holder's assets) are bound, except for any such breach, violation, conflict or default which, individually or in the aggregate, would not impair or adversely affect Holder's ability to perform its obligations under this Agreement or render inaccurate any of the representations made by Holder herein.

13. Representations and Warranties of the Company.

(a) The Company has full corporate power and authority to make, enter into and carry out the terms of this Agreement.

(b) This Agreement has been duly and validly executed and delivered by the Company and constitutes a valid and binding agreement of the Company enforceable against the Company in accordance with its terms.

14. Effectiveness of Agreement; Termination.

(a) Effectiveness of Agreement. This Agreement and the voting obligations set forth herein shall become effective as of the date set forth in the introductory paragraph on page one of this Agreement.

(b) Termination. This Agreement shall terminate at such time the Company's outstanding Warrants have been fully exercised and/or expired, as the case may be, or upon written

agreement of the Company.

15. Restrictive Legend. All certificates representing Common Stock owned or hereafter acquired by Holder during the Term shall have affixed thereto a legend substantially in the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A SHAREHOLDERS' AGREEMENT, AS AMENDED FROM TIME TO TIME, A COPY OF WHICH IS AVAILABLE FOR INSPECTION AT THE OFFICES OF THE SECRETARY OF THE COMPANY."

16. General.

(a) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(b) Specific Performance. In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, the Company shall be entitled to specific performance of the agreements and obligations of Holder hereunder and to such other injunctive or other equitable relief as may be granted by a court of competent jurisdiction. The Company shall not be required to prove actual damages or post a bond with respect to such proceedings.

(c) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA OTHER THAN CONFLICT OF LAWS PRINCIPLES THEREOF DIRECTING THE APPLICATION OF ANY LAW OTHER THAN THAT OF NEVADA. COURTS WITHIN THE STATE OF NEVADA WILL HAVE JURISDICTION OVER ALL DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE AGREEMENTS, INSTRUMENTS AND DOCUMENTS CONTEMPLATED HEREBY. THE PARTIES HEREBY CONSENT TO AND AGREE TO SUBMIT TO THE JURISDICTION OF SUCH COURTS. EACH OF THE PARTIES HERETO WAIVES, AND AGREES NOT TO ASSERT IN ANY SUCH DISPUTE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM THAT (I) SUCH PARTY IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, (II) SUCH PARTY AND SUCH PARTY'S PROPERTY IS IMMUNE FROM ANY LEGAL PROCESS ISSUED BY SUCH COURTS OR (III) ANY LITIGATION COMMENCED IN SUCH COURTS IS BROUGHT IN AN INCONVENIENT FORUM.

(d) Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION OR AGREEMENT CONTEMPLATED HEREBY OR THE ACTIONS OF ANY PARTY HERETO IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

(e) Attorneys' Fees. If any action that law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party will be entitled to recover reasonable attorneys' fees and other costs incurred in such proceeding, in addition to any relief which such party may be entitled.

(f) Notices. All notices, requests, claims, demands or other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly given (a) when delivered, if delivered by hand, (b) one business day after transmitted, if transmitted by a nationally recognized overnight courier service, (c) when telecopied, if telecopied (which is confirmed), or (d) three business days after mailing, if mailed by registered or certified mail (return receipt requested), to the parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8(f)):

(i) If to Company:

Mesa Air Group, Inc.
410 N. 44th Street, Suite 700
Phoenix, Arizona 85008
Attention: Brian S. Gillman
Telephone: (602) 685-4000
Facsimile: (602) 685-4350

With a simultaneous copy to:

DLA Piper LLP (US)
2525 E. Camelback Road, Suite 1000
Phoenix, Arizona 85016
Attention: Gregory R. Hall, Esq.
Telephone: (480) 606-5128
Facsimile: (480) 606-5528

(ii) If to the Holder, the address specified on the Holder's signature page hereto.

(g) Complete Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings relating to such subject matter.

(h) Amendments and Waivers. Except with respect to termination pursuant to Section 6, this Agreement may not be amended or terminated and the observance of any term hereunder may not be waived with respect to Holder without the written consent of the Board. Any term hereof may be amended and the observance of any term hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by the written consent of the Board and Holder. Any amendment, termination or waiver effected in accordance with this Section 8(h) shall be binding on all parties hereto, even if they do not execute such consent. No waivers of or exceptions to any term, condition or provision of this Agreement, in

any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

(i) Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

(j) Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement may be executed by facsimile or PDF electronic signatures.

(k) Section Headings and References. The section headings are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties. Any reference in this agreement to a particular section or subsection shall refer to a section or subsection of this Agreement, unless specified otherwise.

(1) Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon the parties hereto and their respective successors and assigns; provided, however, that prior to the receipt by the Company of adequate written notice of the transfer of any Common Stock or any Warrants to a Transferee specifying the full name and address of such Transferee, the Company may deem and treat the person listed as the holder of such Common Stock and/or Warrants in its records as the absolute owner and holder of such Common Stock and/or Warrants for all purposes.

(m) Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties to this Agreement and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement except as expressly provided in this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the day and year first above written.

COMPANY:

Mesa Air Group, Inc.

By: _____
Name: _____
Its: _____

[Signature Page to Shareholders' Agreement]

HOLDER:

By: _____
Name: _____
Title: _____

Address:

_____

_____

Warrants:

Certificate Nos._____

No. of Shares Underlying Warrants_____

Common Stock:

Certificate Nos._____

No. of Shares Represented by such Certificates_____

MESA AIR GROUP, INC.
2011 STOCK INCENTIVE PLAN

1. Establishment, Purpose and Types of Awards

MESA AIR GROUP, INC., a Nevada corporation (the "*Company*"), hereby establishes the MESA AIR GROUP, INC. 2011 STOCK INCENTIVE PLAN (the "*Plan*"). The purpose of the Plan is to promote the long-term growth and profitability of the Company by (i) providing key people with incentives to improve stockholder value and to contribute to the growth and financial success of the Company through their future services, and (ii) enabling the Company to attract, retain and reward the best-available persons.

The Plan permits the granting of stock options (including incentive stock options qualifying under Code section 422 and nonstatutory stock options), stock appreciation rights, restricted or unrestricted stock awards, phantom stock, restricted stock units, performance awards, other stock-based awards, or any combination of the foregoing.

2. Definitions

Under this Plan, except where the context otherwise indicates, the following definitions apply:

(a) *"Administrator"* means the Board or the committee(s) or officer(s) appointed by the Board that have authority to administer the Plan as provided in Section 3 hereof.

(b) "*Affiliate"* means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with, the Company (including, but not limited to, joint ventures, limited liability companies, and partnerships). For this purpose, "*control*" shall mean ownership of 50% or more of the total combined voting power or value of all classes of stock or interests of the entity, or the power to direct the management and policies of the entity, by contract or otherwise.

(c) *"Award"* means any stock option, stock appreciation right, stock award, phantom stock award, restricted stock unit award, performance award, or other stock-based award.

(d) *"Board"* means the Board of Directors of the Company.

(e) *"Change in Control"* means: (i) the acquisition (other than from the Company) in one or more transactions by any Person, as defined in this Section 2(e), of the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 50% or more of (A) the then outstanding shares of the securities of the Company, or (B) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the "*Company Voting Stock*"); (ii) the closing of a sale or other conveyance of all or substantially all of the assets of the Company; or (iii) the effective time of any merger, share exchange, consolidation, or other business combination involving the Company if immediately after such transaction persons who hold a majority of the outstanding voting securities entitled to vote generally in the election of directors of the surviving entity (or the entity owning 100% of such surviving entity) are not persons who, immediately prior to such transaction, held the Company Voting Stock; provided, however, that a Change in Control shall not include (X) any consolidation or merger effected exclusively to change the domicile of the Company, (Y) any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or indebtedness of the Company is cancelled or converted or a combination thereof, or (Z) a public offering of capital stock of the Company; and provided, further, that for purposes of any Award or subplan that constitutes a "nonqualified deferred compensation plan," within the meaning of Code section 409A, the Administrator, in its discretion, may specify a different definition of Change in Control in order to comply with the provisions of Code section 409A. For purposes of this Section 2(e), a "*Person*" means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, other than: employee benefit plans sponsored or maintained by the Company and by entities controlled by the Company or an underwriter of the Common Stock in a registered public offering.

(f) *"Code"* means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

(g) *"Common Stock"* means shares of common stock of the Company, no par value per share.

(h) "*Fair Market Value*" means, with respect to the Common Stock, as of any date:

(i) if the principal market for the Common Stock (as determined by the Administrator if the Common Stock is listed or admitted to trading on more than one exchange or market) is a national securities exchange or an established securities market, the official closing price per share of Common Stock for the regular market session on that date on the principal exchange or market on which the Common Stock is then listed or admitted to trading or, if no sale is reported for that date, on the last preceding day for which a sale was reported;

(ii) if the principal market for the Common Stock is not a national securities exchange or an established securities market, the average of the highest bid and lowest asked prices for the Common Stock on that date as reported on a national quotation system or, if no prices are reported for that date, on the last preceding day for which prices were reported; or

(iii) if the Common Stock is neither listed or admitted to trading on a national securities exchange or an established securities market, nor quoted by a national quotation system, the value determined by the Administrator in good faith.

(i) *"Grant Agreement"* means a written document, including an electronic writing acceptable to the Administrator, memorializing the terms and conditions of an Award granted pursuant to the Plan and which shall incorporate the terms of the Plan.

3. Administration

(a) *Administration of the Plan.* The Plan shall be administered by the Board or by such committee or committees as may be appointed by the Board from time to time. To the extent allowed by applicable state law, the Board by resolution may authorize an officer or officers to grant Awards (other than stock Awards) to other officers and employees of the Company and its Affiliates, and, to the extent of such authorization, such officer or officers shall be the Administrator.

(b) *Powers of the Administrator*. The Administrator shall have all the powers vested in it by the terms of the Plan, such powers to include authority, in its sole and absolute discretion, to grant Awards under the Plan, prescribe Grant Agreements evidencing such Awards and establish programs for granting Awards.

The Administrator shall have full power and authority to take all other actions necessary to carry out the purpose and intent of the Plan, including, but not limited to, the authority to: (i) determine the eligible persons to whom, and the time or times at which Awards shall be granted; (ii) determine the types of Awards to be granted; (iii) determine the number of shares to be covered by or used for reference purposes for each Award; (iv) impose such terms, limitations, restrictions and conditions upon any such Award as the Administrator shall deem appropriate; (v) modify, amend, extend or renew outstanding Awards, or accept the surrender of outstanding Awards and substitute new Awards (provided however, that, except as provided in Section 6 or 7(d) of the Plan, any modification that would materially adversely affect any outstanding Award shall not be made without the consent of the holder); (vi) accelerate or otherwise change the time in which an Award may be exercised or becomes payable and to waive or accelerate the lapse, in whole or in part, of any restriction or condition with respect to such Award, including, but not limited to, any restriction or condition with respect to the vesting or exercisability of an Award following termination of any grantee's employment or other relationship with the Company; (vii) establish objectives and conditions, if any, for earning Awards and determining whether Awards will be paid with respect to a performance period; and (viii) for any purpose, including

but not limited to, qualifying for preferred tax treatment under foreign tax laws or otherwise complying with the regulatory requirements of local or foreign jurisdictions, to establish, amend, modify, administer or terminate sub-plans, and prescribe, amend and rescind rules and regulations relating to such sub-plans.

The Administrator shall have full power and authority, in its sole and absolute discretion, to administer, construe and interpret the Plan, Grant Agreements and all other documents relevant to the Plan and Awards issued thereunder, to establish, amend, rescind and interpret such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Administrator deems necessary or advisable, and to correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent the Administrator shall deem it desirable to carry it into effect.

(c) *Non-Uniform Determinations*. The Administrator's determinations under the Plan (including without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards, and the Grant Agreements evidencing such Awards, and the ramifications of a Change in Control upon outstanding Awards) need not be uniform and may be made by the Administrator selectively among Awards or persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

(d) *Limited Liability.* To the maximum extent permitted by law, no member of the Administrator shall be liable for any action taken or decision made in good faith relating to the Plan or any Award thereunder.

(e) *Indemnification*. To the maximum extent permitted by law and by the Company's charter and by-laws, the members of the Administrator shall be indemnified by the Company in respect of all their activities under the Plan.

(f) *Effect of Administrator's Decision*. All actions taken and decisions and determinations made by the Administrator on all matters relating to the Plan pursuant to the powers vested in it hereunder shall be in the Administrator's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the Company, its stockholders, any participants in the Plan and any other employee, consultant, or director of the Company, and their respective successors in interest.

4. Shares Available for the Plan

Subject to adjustments as provided in Section 7(d) of the Plan, the shares of Common Stock that may be issued with respect to Awards granted under the Plan shall not exceed an aggregate of 1,000,000 shares of Common Stock. The Company shall reserve such number of shares for Awards under the Plan, subject to adjustments as provided in Section 7(d) of the Plan. If any Award, or portion of an Award, under the Plan expires or terminates unexercised, becomes unexercisable, is settled in cash without delivery of shares of Common Stock, or is forfeited or otherwise terminated, surrendered or canceled as to any shares, or if any shares of Common Stock are repurchased by or surrendered to the Company in connection with any Award (whether or not such surrendered shares were acquired pursuant to any Award), or if any shares are withheld by the Company, the shares subject to such Award and the repurchased, surrendered and withheld shares shall thereafter be available for further Awards under the Plan; provided, however, that any such shares that are surrendered to or repurchased or withheld by the Company in connection with any Award or that are otherwise forfeited after issuance shall not be available for purchase pursuant to incentive stock options intended to qualify under Code section 422.

5. Participation

Participation in the Plan shall be open to all employees, officers, and directors of, and other individuals providing bona fide services to or for, the Company, or of any Affiliate of the Company, as may be selected by the Administrator from time to time. The Administrator may also grant Awards to individuals in connection with hiring, retention or otherwise, prior to the date the individual first performs services for the Company or an

Affiliate, provided that such Awards shall not become vested or exercisable, and no shares shall be issued to such individual, prior to the date the individual first commences performance of such services.

6. Awards

The Administrator, in its sole discretion, establishes the terms of all Awards granted under the Plan. Awards may be granted individually or in tandem with other types of Awards, concurrently with or with respect to outstanding Awards. All Awards are subject to the terms and conditions provided in the Grant Agreement.

(a) *Stock Options.* The Administrator may from time to time grant to eligible participants Awards of incentive stock options as that term is defined in Code section 422 or nonstatutory stock options; provided, however, that Awards of incentive stock options shall be limited to employees of the Company or of any current or hereafter existing "*parent corporation*" or "*subsidiary corporation*," as defined in Code sections 424(e) and (f), respectively, of the Company and any other individuals who are eligible to receive incentive stock options under the provisions of Code section 422. Options must have an exercise price at least equal to Fair Market Value as of the date of grant and may not have a term in excess of ten years' duration. No stock option shall be an incentive stock option unless so designated by the Administrator at the time of grant or in the Grant Agreement evidencing such stock option.

(b) *Stock Appreciation Rights.* The Administrator may from time to time grant to eligible participants Awards of Stock Appreciation Rights ("*SAR*"). A SAR entitles the grantee to receive, subject to the provisions of the Plan and the Grant Agreement, a payment having an aggregate value equal to the product of (i) the excess of (A) the Fair Market Value on the exercise date of one share of Common Stock over (B) the base price per share specified in the Grant Agreement, times (ii) the number of shares specified by the SAR, or portion thereof, which is exercised. The base price per share specified in the Grant Agreement shall not be less than the lower of the Fair Market Value on the grant date or the exercise price of any tandem stock option Award to which the SAR is related. No SAR shall have a term longer than ten years' duration. Payment by the Company of the amount receivable upon any exercise of a SAR may be made by the delivery of Common Stock or cash, or any combination of Common Stock and cash, as determined in the sole discretion of the Administrator. If upon settlement of the exercise of a SAR a grantee is to receive a portion of such payment in shares of Common Stock, the number of shares shall be determined by dividing such portion by the Fair Market Value of a share of Common Stock on the exercise date. No fractional shares shall be used for such payment and the Administrator shall determine whether cash shall be given in lieu of such fractional shares or whether such fractional shares shall be eliminated.

(c) *Stock Awards.* The Administrator may from time to time grant restricted or unrestricted stock Awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine. A stock Award may be paid in Common Stock, in cash, or in a combination of Common Stock and cash, as determined in the sole discretion of the Administrator.

(d) *Phantom Stock Units.* The Administrator may from time to time grant Awards to eligible participants denominated in stock-equivalent units or restricted stock units ("***phantom stock units***") in such amounts and on such terms and conditions as it shall determine. Phantom stock units granted to a participant shall be credited to a bookkeeping reserve account solely for accounting purposes and shall not require a segregation of any of the Company's assets. An Award of phantom stock units may be settled in Common Stock, in cash, or in a combination of Common Stock and cash, as determined in the sole discretion of the Administrator. Except as otherwise provided in the applicable Grant Agreement, the grantee shall not have the rights of a stockholder with respect to any shares of Common Stock represented by a phantom stock unit solely as a result of the grant of a phantom stock unit to the grantee.

(e) *Performance Awards*. The Administrator may, in its discretion, grant performance awards which become payable on account of attainment of one or more performance goals established by the Administrator. Performance awards may be paid by the delivery of Common Stock or cash, or any combination of Common Stock and cash, as determined in the sole discretion of the Administrator.

Performance goals established by the Administrator may be based on the Company's or an Affiliate's operating income or one or more other business criteria selected by the Administrator that apply to an individual or group of individuals, a business unit, or the Company or an Affiliate as a whole, over such performance period as the Administrator may designate.

(f) *Other Stock-Based Awards.* The Administrator may from time to time grant other stock-based awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine. Other stock-based awards may be denominated in cash, in Common Stock or other securities, in stock-equivalent units, in stock appreciation units, in securities or debentures convertible into Common Stock, or in any combination of the foregoing and may be paid in Common Stock or other securities, in cash, or in a combination of Common Stock or other securities and cash, all as determined in the sole discretion of the Administrator.

7. Miscellaneous

(a) *Withholding of Taxes*. Grantees and holders of Awards shall pay to the Company or its Affiliate, or make provision satisfactory to the Administrator for payment of, any taxes required to be withheld in respect of Awards under the Plan no later than the date of the event creating the tax liability. The Company or its Affiliate may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the grantee or holder of an Award. In the event that payment to the Company or its Affiliate of such tax obligations is made in shares of Common Stock, such shares shall be valued at Fair Market Value on the applicable date for such purposes and shall not exceed in amount the minimum statutory tax withholding obligation.

(b) *Loans*. To the extent otherwise permitted by law, the Company or its Affiliate may make or guarantee loans to grantees to assist grantees in exercising Awards and satisfying any withholding tax obligations.

(c) *Transferability*. Except as otherwise determined by the Administrator, and in any event in the case of an incentive stock option or a stock appreciation right granted with respect to an incentive stock option, no Award granted under the Plan shall be transferable by a grantee otherwise than by will or the laws of descent and distribution. Unless otherwise determined by the Administrator in accord with the provisions of the immediately preceding sentence, an Award may be exercised during the lifetime of the grantee, only by the grantee or, during the period the grantee is under a legal disability, by the grantee's guardian or legal representative.

(d) *Adjustments for Corporate Transactions and Other Events*.

(i) *Stock Dividend, Stock Split and Reverse Stock Split.* In the event of a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, (A) the maximum number of shares of such Common Stock as to which Awards may be granted under this Plan, as provided in Section 4 of the Plan, and (B) the number of shares covered by and the exercise price and other terms of outstanding Awards, shall, without further action of the Board, be adjusted to reflect such event. The Administrator may make adjustments, in its discretion, to address the treatment of fractional shares and fractional cents that arise with respect to outstanding Awards as a result of the stock dividend, stock split or reverse stock split.

(ii) *Non-Change in Control Transactions.* Except with respect to the transactions set forth in Section 7(d)(i), in the event of any change affecting the Common Stock, the Company or its capitalization, by reason of a spin-off, split-up, dividend, recapitalization, merger, consolidation or share exchange, other than any such change that is part of a transaction resulting in a Change in Control of the Company, the Administrator, in its discretion and without the consent of the holders of the Awards, may make (A) appropriate adjustments to the maximum

number and kind of shares reserved for issuance or with respect to which Awards may be granted under the Plan, as provided in Section 4 of the Plan; and (B) any adjustments in outstanding Awards, including but not limited to modifying the number, kind and price of securities subject to Awards, as the Administrator determines to be appropriate and equitable.

(iii) *Change in Control Transactions.* In the event of any transaction resulting in a Change in Control of the Company, outstanding stock options and other Awards that are payable in or convertible into Common Stock under this Plan will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Awards by, or for the substitution of equivalent awards, as determined in the sole discretion of the Administrator, of, the surviving or successor entity or a parent thereof. In the event of such termination, the holders of stock options and other Awards under the Plan will be permitted, immediately before the Change in Control, to exercise or convert all portions of such stock options or other Awards under the Plan that are then exercisable or convertible or which become exercisable or convertible upon or prior to the effective time of the Change in Control. If, immediately before the Change in Control, no stock of the Company is readily tradeable on an established securities market or otherwise, and the vesting of an Award or Awards pursuant to this Section 7(d)(iii) would be treated as a "parachute payment" (as defined in section 280G of the Code), then such Award or Awards shall not vest unless the requirements of the shareholder approval exemption of section 280G(b)(5) of the Code have been satisfied with respect to such Award or Awards.

(iv) *Unusual or Nonrecurring Events.* The Administrator is authorized to make, in its discretion and without the consent of holders of Awards, adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events affecting the Company, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(e) *Substitution of Awards in Mergers and Acquisitions.* Awards may be granted under the Plan from time to time in substitution for awards held by employees, officers, consultants or directors of entities who become or are about to become employees, officers, consultants or directors of the Company or an Affiliate as the result of a merger or consolidation of the employing entity with the Company or an Affiliate, or the acquisition by the Company or an Affiliate of the assets or stock of the employing entity. The terms and conditions of any substitute Awards so granted may vary from the terms and conditions set forth herein to the extent that the Administrator deems appropriate at the time of grant to conform the substitute Awards to the provisions of the awards for which they are substituted.

(f) *Other Agreements.* As a condition precedent to the grant of any Award under the Plan, the exercise pursuant to such an Award, or to the delivery of certificates for shares issued pursuant to any Award, the Administrator may require the grantee or the grantee's successor or permitted transferee, as the case may be, to become a party to a stock restriction agreement, shareholders' agreement, voting trust agreement or other agreements regarding the Common Stock of the Company in such form(s) as the Administrator may determine from time to time.

(g) *Termination, Amendment and Modification of the Plan*. The Board may terminate, amend or modify the Plan or any portion thereof at any time. Except as otherwise determined by the Board, termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

(h) *Non-Guarantee of Employment or Service*. Nothing in the Plan or in any Grant Agreement thereunder shall confer any right on an individual to continue in the service of the Company or shall interfere in any way with the right of the Company to terminate such service at any time with or without cause or notice and whether or not such termination results in (i) the failure of any Award to vest; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under the Plan.

(i) *Compliance with Securities Laws; Listing and Registration*. If at any time the Administrator determines that the delivery of Common Stock under the Plan is or may be unlawful under the laws of any applicable jurisdiction, or Federal, state or foreign securities laws, the right to exercise an Award or receive shares of Common Stock pursuant to an Award shall be suspended until the Administrator determines that such delivery is lawful. If at any time the Administrator determines that the delivery of Common Stock under the Plan is or may violate the rules of the national exchange on which the shares are then listed for trade, the right to exercise an Award or receive shares of Common Stock pursuant to an Award shall be suspended until the Administrator determines that such delivery would not violate such rules. The Company shall have no obligation to effect any registration or qualification of the Common Stock under Federal, state or foreign laws.

The Company may require that a grantee, as a condition to exercise of an Award, and as a condition to the delivery of any share certificate, make such written representations (including representations to the effect that such person will not dispose of the Common Stock so acquired in violation of Federal, state or foreign securities laws) and furnish such information as may, in the opinion of counsel for the Company, be appropriate to permit the Company to issue the Common Stock in compliance with applicable Federal, state or foreign securities laws. The stock certificates for any shares of Common Stock issued pursuant to this Plan may bear a legend restricting transferability of the shares of Common Stock unless such shares are registered or an exemption from registration is available under the Securities Act of 1933, as amended, and applicable state or foreign securities laws.

(j) *No Trust or Fund Created*. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a grantee or any other person. To the extent that any grantee or other person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(k) *Governing Law*. The validity, construction and effect of the Plan, of Grant Agreements entered into pursuant to the Plan, and of any rules, regulations, determinations or decisions made by the Administrator relating to the Plan or such Grant Agreements, and the rights of any and all persons having or claiming to have any interest therein or thereunder, shall be determined exclusively in accordance with applicable federal laws and the laws of the State of Nevada, without regard to its conflict of laws principles.

(l) *409A Savings Clause*. The Plan and all Awards granted hereunder are intended to comply with, or otherwise be exempt from, Code section 409A. The Plan and all Awards granted under the Plan shall be administered, interpreted, and construed in a manner consistent with Code section 409A to the extent necessary to avoid the imposition of additional taxes under Code section 409A(a)(1)(B). Should any provision of the Plan, any Award Agreement, or any other agreement or arrangement contemplated by the Plan be found not to comply with, or otherwise be exempt from, the provisions of Code section 409A, such provision shall be modified and given effect (retroactively if necessary), in the sole discretion of the Administrator, and without the consent of the holder of the Award, in such manner as the Administrator determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Code section 409A. Notwithstanding anything in the Plan to the contrary, in no event shall the Administrator exercise its discretion to accelerate the payment or settlement of an Award where such payment or settlement constitutes deferred compensation within the meaning of Code section 409A unless, and solely to the extent that, such accelerated payment or settlement is permissible under Treasury Regulation section 1.409A-3(j)(4) or any successor provision.

(m) *Effective Date; Termination Date*. The Plan is effective as of the date on which the Plan is adopted by the Board, subject to approval of the stockholders within twelve months before or after such date. No Award shall be granted under the Plan after the close of business on the day immediately preceding the tenth anniversary of the effective date of the Plan, or if earlier, the tenth anniversary of the date this Plan is approved by the stockholders. Subject to other applicable provisions of the Plan, all Awards made under the Plan prior to such termination of the Plan shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

PLAN APPROVAL

Date Approved by the Board: _____

APPENDIX A
PROVISIONS FOR CALIFORNIA RESIDENTS

With respect to Awards granted to California residents prior to a public offering of capital stock of the Company that is effected pursuant to a registration statement filed with, and declared effective by, the Securities and Exchange Commission under the Securities Act of 1933, as amended, and only to the extent required by applicable law, the following provisions shall apply notwithstanding anything in the Plan or a Grant Agreement to the contrary:

1. With respect to any Award granted in the form of a stock option pursuant to Section 6(a) of the Plan:

(a) The exercise period shall be no more than 120 months from the date the option is granted.

(b) The options shall be non-transferable other than by will, by the laws of descent and distribution, or, if and to the extent permitted under the Grant Agreement, to a revocable trust or as permitted by Rule 701 of the Securities Act of 1933, as amended (17 C.F.R. 230.701).

(c) Unless employment is terminated for "cause" as defined by applicable law, the terms of the Plan or Grant Agreement, or a contract of employment, the right to exercise the option in the event of termination of employment, to the extent that the Award recipient is entitled to exercise on the date employment terminates, will continue until the earlier of the option expiration date, or:

(1) At least 6 months from the date of termination if termination was caused by death or disability.

(2) At least 30 days from the date of termination if termination was caused by other than death or disability.

2. With respect to an Award, granted pursuant to Section 6(c) of the Plan, that provides the Award recipient the right to purchase stock, the Award shall be non-transferable other than by will, by the laws of descent and distribution, or, if and to the extent permitted under the Grant Agreement, to a revocable trust or as permitted by Rule 701 of the Securities Act of 1933, as amended (17 C.F.R. 230.701).

3. The Plan shall have a termination date of not more than 10 years from the date the Plan is adopted by the Board or the date the Plan is approved by the security holders, whichever is earlier.

4. Security holders representing a majority of the Company's outstanding securities entitled to vote must approve the Plan by the later of (a) 12 months after the date the Plan is adopted or (b) 12 months after the granting of any Award to a resident of California. Any option exercised or any securities purchased before security holder approval is obtained must be rescinded if security holder approval is not obtained within the period described in the preceding sentence. Such securities shall not be counted in determining whether such approval is obtained.

5. At the discretion of the Administrator, the Company may reserve to itself and/or its assignee(s) in the Grant Agreement or any applicable stock restriction agreement a right to repurchase securities held by an Award recipient upon such Award recipient's termination of employment at any time within six months after such Award recipient's termination date (or in the case of securities issued upon exercise of an option after the termination date, within six months after the date of such exercise) for cash or cancellation of purchase money indebtedness, at:

(A) no less than the Fair Market Value of such securities as of the date of the Award recipient's termination of employment, provided, that such right to repurchase securities terminates when the Company's securities have become publicly traded; or

(B) the Award recipient's original purchase price, provided, that such right to repurchase securities at the original purchase price lapses at the rate of at least 20% of the securities per year over 5 years from

the date the option is granted (without respect to the date the option was exercised or became exercisable).

The securities held by an officer, director, manager or consultant of the Company or an affiliate may be subject to additional or greater restrictions.

6. The Company will provide financial statements to each Award recipient annually during the period such individual has Awards outstanding, or as otherwise required under Section 260.140.46 of Title 10 of the California Code of Regulations. Notwithstanding the foregoing, the Company will not be required to provide such financial statements to Award recipients when the Plan complies with all conditions of Rule 701 of the Securities Act of 1933, as amended (17 C.F.R. 230.701); provided that for purposes of determining such compliance, any registered domestic partner shall be considered a “family member” as that term is defined in Rule 701.

7. The Plan is intended to comply with Section 25102(o) of the California Corporations Code. Any provision of this Plan which is inconsistent with Section 25102(o), including without limitation any provision of this Plan that is more restrictive than would be permitted by Section 25102(o) as amended from time to time, shall, without further act or amendment by the Board, be reformed to comply with the provisions of Section 25102(o). If at any time the Administrator determines that the delivery of Common Stock under the Plan is or may be unlawful under the laws of any applicable jurisdiction, or federal or state securities laws, the right to exercise an Award or receive shares of Common Stock pursuant to an Award shall be suspended until the Administrator determines that such delivery is lawful. The Company shall have no obligation to effect any registration or qualification of the Common Stock under federal or state laws.

RESTRICTED STOCK AGREEMENT

MESA AIR GROUP, INC.

THIS AGREEMENT is made as of July 21, 2015 (the "Grant Date"), by and between Mesa Air Group, Inc. (the "Company") and _____, an executive of the Company (the "Executive").

INITNESSETH

WHEREAS, the Company desires to award to the Executive restricted shares of the Company's common stock, no par value per share ("Common Stock"), all on the terms and conditions hereinafter set forth and in accordance with the terms and conditions of the 2011 Stock Incentive Plan of Mesa Air Group, Inc. (the "Plan"); and

WHEREAS, Executive wishes to accept said award;

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. Terms of Award. The Company awards to the Executive

_____) restricted shares of Common Stock (referred to herein individually as a "Share", and collectively as "Shares") in accordance with the terms of this Agreement.

2. Vesting of Restricted Stock.

(a) The Shares awarded hereunder shall vest in the Executive pursuant to the following vesting schedule:

Vesting Date	Number of Shares Vesting on Vesting Date
July 21, 2016	20% of Shares set forth in Section 1
July 21, 2017	20% of Shares set forth in Section 1
July 21, 2018	20% of Shares set forth in Section 1
July 21, 2019	20% of Shares set forth in Section 1
July 21, 2020	20% of Shares set forth in Section 1

(b) Except as provided in paragraph (c) below, the Shares awarded hereunder shall be forfeited to the Company for no consideration in the event (i) Executive voluntarily terminates his or her employment with the Company prior to the date such Shares vest pursuant to paragraph (a), or (ii) Executive is terminated for good cause (as defined in the Employment Agreement) prior to the date that such Shares vest pursuant to paragraph (a).

(c) The Shares awarded hereunder shall be fully vested in the Executive and no longer subject to a risk of forfeiture pursuant to paragraphs (a) and (b) upon the occurrence of the earliest of the following events:

(i) the date on which the Company undergoes a "Change in Control" as defined in the Employment Agreement;

(ii) the date on which the employment of the Executive is terminated by the Company without good cause;

(iii) the date on which the Executive dies or upon his Permanent Disability (as defined in the Employment Agreement); or

(iv) the date on which such Shares vest pursuant to paragraph (a).

3. Restrictions on Transfer.

(a) Until an Award Share becomes vested and nonforfeitable, it may not be sold, assigned, transferred, pledged, hypothecated or disposed of in any way (whether by operation of law or otherwise), except by will or the laws of descent and distribution, and shall not be subject to execution, attachment or similar process.

(b) You hereby represent and warrant to the Company as follows:

(i) You will hold the Award Shares for your own account for investment only and not with a view to, or for resale in connection with, any "distribution" of the Award Shares within the meaning of the Securities Act.

(ii) You understand that the Award Shares have not been registered under the Securities Act by reason of a specific exemption and that the Award Shares must be held indefinitely, unless they are subsequently registered under the Securities Act or you obtain an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required. You further acknowledge and understand that the Company is under no obligation to register the Award Shares.

(iii) You understand that the Company may, in its discretion, impose restrictions on the sale, pledge or other transfer of the Award Shares (including the placement of appropriate legends on stock certificates) if, in the judgment of the Company, such restrictions are necessary or desirable to comply with the Securities Act, the securities laws of any State or any other law.

(iv) You are aware that your investment in the Company is a speculative investment that has limited liquidity and is subject to the risk of complete loss.

(c) Any attempt to dispose of any such Award Shares in contravention of the restrictions set forth in Section 3(a) shall be null and void and without effect. The Company shall not be required to (i) transfer on its books any Award Shares that have been sold or transferred in contravention of this Agreement or (ii) treat as the owner of Award Shares, or otherwise accord voting, dividend or liquidation rights to, any transferee to whom Award Shares have been transferred in contravention of this Agreement.

4. Dividend and Voting Rights. Executive shall have the right to vote any Shares awarded hereunder and to receive any dividends declared with respect to such Shares, provided that such voting and dividend rights shall lapse with respect to any Shares that are forfeited to the Company pursuant to Section 2(b) of this Agreement.

5. Additional Shares. (a) If the Company shall pay a stock dividend or declare a stock split on or with respect to any of its Common Stock, or otherwise distribute securities of the Company to the holders of its Common Stock, the number of shares of stock or other securities of the Company issued with respect to the Shares then subject to the restrictions contained in this Agreement shall be added to the Shares subject to this Agreement. If the Company shall distribute to its stockholders shares of stock of another corporation, the shares of stock of such other corporation distributed with respect to the Shares then subject to the restrictions contained in this Agreement shall be added to the Shares subject to this Agreement.

(b) If the outstanding shares of Common Stock of the Company shall be subdivided into a greater number of shares or combined into a smaller number of shares, or in the event of a reclassification of the outstanding shares of Common Stock of the Company, or if the Company shall be a party to a merger, consolidation or capital reorganization, there shall be substituted for the Shares then subject to the restrictions contained in this Agreement such amount and kind of securities as are issued in such subdivision, combination, reclassification, merger, consolidation or capital reorganization in respect of the Shares subject to this Agreement.

6. Legends. All certificates representing the Shares issued to the Executive pursuant to this Agreement shall have endorsed thereon legends substantially as follows:

> "The shares represented by this certificate are subject to restrictions set forth in a Restricted Stock Agreement, a copy of which is available for inspection at the offices of the Company or will be made available upon request."
>
> "The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, unless (1) either (a) a Registration Statement with respect to such shares shall be effective under the Securities Act of 1933, as amended, or (b) the Company shall have received an opinion of counsel satisfactory to it that an exemption from registration under such Act is then available, and (2) there shall have been compliance with all applicable state securities laws."

7. No Obligation to Employ. The Company is not obligated by this Agreement to continue the Executive as an executive of the Company.

8. Investment Intent. The Executive represents and warrants to the Company that the Shares are being acquired for the Executive's own account, for investment, and not with a view to, or for sale in connection with, the distribution of any such Shares.

9. Notices. Any notices required or permitted by the terms of this Agreement shall be given by recognized courier service, facsimile, registered or certified mail, return receipt requested, addressed as follows:

To the Company:

Mesa Air Group, Inc.
410 N. 44th Street, Suite 700
Phoenix, Arizona 85008
Attn: General Counsel

To the Executive: at the Executive's address on file with the Company

or to such other address or addresses of which notice in the same manner has previously been given. Any such notice shall be deemed to have been given upon the earlier of receipt, one business day following delivery to a recognized courier service or three business days following mailing by registered or certified mail.

10. Governing Law. This Agreement shall be construed and enforced in accordance with the law of the State of Arizona, without regard to the conflict of laws principles thereof.

11. Withholding. Prior to the release of the restrictions stated in Section 2 hereof, Executive shall be required to make arrangements, satisfactory to the Company, for appropriate withholding for federal, state, and local tax purposes. Executive is permitted to satisfy any such tax withholding requirements, in whole or in part, by delivering Shares to Company (including Shares awarded hereunder) having a fair market value (as determined by Company in its sole discretion) equal to the amount of such tax.

12. Benefit of Agreement. Subject to the other provisions hereof, this Agreement shall be for the benefit of and shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

13. Entire Agreement. This Agreement, together with the Plan and the Employment Agreement, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement not expressly set forth in this Agreement or the Plan shall affect or be used to interpret, change, or restrict the express terms and provisions of this Agreement.

14. Modifications and Amendments. The terms and provisions of this Agreement may be modified or amended by written agreement executed by the parties hereto.

15. Waivers and Consents. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized officer, and the Executive has hereunto set his or her hand, all as of the day and year first above written.

MESA AIR GROUP, INC.

By: _____
Name: _____
Title: _____

_____
Executive

MESA AIR GROUP, INC.
2017 STOCK PLAN

1. **ESTABLISHMENT, PURPOSE AND TERM OF PLAN.**

1.1 **Establishment.** The Mesa Air Group, Inc. 2017 Stock Plan (the "***Plan***") is hereby established effective as of January 23, 2017, (the "***Effective Date***").

1.2 **Purpose.** The purpose of the Plan is to advance the interests of the Participating Company Group and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Participating Company Group and by motivating such persons to contribute to the growth and profitability of the Participating Company Group. The Plan seeks to achieve this purpose by providing for Awards in the form of Options, Restricted Stock Awards and Restricted Stock Unit Awards.

1.3 **Term of Plan.** The Plan shall continue in effect until its termination by the Board; provided, however, that all Awards shall be granted, if at all, within ten (10) years from the date the Plan is adopted by the Board of Directors of the Company.

2. **DEFINITIONS AND CONSTRUCTION.**

2.1 **Definitions.** Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) "***Award***" means an Option, Restricted Stock Purchase Right, Restricted Stock Bonus or Restricted Stock Unit Award granted under the Plan.

(b) "***Award Agreement***" means a written or electronic agreement between the Company and a Participant setting forth the terms, conditions and restrictions applicable to an Award.

(c) "***Board***" means the Board of Directors of the Company. If one or more Committees have been appointed by the Board to administer the Plan, "***Board***" also means such Committee(s).

(d) "***Cause***" means, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or other written agreement between a Participant and a Participating Company applicable to an Award, any of the following: (i) the Participant's theft, dishonesty, willful misconduct, breach of fiduciary duty for personal profit, or falsification of any Participating Company documents or records; (ii) the Participant's material failure to abide by a Participating Company's code of conduct or other policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iii) the Participant's unauthorized use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of a Participating Company (including, without limitation, the Participant's improper use or disclosure of a Participating Company's confidential or proprietary information); (iv) any intentional act by the Participant which has a material detrimental effect on a Participating Company's reputation or business; (v) the Participant's

repeated failure or inability to perform any reasonable assigned duties after written notice from a Participating Company of, and a reasonable opportunity to cure, such failure or inability; (vi) any material breach by the Participant of any employment or service agreement between the Participant and a Participating Company, which breach is not cured pursuant to the terms of such agreement; or (vii) the Participant's conviction (including any plea of guilty or nolo contendere) of any criminal act involving fraud, dishonesty, misappropriation or moral turpitude, or which impairs the Participant's ability to perform his or her duties with a Participating Company.

(e) "***Change in Control***" means, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or other written agreement between the Participant and a Participating Company applicable to an Award, the occurrence of any one or a combination of the following:

(i) an Ownership Change. Event or a series of related Ownership Change Events (collectively, a "***Transaction***") in which the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding securities entitled to vote generally in the election of Directors or, in the case of an Ownership Change Event described in Section 2.1(v)(iii), the entity to which the assets of the Company were transferred (the "***Transferee***"), as the case may be; or

(ii) a date specified by the Board following approval by the stockholders of a plan of complete liquidation or dissolution of the Company;

provided, however, that a Change in Control shall be deemed not to include a transaction described in subsection (i) of this Section 2.1(e) in which a majority of the members of the board of directors of the continuing, surviving or successor entity, or parent thereof, immediately after such transaction is comprised of Incumbent Directors.

For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company or the Transferee, as the case may be, either directly or through one or more subsidiary corporations or other business entities. The Board shall determine whether multiple events described in subsections (i) and (ii) of this Section 2.1(e) are related and to be treated in the aggregate as a single Change in Control, and its determination shall be final, binding and conclusive.

(f) "***Code***" means the Internal Revenue Code of 1986, as amended, and any applicable regulations and administrative guidelines promulgated thereunder.

(g) "***Committee***" means the compensation committee or other committee or subcommittee of the Board duly appointed to administer the Plan and having such powers as specified by the Board. Unless the powers of the Committee have been specifically limited, the Committee shall have all of the powers of the Board granted herein, including, without limitation, the power to amend or terminate the Plan at any time, subject to the terms of the Plan and any applicable limitations imposed by law.

(h) "***Company***" means Mesa Air Group, Inc., a Nevada corporation, and any successor thereto.

(i) "***Consultant***" means a person engaged to provide consulting or advisory services (other than as an Employee or a Director) to a Participating Company, provided that the identity of such person, the nature of such services or the entity to which such services are provided would not preclude the Company from offering or selling securities to such person pursuant to the Plan in reliance on either the exemption from registration provided by Rule 701 under the Securities Act or, if the Company is required to file reports pursuant to Section 13 or 15(d) of the Exchange Act, registration on a Form S-8 Registration Statement under the Securities Act.

(j) "***Director***" means a member of the Board.

(k) "***Disability***" means the inability of the Participant, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of the Participant's position with the Participating Company Group because of the sickness or injury of the Participant.

(l) "***Dividend Equivalent Right***" means the right of a Participant, granted at the discretion of the Board or as otherwise provided by the Plan, to receive a credit for the account of such Participant in an amount equal to the cash dividends paid on one share of Stock for each share of Stock represented by an Award held by such Participant.

(m) "***Employee***" means any person treated as an employee (including an Officer or a Director who is also treated as an employee) in the records of a Participating Company and, with respect to any Incentive Stock Option granted to such person, who is an employee for purposes of Section 422 of the Code; provided, however, that neither service as a Director nor payment of a director's fee shall be sufficient to constitute employment for purposes of the Plan. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of an individual's rights, if any, under the terms of the Plan as of the time of the Company's determination of whether or not the individual is an Employee, all such determinations by the Company shall be final, binding and conclusive as to such rights, if any, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination as to such individual's status as an Employee.

(n) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

(o) "***Fair Market Value***" means, as of any date, the value of a share of Stock or other property as determined by the Board, in its discretion, or by the Company, in its discretion, if such determination is expressly allocated to the Company herein, subject to the following:

(i) If, on such date, the Stock is listed or quoted on a national or regional securities exchange or quotation system, the Fair Market Value of a share of Stock

shall be the closing price of a share of Stock as quoted on the national or regional securities exchange or quotation system constituting the primary market for the Stock, as reported in *The Wall Street Journal* or such other source as the Company deems reliable. If the relevant date does not fall on a day on which the Stock has traded on such securities exchange or quotation system, the date on which the Fair Market Value shall be established shall be the last day on which the Stock was so traded or quoted prior to the relevant date, or such other appropriate day as shall be determined by the Board, in its discretion.

(ii) If, on such date, the Stock is not listed or quoted on a national or regional securities exchange or quotation system, the Fair Market Value of a share of Stock shall be as determined by the Board in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse, and in a manner consistent with the requirements of Section 409A.

(p) "***Incentive Stock Option***" means an Option intended to be (as set forth in the Award Agreement) and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.

(q) "***Incumbent Director***" means a director who either (i) is a member of the Board as of the Effective Date or (ii) is elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but excluding a director who was elected or nominated in connection with an actual or threatened proxy contest relating to the election of directors of the Company).

(r) "***Insider***" means an Officer, a Director or other person whose transactions in Stock are subject to Section 16 of the Exchange Act.

(s) "***Nonstatutory Stock Option***" means an Option not intended to be (as set forth in the Award Agreement) or which does not qualify as an incentive stock option within the meaning of Section 422(b) of the Code.

(t) "***Officer***" means any person designated by the Board as an officer of the Company.

(u) "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option granted pursuant to the Plan.

(v) "***Ownership Change Event***" means the occurrence of any of the following with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of securities of the Company representing more than fifty percent (50%) of the total combined voting power of the Company's then outstanding securities entitled to vote generally in the election of Directors; (ii) a merger or consolidation in which the Company is a party; or (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company (other than a sale, exchange or transfer to one or more subsidiaries of the Company).

(w) "***Parent Corporation***" means any present or future "parent corporation" of the Company, as defined in Section 424(e) of the Code.

(x) "***Participant***" means any eligible person who has been granted one or more Awards.

(y) "***Participating Company***" means the Company or any Parent Corporation or Subsidiary Corporation.

(z) "***Participating Company Group***" means, at any point in time, all entities collectively which are then Participating Companies.

(aa) "***Restricted Stock Award***" means an Award in the form of a Restricted Stock Bonus or a Restricted Stock Purchase Right.

(bb) "***Restricted Stock Bonus***" means Stock granted to a Participant pursuant to Section 7.

(cc) "***Restricted Stock Purchase Right***" means a right to purchase Stock granted to a Participant pursuant to Section 7.

(dd) "***Restricted Stock Unit***" means a right granted to a Participant pursuant to Section 8 to receive on a future date or event a share of Stock or cash in lieu thereof, as determined by the Board.

(ee) "***Rule 16b-3***" means Rule 16b-3 under the Exchange Act, as amended from time to time, or any successor rule or regulation.

(ff) "***Section 409A***" means Section 409A of the Code.

(gg) "***Securities Act***" means the Securities Act of 1933, as amended.

(hh) "***Service***" means a Participant's employment or service with the Participating Company Group, whether as an Employee, a Director or a Consultant. Unless otherwise provided by the Board, a Participant's Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders Service or a change in the Participating Company for which the Participant renders Service, provided that there is no interruption or termination of the Participant's Service. Furthermore, a Participant's Service shall not be deemed to have been interrupted or terminated if the Participant takes any military leave, sick leave, or other bona fide leave of absence approved by the Company. However, unless otherwise provided by the Board, if any such leave taken by a Participant exceeds ninety (90) days, then on the ninety-first (91st) day following the commencement of such leave the Participant's Service shall be deemed to have terminated, unless the Participant's right to return to Service is guaranteed by statute or contract. Notwithstanding the foregoing, unless otherwise designated by the Company or required by law, an unpaid leave of absence shall not be treated as Service for purposes of determining vesting under the Participant's Award Agreement. A Participant's Service shall be deemed to have terminated either upon an actual termination of Service or upon the business entity for which the Participant performs Service ceasing to be a Participating Company. Subject to the foregoing, the Company, in its discretion, shall determine whether the Participant's Service has terminated and the effective date of and reason for such termination.

(ii) "***Stock***" means the common stock of the Company, as adjusted from time to time in accordance with Section 4.3.

(jj) "***Subsidiary Corporation***" means any present or future "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

(kk) "***Ten Percent Stockholder***" means a person who, at the time an Award is granted to such person, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of a Participating Company within the meaning of Section 422(b)(6) of the Code.

(ll) "***Trading Compliance Policy***" means the written policy of the Company pertaining to the purchase, sale, transfer or other disposition of the Company's equity securities by Directors, Officers, Employees or other service providers who may possess material, nonpublic information regarding the Company or its securities.

(mm) "***Vesting Conditions***" mean those conditions established in accordance with the Plan prior to the satisfaction of which an Award or shares subject to an Award remain subject to forfeiture or a repurchase option in favor of the Company exercisable for the Participant's monetary purchase price, if any, for such shares upon the Participant's termination of Service or failure of a performance condition to be satisfied.

2.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. ADMINISTRATION.

3.1 **Administration by the Board.** The Plan shall be administered by the Board. All questions of interpretation of the Plan, of any Award Agreement or of any other form of agreement or other document employed by the Company in the administration of the Plan or of any Award shall be determined by the Board, and such determinations shall be final, binding and conclusive upon all persons having an interest in the Plan or such Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Board in the exercise of its discretion pursuant to the Plan or Award Agreement or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest therein. All expenses incurred in connection with the administration of the Plan shall be paid by the Company.

3.2 **Authority of Officers.** Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election that is the responsibility of or that is allocated to the Company herein, provided that the Officer has apparent authority with respect to such matter, right, obligation, determination or election.

3.3 **Powers of the Board.** In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, the Board shall have the full and final power and authority, in its discretion:

(a) to determine the persons to whom, and the time or times at which, Awards shall be granted and the number of shares of Stock or units to be subject to each Award;

(b) to determine the type of Award granted;

(c) to determine the Fair Market Value of shares of Stock or other property;

(d) to determine the terms, conditions and restrictions applicable to each Award (which need not be identical) and any shares acquired pursuant thereto, including, without limitation, (i) the exercise or purchase price of shares pursuant to any Award, (ii) the method of payment for shares purchased pursuant to any Award, (iii) the method for satisfaction of any tax withholding obligation arising in connection with any Award, including by the withholding or delivery of shares of Stock, (iv) the timing, terms and conditions of the exercisability or vesting of any Award or any shares acquired pursuant thereto, (v) the time of expiration of any Award, (vi) the effect of any Participant's termination of Service on any of the foregoing, and (vii) all other terms, conditions and restrictions applicable to any Award or shares acquired pursuant thereto not inconsistent with the terms of the Plan;

(e) to determine whether an Award will be settled in shares of Stock, cash, other property or in any combination thereof;

(f) to approve one or more forms of Award Agreement;

(g) to amend, modify, extend, cancel or renew any Award or to waive any restrictions or conditions applicable to any Award or any shares acquired pursuant thereto;

(h) to reprice or otherwise adjust the exercise price of any Option, or to grant in substitution for any Option a new Award covering the same or different number of shares of Stock;

(i) to accelerate, continue, extend or defer the exercisability or vesting of any Award or any shares acquired pursuant thereto, including with respect to the period following a Participant's termination of Service;

(j) to prescribe, amend or rescind rules, guidelines and policies relating to the Plan, or to adopt sub-plans or supplements to, or alternative versions of, the Plan, including, without limitation, as the Board deems necessary or desirable to comply with the laws of, or to accommodate the tax policy, accounting principles or custom of, foreign jurisdictions whose residents may be granted Awards; and

(k) to correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award Agreement and to make all other determinations and take such other actions with respect to the Plan or any Award as the Board may deem advisable to the extent not inconsistent with the provisions of the Plan or applicable law.

3.4 **Administration with Respect to Insiders.** With respect to participation by Insiders in the Plan, at any time that any class of equity security of the Company is registered pursuant to Section 12 of the Exchange Act, the Plan shall be administered in compliance with the requirements, if any, of Rule 16b-3.

3.5 **Indemnification.** In addition to such other rights of indemnification as they may have as members of the Board or as officers or employees of the Participating Company Group, to the extent permitted by applicable law, members of the Board and any officers or employees of the Participating Company Group to whom authority to act for the Board or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

4. SHARES SUBJECT TO PLAN.

4.1 **Maximum Number of Shares Issuable.** Subject to adjustment as provided in Sections 4.2 and 4.3, the maximum aggregate number of shares of Stock that may be issued under the Plan shall be Fifty Thousand (50,000) and shall consist of authorized but unissued or reacquired shares of Stock or any combination thereof.

4.2 **Share Counting.** If an outstanding Award for any reason expires or is terminated or canceled without having been exercised or settled in full, or if shares of Stock acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company for an amount not greater than the Participant's exercise or purchase price, the shares of Stock allocable to the terminated portion of such Award or such forfeited or repurchased shares of Stock shall again be available for issuance under the Plan. Shares of Stock shall not be deemed to have been issued pursuant to the Plan (a) with respect to any portion of an Award that is settled in cash or (b) to the extent such shares are withheld or reacquired by the Company in satisfaction of tax withholding obligations pursuant to Section 11.2. If the exercise price of an Option is paid by tender to the Company, or attestation to the ownership, of shares of Stock owned by the Participant, or by means of a Net Exercise, the number of shares available for issuance under the Plan shall be reduced by the net number of shares issued upon the exercise of the Option.

4.3 **Adjustments for Changes in Capital Structure.** Subject to any required action by the stockholders of the Company and the requirements of Sections 409A and 424 of the Code to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (excepting regular, periodic cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number and kind of shares subject to the Plan and to any outstanding Awards, in the ISO Share Limit set forth in Section 5.3(a), and in the exercise or purchase price per share under any outstanding Awards in order to prevent dilution or enlargement of Participants' rights under the Plan. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." If a majority of the shares which are of the same class as the shares that are subject to outstanding Awards are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event) shares of another corporation (the *"**New Shares**"*), the Board may unilaterally amend the outstanding Awards to provide that such Awards are for New Shares. In the event of any such amendment, the number of shares subject to, and the exercise or purchase price per share of, the outstanding Awards shall be adjusted in a fair and equitable manner as determined by the Board, in its discretion. Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number, and the exercise or purchase price per share shall be rounded up to the nearest whole cent. In no event may the exercise or purchase price, if any, under any Award be decreased to an amount less than the par value, if any, of the stock subject to the Award. Such adjustments shall be determined by the Board, and its determination shall be final, binding and conclusive.

4.4 **Assumption or Substitution of Awards.** The Board may, without affecting the number of shares of Stock available pursuant to Section 4.1, authorize the issuance or assumption of benefits under this Plan in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate, subject to compliance with Section 409A and any other applicable provisions of the Code.

5. ELIGIBILITY, PARTICIPATION AND OPTION LIMITATIONS.

5.1 **Persons Eligible for Awards.** Awards may be granted only to Employees, Consultants and Directors.

5.2 **Participation in the Plan.** Awards are granted solely at the discretion of the Board. Eligible persons may be granted more than one Award. However, eligibility in accordance with this Section shall not entitle any person to be granted an Award, or, having been granted an Award, to be granted an additional Award.

5.3 **Incentive Stock Option-Limitations.**

(a) ***Maximum Number of Shares Issuable Pursuant to Incentive Stock Options.*** Subject to Section 4.1 and adjustment as provided in Sections 4.2 and 4.3, the maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to the exercise of Incentive Stock Options shall not exceed Fifty Thousand (50,000) shares (the *"**ISO Share Limit**"*). The maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to all Awards other than Incentive Stock Options shall be the number of shares determined in accordance with Section 4.1, subject to adjustment as provided in Sections 4.2 and 4.3.

(b) ***Persons Eligible.*** An Incentive Stock Option may be granted only to a person who, on the effective date of grant, is an Employee. Any person who is not an Employee on the effective date of the grant of an Option to such person may be granted only a Nonstatutory Stock Option.

(c) ***Fair Market Value Limitation.*** To the extent that options designated as Incentive Stock Options (granted under all stock plans of the Participating Company Group, including the Plan) become exercisable by a Participant for the first time during any calendar year for stock having a Fair Market Value greater than One Hundred Thousand Dollars ($100,000), the portion of such options which exceeds such amount shall be treated as Nonstatutory Stock Options. For purposes of this Section, options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of stock shall be determined as of the time the option with respect to such stock is granted. If the Code is amended to provide for a limitation different from that set forth in this Section, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Upon exercise of the Option, shares issued pursuant to each such portion shall be
separately identified.

6. **STOCK OPTIONS.**

Options shall be evidenced by Award Agreements specifying the number of shares of Stock covered thereby, in such form as the Board shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

6.1 **Exercise Price.** The exercise price for each Option shall be established in the discretion of the Board; provided, however, that (a) the exercise price per share for an Option shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the Option and (b) no Incentive Stock Option granted to a Ten Percent Stockholder shall have an exercise price per share less than one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the effective date of grant of the Option. Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a Nonstatutory Stock Option) may be granted with an exercise price less than the minimum exercise price set forth above if such Option is granted pursuant to an assumption or substitution for another option in a manner that would qualify under the provisions of Section 409A or Section 424(a) of the Code, as applicable.

6.2 **Exercisability and Term of Options.** Options shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Board and set forth in the Award Agreement evidencing such Option; provided, however, that (a) no Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Option, (b) no Incentive Stock Option granted to a Ten Percent Stockholder shall be exercisable after the expiration of five (5) years after the effective date of grant of such Option, and (c) no Option granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, shall be first exercisable until at least six (6) months following the date of grant of such Option (except in the event of such Employee's death, disability or retirement, upon a Change in Control, or as otherwise permitted by the Worker Economic Opportunity Act). Subject to the foregoing, unless otherwise specified by the Board in the grant of an Option, each Option shall terminate ten (10) years after the effective date of grant of the Option, unless earlier terminated in accordance with its provisions.

6.3 Payment of Exercise Price.

(a) ***Forms of Consideration Authorized.*** Except as otherwise provided below, payment of the exercise price for the number of shares of Stock being purchased pursuant to any Option shall be made (i) in cash, by check or in cash equivalent, (ii) if permitted by the Company and subject to the limitations contained in Section 6.3(b), by means of (1) a Stock Tender Exercise, (2) a Cashless Exercise or (3) a Net Exercise; (iii) by such other consideration as may be approved by the Board from time to time to the extent permitted by applicable law, or (iv) by any combination thereof. The Board may at any time or from time to time grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict one or more forms of consideration.

(b) ***Limitations on Forms of Consideration***.

(i) **Stock Tender Exercise.** A "***Stock Tender Exercise***" means the delivery of a properly executed exercise notice accompanied by a Participant's tender to the Company, or attestation to the ownership, in a form acceptable to the Company of whole shares of Stock owned by the Participant having a Fair Market Value that does not exceed the aggregate exercise price for the shares with respect to which the Option is exercised. A Stock Tender Exercise shall not be permitted if it would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Company's stock. If required by the Company, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock unless such shares either have been owned by the Participant for a period of time required by the Company (and not used for another option exercise by attestation during such period) or were not acquired, directly or indirectly, from the Company.

(ii) **Cashless Exercise.** A Cashless Exercise shall be permitted only upon the class of shares subject to the Option becoming publicly traded in an established securities market. A "***Cashless Exercise***" means the delivery of a properly executed exercise

notice together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation; through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System). The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise, including with respect to one or more Participants specified by the Company notwithstanding that such program or procedures may be available to other Participants.

(iii) **Net Exercise.** A "***Net Exercise***" means the delivery of a properly executed exercise notice followed by a procedure pursuant to which (1) the Company will reduce the number of shares otherwise issuable to a Participant upon the exercise of an Option by the largest whole number of shares having a Fair Market Value that does not exceed the aggregate exercise price for the shares with respect to which the Option is exercised, and (2) the Participant shall pay to the Company in cash the remaining balance of such aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued.

6.4 Effect of Termination of Service.

(a) ***Option Exercisability.*** Subject to earlier termination of the Option as otherwise provided by this Plan and unless a longer exercise period is provided by the Board, an Option shall terminate immediately upon the Participant's termination of Service to the extent that it is then unvested and shall be exercisable after the Participant's termination of Service to the extent it is then vested only during the applicable time period determined in accordance with this Section and thereafter shall terminate:

(i) **Disability.** If the Participant's Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the expiration of twelve (12) months (or such longer or shorter period (but not less than six (6) months) provided by the Award Agreement) after the date on which the Participant's Service terminated, but in any event no later than the date of expiration of the Option's term as set forth in the Award Agreement evidencing such Option (the "***Option Expiration Date***").

(ii) **Death.** If the Participant's Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of twelve (12) months (or such longer or shorter period (but not less than six (6) months) provided by the Award Agreement) after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date. The Participant's Service shall be deemed to have terminated on account of death if the Participant dies within thirty (30) days (or such longer period provided by the Board) after the Participant's termination of Service.

(iii) **Termination for Cause.** Notwithstanding any other provision of the Plan to the contrary, if the Participant's Service is terminated for Cause, the Option shall terminate in its entirety and cease to be exercisable immediately upon such termination of Service.

(iv) **Other Termination of Service.** If the Participant's Service terminates for any reason, except Disability, death or Cause, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of three (3) months (or such longer or shorter period (but not less than thirty (30) days) provided by the Award Agreement) after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

(b) ***Extension if Exercise Prevented by Law.*** Notwithstanding the foregoing other than termination of Service for Cause, if the exercise of an Option within the applicable time periods set forth in Section 6.4(a) is prevented by the provisions of Section 12 below, the Option shall remain exercisable until the later of (i) thirty (30) days after the date such exercise first would no longer be prevented by such provisions or (ii) the end of the applicable time period under Section 6.4(a), but in any event no later than the Option Expiration Date.

6.5 **Transferability of Options.** During the lifetime of the Participant, an Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. An Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution; provided, however, that to the extent permitted by the Board, in its discretion, and set forth in the Award Agreement evidencing such Option, an Option shall be assignable or transferable subject to the applicable limitations, if any, described in Rule 701 under the Securities Act and the General Instructions to Form S-8 Registration Statement under the Securities Act or, in the case of an Incentive Stock Option, only as permitted by applicable regulations under Section 421 of the Code in a manner that does not disqualify such Option as an Incentive Stock Option. Notwithstanding the foregoing, for so long as the Company is relying on the exemption provided by Rule 12h-l(f) under the Exchange Act, no Option or, prior to its exercise, the shares to be issued upon the exercise of the Option, shall be transferred except in compliance with the restrictions on transfer under Rule 12h-1(f) (including the requirement under such rule that any permitted transferee may not further transfer the Option) or be made subject to any short position, "put equivalent position" or "call equivalent position" by the Participant, as such terms are defined in Rule 16a-1 of the Exchange Act.

7. RESTRICTED STOCK AWARDS.

Restricted Stock Awards shall be evidenced by Award Agreements specifying whether the Award is a Restricted Stock Bonus or a Restricted Stock Purchase Right and the number of shares of Stock subject to the Award, in such form as the Board shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

7.1 **Types of Restricted Stock Awards Authorized.** Restricted Stock Awards may be granted in the form of either a Restricted Stock Bonus or a Restricted Stock Purchase Right. Restricted Stock Awards may be granted upon such conditions as the Board shall determine, including, without limitation, upon the attainment of one or more performance goals.

7.2 **Purchase Price.** The purchase price for shares of Stock issuable under each Restricted Stock Purchase Right shall be established by the Board in its discretion. No monetary payment (other than applicable tax withholding) shall be required as a condition of receiving shares of Stock pursuant to a Restricted Stock Bonus, the consideration for which shall be services actually rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock subject to a Restricted Stock Award.

7.3 **Purchase Period.** A Restricted Stock Purchase Right shall be exercisable within a period established by the Board, which shall in no event exceed thirty (30) days from the effective date of the grant of the Restricted Stock Purchase Right.

7.4 **Payment of Purchase Price.** Except as otherwise provided below, payment of the purchase price for the number of shares of Stock being purchased pursuant to any Restricted Stock Purchase Right shall be made (a) in cash, by check or in cash equivalent, (b) by such other consideration as may be approved by the Board from time to time to the extent permitted by applicable law, or (c) by any combination thereof.

7.5 **Vesting and Restrictions on Transfer.** Shares issued pursuant to any Restricted Stock Award may (but need not) be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, as shall be established by the Board and set forth in the Award Agreement evidencing such Award. During any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, such shares may not be sold, exchanged, transferred, pledged, assigned or otherwise disposed of other than pursuant to an Ownership Change Event or as provided in Section 7.8. The Board, in its discretion, may provide in any Award Agreement evidencing a Restricted Stock Award that, if the satisfaction of Vesting Conditions with respect to any shares subject to such Restricted Stock Award would otherwise occur on a day on which the sale of such shares would violate the provisions of the Trading Compliance Policy, then satisfaction of the Vesting Conditions automatically shall be determined on the next trading day on which the sale of such shares would not violate the Trading Compliance Policy. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

7.6 **Voting Rights; Dividends and Distributions.** Except as provided in this Section, Section 7.5 and any Award Agreement, during any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, the Participant shall

have all of the rights of a stockholder of the Company holding shares of Stock, including the right to vote such shares and to receive all dividends and other distributions paid with respect to such shares; provided, however, that if so determined by the Board and provided by the Award Agreement, such dividends and distributions shall be subject to the same Vesting Conditions as the shares subject to the Restricted Stock Award with respect to which such dividends or distributions were paid, and otherwise shall be paid no later than the end of the calendar year in which such dividends or distributions are paid to stockholders (or, if later, the 15th day of the third month following the date such dividends or distributions are paid to stockholders). In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.3, any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant is entitled by reason of the Participant's Restricted Stock Award shall be immediately subject to the same Vesting Conditions as the shares subject to the Restricted Stock Award with respect to which such dividends or distributions were paid or adjustments were made.

7.7 **Effect of Termination of Service.** Unless otherwise provided by the Board in the Award Agreement evidencing a Restricted Stock Award, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or disability), then (a) the Company shall have the option to repurchase for the purchase price paid by the Participant any shares acquired by the Participant pursuant to a Restricted Stock Purchase Right which remain subject to Vesting Conditions as of the date of the Participant's termination of Service and (b) the Participant shall forfeit to the Company any shares acquired by the Participant pursuant to a Restricted Stock Bonus which remain subject to Vesting Conditions as of the date of the Participant's termination of Service. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company.

7.8 **Nontransferability of Restricted Stock Award Rights.** Rights to acquire shares of Stock pursuant to a Restricted Stock Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or the laws of descent and distribution. All rights with respect to a Restricted Stock Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

8. RESTRICTED STOCK UNITS.

Restricted Stock Unit Awards shall be evidenced by Award Agreements specifying the number of Restricted Stock Units subject to the Award, in such form as the Board shall establish. Award Agreements evidencing Restricted Stock Units may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

8.1 **Grant of Restricted Stock Unit Awards.** Restricted Stock Unit Awards may be granted upon such conditions as the Board shall determine, including, without limitation, upon the attainment of one or more performance goals established by the Board.

8.2 **Purchase Price.** No monetary payment (other than applicable tax withholding, if any) shall be required as a condition of receiving a Restricted Stock Unit Award, the consideration for which shall be services actually rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock issued upon settlement of the Restricted Stock Unit Award.

8.3 **Vesting.** Restricted Stock Unit Awards may (but need not) be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria as shall be established by the Board and set forth in the Award Agreement evidencing such Award.

8.4 **Voting Rights, Dividend Equivalent Rights and Distributions.** Participants shall have no voting rights with respect to shares of Stock represented by Restricted Stock Units until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Board, in its discretion, may provide in the Award Agreement evidencing any Restricted Stock Unit Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on Stock during the period beginning on the date such Award is granted and ending, with respect to each share subject to the Award, on the earlier of the date the Award is settled or the date on which it is terminated. Dividend Equivalent Rights, if any, shall be paid by crediting the Participant with a cash amount or with additional whole Restricted Stock Units as of the date of payment of such cash dividends on Stock, as determined by the Board. The number of additional Restricted Stock Units (rounded to the nearest whole number), if any, to be credited shall be determined by dividing (a) the amount of cash dividends paid on the dividend payment date with respect to the number of shares of Stock represented by the Restricted Stock Units previously credited to the Participant by (b) the Fair Market Value per share of Stock on such date. Such cash amount or additional Restricted Stock Units shall be subject to the same terms and conditions and shall be settled in the same manner and at the same time as the Restricted Stock Units originally subject to the Restricted Stock Unit Award. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.3, appropriate adjustments shall be made in the Participant's Restricted Stock Unit Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of the Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Vesting Conditions as are applicable to the Award.

8.5 **Effect of Termination of Service.** Unless otherwise provided by the Board and set forth in the Award Agreement evidencing a Restricted Stock Unit Award, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or disability), then the Participant shall forfeit to the Company any Restricted Stock Units pursuant to the Award which remain subject to Vesting Conditions as of the date of the Participant's termination of Service.

8.6 **Settlement of Restricted Stock Unit Awards.** The Company shall issue to a Participant on the date on which Restricted Stock Units subject to the Participant's Restricted Stock Unit Award vest or on such other date determined by the Board in compliance with Section 409A, if applicable, and set forth in the Award Agreement one (1) share of Stock (and/or any other new, substituted or additional securities or other property pursuant to an adjustment described in Section 8.4) for each Restricted Stock Unit then becoming vested or otherwise to be settled on such date, subject to the withholding of applicable taxes, if any. The Board, in its discretion, may provide in any Award Agreement evidencing a Restricted Stock Unit Award that if the settlement date with respect to any shares issuable upon vesting of Restricted Stock Units would otherwise occur on a day on which the sale of such shares would violate the provisions of the Trading Compliance Policy, then the settlement date shall be deferred until the next trading day on which the sale of such shares would not violate the Trading Compliance Policy but in any event no later than the 15th day of the third calendar month following the year in which such Restricted Stock Units vest. If permitted by the Board, the Participant may elect, consistent with the requirements of Section 409A, to defer receipt of all or any portion of the shares of Stock or other property otherwise issuable to the Participant pursuant to this Section, and such deferred issuance date(s) and amount(s) elected by the Participant shall be set forth in the Award Agreement. Notwithstanding the foregoing, the Board, in its discretion, may provide for settlement of any Restricted Stock Unit Award by payment to the Participant in cash of an amount equal to the Fair Market Value on the payment date of the shares of Stock or other property otherwise issuable to the Participant pursuant to this Section.

8.7 **Nontransferability of Restricted Stock Unit Awards.** The right to receive shares pursuant to a Restricted Stock Unit Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. For so long as the Company is relying on an order of the Securities and Exchange Commission (the "***SEC***") under Section 12(h) of the Exchange Act or a no-action position of the Staff of the SEC relieving the Company from registration under Section 12(g) of the Exchange Act of the Units and the shares of Stock subject thereto, no Restricted Stock Unit Award, or prior to its settlement, shares of Stock underlying such Award, shall be transferred except in compliance with the restrictions on transfer under Rule 12h-1(f) under the Exchange Act that would apply were the Restricted Stock Units subject to such rule (including the requirement under such rule that any permitted transferee may not further transfer the securities) or be made subject to any short position, "put equivalent position" or "call equivalent position" by the Participant, as such terms are defined in Rule 16a-1 under the Exchange Act. All rights with respect to a Restricted Stock Unit Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

9. STANDARD FORMS OF AWARD AGREEMENTS.

9.1 **Award Agreements.** Each Award shall comply with and be subject to the terms and conditions set forth in the appropriate form of Award Agreement approved by the Board and as amended from time to time. No Award or purported Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement, which execution may be evidenced by electronic means.

9.2 **Authority to Vary Terms.** The Board shall have the authority from time to time to vary the terms of any standard form of Award Agreement either in connection with the grant or amendment of an individual Award or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of any such new, revised or amended standard form or forms of Award Agreement are not inconsistent with the terms of the Plan.

10. **CHANGE IN CONTROL.**

10.1 **Effect of Change in Control on Awards.** Subject to the requirements and limitations of Section 409A, if applicable, the Board may provide for any one or more of the following:

(a) ***Accelerated Vesting***. In its discretion, the Board may provide in the grant of any Award or at any other time may take action it deems appropriate to provide for acceleration of the exercisability, vesting and/or settlement in connection with a Change in Control of each or any outstanding Award or portion thereof and shares acquired pursuant thereto upon such conditions, including termination of the Participant's Service prior to, upon, or following the Change in Control, and to such extent as the Board determines.

(b) ***Assumption, Continuation or Substitution of Awards***. In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the "***Acquiror***"), may, without the consent of any Participant, assume or continue the Company's rights and obligations under each or any Award or portion thereof outstanding immediately prior to the Change in Control or substitute for each or any such outstanding Award or portion thereof a substantially equivalent award with respect to the Acquiror's stock. For purposes of this Section, if so determined by the Board, in its discretion, an Award or any portion thereof shall be deemed assumed if, following the Change in Control, the Award confers the right to receive, subject to the terms and conditions of the Plan and the applicable Award Agreement, for each share of Stock subject to such portion of the Award immediately prior to the Change in Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Stock); provided, however, that if such consideration is not solely common stock of the Acquiror, the Board may, with the consent of the Acquiror, provide for the consideration to be received upon the exercise or settlement of the Award, for each share of Stock subject to the Award, solely common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control. If any portion of such consideration may be received by holders of Stock pursuant to the Change in Control on a contingent or delayed basis, the Board may, in its discretion, determine such Fair Market Value per share as of the time of the Change in Control on the basis of the Board's good faith estimate of the present value of the probable future payment of such consideration. Any Award or portion thereof which is neither assumed or continued by the Acquiror in connection with the Change in Control nor exercised as of the time of consummation of the Change in Control shall terminate and cease to be outstanding effective as of the time of consummation of the Change in Control. Notwithstanding the foregoing, shares acquired upon exercise of an Award prior to the Change

in Control and any consideration received pursuant to the Change in Control with respect to such shares shall continue to be subject to all applicable provisions of the Award Agreement evidencing such Award except as otherwise provided in such Award Agreement.

(c) ***Cash-Out of Outstanding Awards.*** The Board may, in its discretion and without the consent of any Participant, determine that, upon the occurrence of a Change in Control, each or any Award or portion thereof outstanding immediately prior to the Change in Control and not previously exercised or settled shall be canceled in exchange for a payment with respect to each vested share (and each unvested share, if so determined by the Board) of Stock subject to such canceled Award in (i) cash, (ii) stock of the Company or of a corporation or other business entity a party to the Change in Control, or (iii) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control, reduced (but not below zero) by the exercise or purchase price per share, if any, under such Award. If any portion of such consideration may be received by holders of Stock pursuant to the Change in Control on a contingent or delayed basis, the Board may, in its sole discretion, determine such Fair Market Value per share as of the time of the Change in Control on the basis of the Board's good faith estimate of the present value of the probable amount of future payment of such consideration. In the event such determination is made by the Board, an Award having an exercise or purchase price per share equal to or greater than the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control may be canceled without payment of consideration to the holder thereof. Payment pursuant to this Section (reduced by applicable withholding taxes, if any) shall be made to Participants in respect of the vested portions of their canceled Awards as soon as practicable following the date of the Change in Control and in respect of the unvested portions of their canceled Awards in accordance with the vesting schedules applicable to such Awards.

10.2 Federal Excise Tax Under Section 4999 of the Code.

(a) ***Excess Parachute Payment.*** If any acceleration of vesting pursuant to an Award and any other payment or benefit received or to be received by a Participant would subject the Participant to any excise tax pursuant to Section 4999 of the Code due to the characterization of such acceleration of vesting, payment or benefit as an "excess parachute payment" under Section 280G of the Code, then, provided such election would not subject the Participant to taxation under Section 409A, the Participant may elect to reduce the amount of any acceleration of vesting called for under the Award in order to avoid such characterization.

(b) ***Determination by Tax Firm.*** To aid the Participant in making any election called for under Section 10.2(a), no later than the date of the occurrence of any event that might reasonably be anticipated to result in an "excess parachute payment" to the Participant as described in Section 10.2(a), the Company shall request a determination in writing by the professional firm engaged by the Company for general tax purposes, or, if the tax firm so engaged by the Company is serving as accountant or auditor for the Acquiror, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section (the "***Tax Firm***"). As soon as practicable thereafter, the Tax Firm shall determine and report to the Company and the Participant the amount of such acceleration of vesting, payments and benefits

which would produce the greatest after-tax benefit to the Participant. For the purposes of such determination, the Tax Firm may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Participant shall furnish to the Tax Firm such information and documents as the Tax Finn may reasonably request in order to make its required determination. The Company shall bear all fees and expenses the Tax Firm may charge in connection with its services contemplated by this Section.

11. **TAX WITHHOLDING.**

11.1 **Tax Withholding in General.** The Company shall have the right to deduct from any and all payments made under the Plan, or to require the Participant, through payroll withholding, cash payment or otherwise, to make adequate provision for, the federal, state, local and foreign taxes (including social insurance), if any, required by law to be withheld by any Participating Company with respect to an Award or the shares acquired pursuant thereto. The Company shall have no obligation to deliver shares of Stock, to release shares of Stock from an escrow established pursuant to an Award Agreement, or to make any payment in cash under the Plan until the Participating Company Group's tax withholding obligations have been satisfied by the Participant.

11.2 **Withholding in or Directed Sale of Shares.** The Company shall have the right, but not the obligation, to deduct from the shares of Stock issuable to a Participant upon the exercise, vesting or settlement of an Award, or to accept from the Participant the tender of, a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to all or any part of the tax withholding obligations of any Participating Company. The Fair Market Value of any shares of Stock withheld or tendered to satisfy any such tax withholding obligations shall not exceed the amount determined by the applicable minimum statutory withholding rates. The Company may require a Participant to direct a broker, upon the vesting, exercise or settlement of an Award, to sell a portion of the shares subject to the Award determined by the Company in its discretion to be sufficient to cover the tax withholding obligations of any Participating Company and to remit an amount equal to such tax withholding obligations to the Participating Company in cash.

12. **COMPLIANCE WITH SECTION 409A.**

12.1 **In General.** The Plan and all Awards granted hereunder are intended to comply with, or otherwise be exempt from, Section 409A. The Plan and all Awards granted under the Plan shall be administered, interpreted, and construed in a manner consistent with Section 409A, as determined by the Company in good faith, to the extent necessary to avoid the imposition of additional taxes under Section 409A(a)(l)(B) of the Code. It is intended that any election, payment or benefit which is made or provided pursuant to or in connection with any Award that may result in deferred compensation within the meaning of Section 409A shall comply in all respects with the applicable requirements of Section 409A.

12.2 **Certain Limitations.** With respect to any Award that is subject to Section 409A, the following shall apply, as applicable:

(a) Notwithstanding anything to the contrary in the Plan or any Award Agreement, to the extent required to avoid tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan on account of, and during the six (6) month period immediately following, the Participant's termination of Service shall instead be paid on the first payroll date after the six-month anniversary of the Participant's separation from service (or the Participant's death, if earlier).

(b) Neither any Participant nor the Company shall take any action to accelerate or delay the payment of any amount or benefits under an Award in any manner which would not be in compliance with Section 409A.

(c) Notwithstanding anything to the contrary in the Plan or any Award Agreement, to the extent that any amount constituting deferred compensation subject to Section 409A would become payable under the Plan by reason of a Change in Control, such amount shall become payable only if the event constituting the Change in Control would also constitute a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A. Any Award which constitutes deferred compensation subject to Section 409A and which would vest and otherwise become payable upon a Change in Control as a result of the failure of the Acquiror to assume, continue or substitute for such Award in accordance with Section 10.1(b) shall vest to the extent provided by such Award but shall be converted automatically at the effective time of such Change in Control into a right to receive, in cash on the date or dates such award would have been settled in accordance with its then existing settlement schedule, an amount or amounts equal in the aggregate to the intrinsic value of the Award at the time of the Change in Control.

(d) Should any provision of the Plan, any Award Agreement, or any other agreement or arrangement contemplated by the Plan be found not to comply with, or otherwise be exempt from, the provisions of Section 409A, such provision shall be modified and given effect (retroactively if necessary), in the sole discretion of the Board, and without the consent of the holder of the Award, in such manner as the Board determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Section 409A.

(e) Notwithstanding the foregoing, neither the Company nor the Board shall have any obligation to take any action to prevent the assessment of any tax or penalty on any Participant under Section 409A, and neither the Company nor the Board will have any liability to any Participant for such tax or penalty.

13. COMPLIANCE WITH SECURITIES LAW.

The grant of Awards and the issuance of shares of Stock pursuant to any Award shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to such securities and the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, no Award may be exercised or shares issued pursuant to an Award unless (a) a registration statement under the Securities Act shall at the time of such exercise or issuance be in effect with respect to the shares issuable pursuant to the Award or (b) in the opinion of legal counsel to the Company, the shares issuable pursuant to

the Award may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. Except as otherwise determined by the Board, the Company intends that securities issued pursuant to the Plan be exempt from requirements of registration and qualification of such securities pursuant to the exemptions afforded by Rule 701 promulgated under the Securities Act or any other applicable exemptions, and the Plan shall be so construed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to issuance of any Stock, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

14. **AMENDMENT OR TERMINATION OF PLAN.**

The Board may amend, suspend or terminate the Plan at any time. No amendment, suspension or termination of the Plan shall affect any then outstanding Award unless expressly provided by the Board. Except as provided by the next sentence, no amendment, suspension or termination of the Plan may have a materially adverse effect on any then outstanding Award without the consent of the Participant. Notwithstanding any other provision of the Plan or any Award Agreement to the contrary, the Board may, in its sole and absolute discretion and without the consent of any Participant, amend the Plan or any Award Agreement, to take effect retroactively or otherwise, as it deems necessary or advisable for the purpose of conforming the Plan or such Award Agreement to any present or future law, regulation or rule applicable to the Plan, including, but not limited to, Section 409A.

15. **MISCELLANEOUS PROVISIONS.**

15.1 Restrictions on Transfer of Shares.

(a) Shares issued under the Plan may be subject to a right of first refusal, one or more repurchase options, or other conditions and restrictions as determined by the Board in its discretion at the time the Award is granted. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

(b) Notwithstanding the provisions of any Award Agreement to the contrary, at any time prior to the date on which the Stock is listed on a national securities exchange (as such term is used in the Exchange Act) or is traded on the over-the-counter market and prices therefore are published daily on business days in a recognized financial journal, the Board may prohibit any Participant who acquires shares of Stock pursuant to the Plan or any transferee of such Participant from selling, transferring, assigning, pledging, or otherwise

disposing of or encumbering any such shares (each, a *"**Transfer**"*) without the prior written consent of the Board. The Board may withhold consent to any Transfer for any reason, including without limitation any Transfer (i) to any individual or entity identified by the Company as a potential competitor or considered by the Company to be unfriendly, or (ii) if such Transfer increases the risk of the Company having a class of security held of record by such number of persons as would require the Company to register any class of securities under the Exchange Act; or (iii) if such Transfer would result in the loss of any federal or state securities law exemption relied upon by the Company in connection with the initial issuance of such shares or the issuance of any other securities; or (iv) if such Transfer is facilitated in any manner by any public posting, message board, trading portal, Internet site, or similar method of communication, including without limitation any trading portal or Internet site intended to facilitate secondary transfers of securities; or (v) if such Transfer is to be effected in a brokered transaction; or (vi) if such Transfer would be of less than all of the shares of Stock then held by the stockholder and its affiliates or is to be made to more than a single transferee.

15.2 **Forfeiture Events.** The Board may determine that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of Service for Cause, any act by a Participant, whether before or after termination of Service, that would constitute Cause for termination of Service, or any accounting restatement due to material noncompliance of the Company with any financial reporting requirements of securities laws as a result of which, and to the extent that, such reduction, cancellation, forfeiture, or recoupment is required by applicable securities laws.

15.3 **Provision of Information.** At least annually, copies of the Company's balance sheet and income statement for the just completed fiscal year shall be made available to each Participant and purchaser of shares of Stock upon the exercise of an Award; provided, however, that this requirement shall not apply if all offers and sales of securities pursuant to the Plan comply with all applicable conditions of Rule 701 under the Securities Act. The Company shall not be required to provide such information to key persons whose duties in connection with the Company assure them access to equivalent information. The Company shall deliver to each Participant such disclosures as are required in accordance with Rule 701 under the Securities Act. Notwithstanding the foregoing, at any time the Company is relying on the exemption provided by Rule 12h-1(f) under the Exchange Act, the Company shall provide to the applicable Participants the information described in Securities Act Rules 701(e)(3), (4) and (5) by a method allowed under Rule 12h-l(f)(1)(vi) and in accordance with the requirements of Rule 12h-l(f)(1)(vi), provided that the Participant agrees to keep the information confidential until the Company becomes subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act.

15.4 **Rights as Employee, Consultant or Director.** No person, even though eligible pursuant to Section 5, shall have a right to be selected as a Participant, or, having been so selected, to be selected again as a Participant. Nothing in the Plan or any Award granted under the Plan shall confer on any Participant a right to remain an Employee, Consultant or Director or interfere with or limit in any way any right of a Participating Company to terminate the Participant's Service at any time. To the extent that an Employee of a Participating Company

other than the Company receives an Award under the Plan, that Award shall in no event be understood or interpreted to mean that the Company is the Employee's employer or that the Employee has an employment relationship with the Company.

15.5 **Rights as a Stockholder.** A Participant shall have no rights as a stockholder with respect to any shares covered by an Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 4.3 or another provision of the Plan.

15.6 **Delivery of Title to Shares.** Subject to any governing rules or regulations, the Company shall issue or cause to be issued the shares of Stock acquired pursuant to an Award and shall deliver such shares to or for the benefit of the Participant by means of one or more of the following: (a) by delivering to the Participant evidence of book entry shares of Stock credited to the account of the Participant, (b) by depositing such shares of Stock for the benefit of the Participant with any broker with which the Participant has an account relationship, or (c) by delivering such shares of Stock to the Participant in certificate form.

15.7 **Fractional Shares.** The Company shall not be required to issue fractional shares upon the exercise or settlement of any Award.

15.8 **Retirement and Welfare Plans.** Neither Awards made under this Plan nor shares of Stock or cash paid pursuant to such Awards may be included as "compensation" for purposes of computing the benefits payable to any Participant under any Participating Company's retirement plans (both qualified and non-qualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing a Participant's benefits.

15.9 **Severability.** If any one or more of the provisions (or any part thereof) of this Plan shall be held invalid, illegal or unenforceable in any respect, such provision shall be modified so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions (or any part thereof) of the Plan shall not in any way be affected or impaired thereby.

15.10 **No Constraint on Corporate Action.** Nothing in this Plan shall be construed to: (a) limit, impair, or otherwise affect the Company's or another Participating Company's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets; or (b) limit the right or power of the Company or another Participating Company to take any action which such entity deems to be necessary or appropriate.

15.11 **Unfunded Obligation.** Participants shall have the status of general unsecured creditors of the Company. Any amounts payable to Participants pursuant to the Plan shall be considered unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974. No Participating

Company shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Participant account shall not create or constitute a trust or fiduciary relationship between the Board or any Participating Company and a Participant, or otherwise create any vested or beneficial interest in any Participant or the Participant's creditors in any assets of any Participating Company. The Participants shall have no claim against any Participating Company for any changes in the value of any assets which may be invested or reinvested by the Company with respect to the Plan.

15.12 **Choice of Law.** Except to the extent governed by applicable federal law, the validity, interpretation, construction and performance of the Plan and each Award Agreement shall be governed by the laws of the State of Nevada, without regard to its conflict of law rules.

IN WITNESS WHEREOF, the undersigned Secretary of the Company certifies that the foregoing sets forth the Mesa Air Group, Inc. 2017 Stock Plan as duly adopted by the Board on January 23, 2017.

/s/ Brian S. Gillman
Secretary

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THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

MESA AIR GROUP, INC.
RESTRICTED STOCK AGREEMENT

Mesa Air Group, Inc. has granted to the Participant named in the *Notice of Grant of Restricted Stock* (the *"**Grant Notice**"*) to which this Restricted Stock Agreement (the *"**Agreement**"*) is attached an Award consisting of Shares subject to the terms and conditions set forth in the Grant Notice and this Agreement. The Award has been granted pursuant to and shall in all respects be subject to the terms and conditions of the Mesa Air Group, Inc. 2017 Stock Plan (the *"**Plan**"*), as amended to the Date of Grant, the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of, and represents that the Participant has read and is familiar with, the Grant Notice, this Agreement and the Plan, (b) accepts the Award subject to all of the terms and conditions of the Grant Notice, this Agreement and the Plan, and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Board upon any questions arising under the Grant Notice, this Agreement or the Plan.

1. **DEFINITIONS AND CONSTRUCTION.**

1.1 **Definitions.** Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan.

1.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

2. **TAX MATTERS.**

2.1 **Election under Section 83(b) of the Code.** The Participant understands that Section 83 of the Code taxes as ordinary income the difference between the amount paid for the Shares, if anything, and the fair market value of the Shares as of the date on which the Shares are "substantially vested," within the meaning of Section 83. In this context, "substantially vested" means that the right of the Company to reacquire the Shares pursuant to the Company Reacquisition Right has lapsed. The Participant understands that he or she may elect to have his or her taxable income determined at the time he or she acquires the Shares rather than when and as the Company Reacquisition Right lapses by filing an election under Section 83(b) of the Code with the Internal Revenue Service no later than thirty (30) days after the date of acquisition of

the Shares. The Participant understands that failure to make a timely filing under Section 83(b) will result in his or her recognition of ordinary income, as the Company Reacquisition Right lapses, on the difference between the purchase price, if anything, and the fair market value of the Shares at the time such restrictions lapse. The Participant further understands, however, that if Shares with respect to which an election under Section 83(b) has been made are forfeited to the Company pursuant to its Company Reacquisition Right, such forfeiture will be treated as a sale on which there is realized a loss equal to the excess (if any) of the amount paid (if any) by the Participant for the forfeited Shares over the amount realized (if any) upon their forfeiture. If the Participant has paid nothing for the forfeited Shares and has received no payment upon their forfeiture, the Participant understands that he or she will be unable to recognize any loss on the forfeiture of the Shares even though the Participant incurred a tax liability by making an election under Section 83(b).

2.2 **Notice to Company.** The Participant will notify the Company in writing if the Participant files an election pursuant to Section 83(b) of the Code. The Company intends, in the event it does not receive from the Participant evidence of such filing, to claim a tax deduction for any amount which would otherwise be taxable to the Participant in the absence of such an election.

2.3 **Valuation of the Shares.**

(a) The Shares have been valued by the Company, and the Company believes this valuation represents a fair attempt at reaching an accurate appraisal of their worth. The Participant understands, however, that the Company can give no assurances that such valuation is in fact the fair market value of the Shares and that it is possible that with the benefit of hindsight, the Internal Revenue Service would successfully assert that the value of the Shares on any relevant date is greater than so determined.

(b) If the Internal Revenue Service were to succeed in a tax determination under the Code that the Shares received have a value greater than that determined by the Company, the additional value would constitute ordinary income as of the date of the Participant's realization of income. The additional taxes (and interest) due would be payable by the Participant, and there is no provision for the Company to reimburse him or her for that tax liability, and the Participant assumes all responsibility for such potential tax liability. Under present law, in the event such additional value would represent more than twenty-five (25%) of the Participant's gross income for the year in which the value of the Shares were taxable, the Internal Revenue Service would have six (6) years from the due date for filing the return (or the actual filing date of the return if filed thereafter) within which to assess the Participant the additional tax and interest which would then be due. The Company undertakes no obligation to inform the Participant of any change in the tax laws which may effect this Agreement or its consequences.

2.4 **Consultation with Tax Advisors.** The Participant understands that he or she should consult with his or her tax advisor regarding the advisability of filing with the IRS an election under Section 83(b) of the Code, which must be filed no later than thirty (30) days after the date of the acquisition of the Shares pursuant to this Agreement. Failure to file an election under Section 83(b), if appropriate, may result in adverse tax consequences to the Participant.

The Participant acknowledges that he or she has been advised to consult with a tax advisor regarding the tax consequences to the Participant of the purchase of Shares hereunder. ANY ELECTION UNDER SECTION 83(b) THE PARTICIPANT WISHES TO MAKE MUST BE FILED NO LATER THAN 30 DAYS AFTER THE DATE ON WHICH THE PARTICIPANT ACQUIRES THE SHARES. THIS TIME PERIOD CANNOT BE EXTENDED. THE PARTICIPANT ACKNOWLEDGES THAT TIMELY FILING OF A SECTION 83(b) ELECTION IS THE PARTICIPANT'S SOLE RESPONSIBILITY, EVEN IF THE PARTICIPANT REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO FILE SUCH ELECTION ON HIS OR HER BEHALF.

2.5 **Tax Withholding.**

(a) ***In General.*** At the time the Grant Notice is executed, or at any time thereafter as requested by a Participating Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax (including any social insurance) withholding obligations of the Participating Company, if any, which arise in connection with the Award, including, without limitation, obligations arising upon (a) the transfer of Shares to the Participant, (b) the lapsing of any restriction with respect to any Shares, (c) the filing of an election to recognize tax liability, or (d) the transfer by the Participant of any Shares. The Company shall have no obligation to deliver the Shares or to release any Shares from the Escrow established pursuant to Section 8 until the tax withholding obligations of the Participating Company have been satisfied by the Participant.

(b) ***Withholding in Shares.*** The Company shall have the right, but not the obligation, to require the Participant to satisfy all or any portion of a Participating Company's tax withholding obligations by withholding a number of whole Vested Shares otherwise deliverable to the Participant or by the Participant's tender to the Company of a number of whole Vested Shares or vested shares acquired otherwise than pursuant to the Award having, in any such case, a fair market value, as determined by the Company as of the date on which the tax withholding obligations arise, not in excess of the amount of such tax withholding obligations determined by the applicable minimum statutory withholding rates.

3. **ADMINISTRATION.**

All questions of interpretation concerning the Grant Notice, this Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Award shall be determined by the Board. All such determinations by the Board shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Board in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, or election.

4. **THE AWARD.**

4.1 **Grant and Issuance of Shares.** On the Date of Grant, the Participant shall acquire and the Company shall issue, subject to the provisions of this Agreement, a number of Shares equal to the Total Number of Shares (as defined in the Grant Notice). As a condition to the issuance of the Shares, the Participant shall execute and deliver the Grant Notice to the Company, accompanied by an Assignment Separate from Certificate duly endorsed (with date and number of shares blank) in the form provided by the Company.

4.2 **No Monetary Payment Required.** The Participant is not required to make any monetary payment (other than to satisfy applicable tax withholding, if any, with respect to the issuance or vesting of the Shares) as a condition to receiving the Shares, the consideration for which shall be past services actually rendered or future services to be rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the Shares issued pursuant to the Award.

4.3 **Beneficial Ownership of Shares; Certificate Registration.** The Participant hereby authorizes the Company, in its sole discretion, to deposit the Shares with the Company's transfer agent, including any successor transfer agent, to be held in book entry form during the term of the Escrow pursuant to Section 8. Furthermore, the Participant hereby authorizes the Company, in its sole discretion, to deposit, following the term of such Escrow, for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice any or all Shares which are no longer subject to such Escrow. Except as provided by the foregoing, a certificate for the Shares shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

4.4 **Issuance of Shares in Compliance with Law.** The issuance of Shares shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No Shares shall be issued hereunder if their issuance would constitute a violation of any applicable federal, state or foreign securities laws or other law or

regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any Shares shall relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority shall not have been obtained. As a condition to the issuance of the Shares, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

5. **VESTING OF SHARES.**

Shares acquired pursuant to this Agreement shall become Vested Shares as provided in the Grant Notice. For purposes of determining the number of Vested Shares following an Ownership Change Event, credited Service shall include all Service with any corporation which is a Participating Company at the time the Service is rendered, whether or not such corporation is a Participating Company both before and after the Ownership Change Event.

6. **COMPANY REACQUISITION RIGHT.**

6.1 **Grant of Company Reacquisition Right.** In the event that (a) the Participant's Service terminates for any reason or no reason, with or without cause, or, (b) the Participant, the Participant's legal representative, or other holder of the Shares, attempts to sell, exchange, transfer, pledge, or otherwise dispose of (other than pursuant to an Ownership Change Event), including, without limitation, any transfer to a nominee or agent of the Participant, any Shares which are not Vested Shares ("***Unvested Shares***"), the Participant shall forfeit and the Company shall automatically reacquire the Unvested Shares, and the Participant shall not be entitled to any payment therefor (the "***Company Reacquisition Right***").

6.2 **Ownership Change Event, Dividends, Distributions and Adjustments.** Upon the occurrence of an Ownership Change Event, a dividend or distribution to the stockholders of the Company paid in shares of Stock or other property, or any other adjustment upon a change in the capital structure of the Company as described in Section 10, any and all new, substituted or additional securities or other property (other than regular, periodic dividends paid on Stock pursuant to the Company's dividend policy) to which the Participant is entitled by reason of the Participant's ownership of Unvested Shares shall be immediately subject to the Company Reacquisition Right and included in the terms "Shares," "Stock" and "Unvested Shares" for all purposes of the Company Reacquisition Right with the same force and effect as the Unvested Shares immediately prior to the Ownership Change Event, dividend, distribution or adjustment, as the case may be. For purposes of determining the number of Vested Shares following an Ownership Change Event, dividend, distribution or adjustment, credited Service shall include all Service with any corporation which is a Participating Company at the time the Service is rendered, whether or not such corporation is a Participating Company both before and after any such event.

7. **RIGHT OF FIRST REFUSAL.**

7.1 **Grant of Right of First Refusal.** Except as provided in Section 7.7 and Section 14 below, in the event the Participant, the Participant's legal representative, or other holder of shares subject to the Award proposes to sell, exchange, transfer, pledge, or otherwise dispose of any Vested Shares (the *"**Transfer Shares**"*) to any person or entity, including, without limitation, any stockholder of a Participating Company, the Company shall have the right to repurchase the Transfer Shares under the terms and subject to the conditions set forth in this Section 7 (the *"**Right of First Refusal**"*).

7.2 **Notice of Proposed Transfer.** Prior to any proposed transfer of the Transfer Shares, the Participant shall deliver written notice (the *"**Transfer Notice**"*) to the Company describing fully the proposed transfer, including the number of Transfer Shares, the name and address of the proposed transferee (the *"**Proposed Transferee**"*) and, if the transfer is voluntary, the proposed transfer price, and containing such information necessary to show the bona fide nature of the proposed transfer. In the event of a bona fide gift or involuntary transfer, the proposed transfer price shall be deemed to be the Fair Market Value of the Transfer Shares, as determined by the Board in good faith. If the Participant proposes to transfer any Transfer Shares to more than one Proposed Transferee, the Participant shall provide a separate Transfer Notice for the proposed transfer to each Proposed Transferee. The Transfer Notice shall be signed by both the Participant and the Proposed Transferee and must constitute a binding commitment of the Participant and the Proposed Transferee for the transfer of the Transfer Shares to the Proposed Transferee subject only to the Right of First Refusal.

7.3 **Bona Fide Transfer.** If the Company determines that the information provided by the Participant in the Transfer Notice is insufficient to establish the bona fide nature of a proposed voluntary transfer, the Company shall give the Participant written notice of the Participant's failure to comply with the procedure described in this Section 7, and the Participant shall have no right to transfer the Transfer Shares without first complying with the procedure described in this Section 7. The Participant shall not be permitted to transfer the Transfer Shares if the proposed transfer is not bona fide.

7.4 **Exercise of Right of First Refusal.** If the Company determines the proposed transfer to be bona fide, the Company shall have the right to purchase all, but not less than all, of the Transfer Shares (except as the Company and the Participant otherwise agree) at the purchase price and on the terms set forth in the Transfer Notice by delivery to the Participant of a notice of exercise of the Right of First Refusal within thirty (30) days after the date the Transfer Notice is delivered to the Company. The Company's exercise or failure to exercise the Right of First Refusal with respect to any proposed transfer described in a Transfer Notice shall not affect the Company's right to exercise the Right of First Refusal with respect to any proposed transfer described in any other Transfer Notice, whether or not such other Transfer Notice is issued by the Participant or issued by a person other than the Participant with respect to a proposed transfer to the same Proposed Transferee. If the Company exercises the Right of First Refusal, the Company and the Participant shall thereupon consummate the sale of the Transfer Shares to the Company on the terms set forth in the Transfer Notice within sixty (60) days after the date the Transfer Notice is delivered to the Company (unless a longer period is offered by the Proposed Transferee); provided, however, that in the event the Transfer Notice provides for the

payment for the Transfer Shares other than in cash, the Company shall have the option of paying for the Transfer Shares by the present value cash equivalent of the consideration described in the Transfer Notice as reasonably determined by the Company. For purposes of the foregoing, cancellation of any indebtedness of the Participant to any Participating Company shall be treated as payment to the Participant in cash to the extent of the unpaid principal and any accrued interest canceled. Notwithstanding anything contained in this Section to the contrary, the period during which the Company may exercise the Right of First Refusal and consummate the purchase of the Transfer Shares from the Participant shall terminate no sooner than the completion of a period of eight (8) months following the date on which the Participant acquired the Transfer Shares.

7.5 **Failure to Exercise Right of First Refusal.** If the Company fails to exercise the Right of First Refusal in full (or to such lesser extent as the Company and the Participant otherwise agree) within the period specified in Section 7.4, the Participant may conclude a transfer to the Proposed Transferee of the Transfer Shares on the terms and conditions described in the Transfer Notice, provided such transfer occurs not later than ninety (90) days following delivery to the Company of the Transfer Notice or, if applicable, following the end of the period described in the last sentence of Section 7.4. The Company shall have the right to demand further assurances from the Participant and the Proposed Transferee (in a form satisfactory to the Company) that the transfer of the Transfer Shares was actually carried out on the terms and conditions described in the Transfer Notice. No Transfer Shares shall be transferred on the books of the Company until the Company has received such assurances, if so demanded, and has approved the proposed transfer as bona fide. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Participant, shall again be subject to the Right of First Refusal and shall require compliance by the Participant with the procedure described in this Section.

7.6 **Transferees of Transfer Shares.** All transferees of the Transfer Shares or any interest therein, other than the Company, shall be required as a condition of such transfer to agree in writing (in a form satisfactory to the Company) that such transferee shall receive and hold such Transfer Shares or interest therein subject to all of the terms and conditions of this Agreement, including this Section 7 providing for the Right of First Refusal with respect to any subsequent transfer. Any sale or transfer of any Shares shall be void unless the provisions of this Section are met.

7.7 **Transfers Not Subject to Right of First Refusal.** The Right of First Refusal shall not apply to any transfer or exchange of the Shares if such transfer or exchange is in connection with an Ownership Change Event. If the consideration received pursuant to such transfer or exchange consists of stock of a Participating Company, such consideration shall remain subject to the Right of First Refusal unless the provisions of Section 7.9 result in a termination of the Right of First Refusal.

7.8 **Assignment of Right of First Refusal.** The Company shall have the right to assign the Right of First Refusal at any time, whether or not there has been an attempted transfer, to one or more persons as may be selected by the Company.

7.9 **Early Termination of Right of First Refusal.** The other provisions of this Agreement notwithstanding, the Right of First Refusal shall terminate and be of no further force and effect upon (a) the occurrence of a Change in Control, unless the Acquiror assumes the Company's rights and obligations under this Agreement, or (b) the existence of a public market for the class of shares subject to the Right of First Refusal. A *"**public market**"* shall be deemed to exist if (i) such stock is listed on a national securities exchange (as that term is used in the Exchange Act) or (ii) such stock is traded on the over-the-counter market and prices therefor are published daily on business days in a recognized financial journal.

8. **ESCROW.**

8.1 **Appointment of Agent.** To ensure that Shares subject to the Company Reacquisition Right will be available for reacquisition, the Participant and the Company hereby appoint the Secretary of the Company, or any other person designated by the Company, as their agent and as attorney-in-fact for the Participant (the *"**Agent**"*) to hold any and all Unvested Shares and to sell, assign and transfer to the Company any such Unvested Shares reacquired by the Company pursuant to the Company Reacquisition Right. The Participant understands that appointment of the Agent is a material inducement to make this Agreement and that such appointment is coupled with an interest and is irrevocable. The Agent shall not be personally liable for any act the Agent may do or omit to do hereunder as escrow agent, agent for the Company, or attorney in fact for the Participant while acting in good faith and in the exercise of the Agent's own good judgment, and any act done or omitted by the Agent pursuant to the advice of the Agent's own attorneys shall be conclusive evidence of such good faith. The Agent may rely upon any letter, notice or other document executed by any signature purporting to be genuine and may resign at any time.

8.2 **Establishment of Escrow.** The Participant authorizes the Company to deposit the Unvested Shares with the Company's transfer agent to be held in book entry form, as provided by Section 4.3, and the Participant agrees to deliver to and deposit with the Agent each certificate, if any, evidencing the Shares and an Assignment Separate from Certificate with respect to such book entry shares and each such certificate duly endorsed (with date and number of Shares blank) in the form attached to this Agreement, to be held by the Agent under the terms and conditions of this Section (the *"**Escrow**"*). Upon the occurrence of an Ownership Change Event, a dividend or distribution to the stockholders of the Company paid in shares of Stock or other property (other than regular, periodic dividends paid on Stock pursuant to the Company's dividend policy), or any other adjustment upon a change in the capital structure of the Company, as described in Section 10, any and all new, substituted or additional securities or other property to which the Participant is entitled by reason of his or her ownership of the Shares that remain, following such Ownership Change Event, dividend, distribution or change described in Section 10, subject to the Company Reacquisition Right shall be immediately subject to the Escrow to the same extent as the Shares immediately before such event. The Company shall bear the expenses of the Escrow.

8.3 **Delivery of Shares to Participant.** The Escrow shall continue with respect to any Shares for so long as such Shares remain subject to the Company Reacquisition Right. Upon termination of the Company Reacquisition Right with respect to Shares, the Company shall so notify the Agent and direct the Agent to deliver such number of Shares to the

Participant. As soon as practicable after receipt of such notice, the Agent shall cause the Shares specified by such notice to be delivered to the Participant, and the Escrow shall terminate with respect to such Shares.

8.4 **Notices and Payments.** In the event the Shares and any other property held in escrow are subject to the Company's exercise of the Company Reacquisition Right or the Right of First Refusal, the notices required to be given to the Participant shall be given to the Agent, and any payment required to be given to the Participant shall be given to the Agent. Within thirty (30) days after payment by the Company, the Agent shall deliver the Shares and any other property which the Company has purchased to the Company and shall deliver the payment received from the Company to the Participant.

9. **EFFECT OF CHANGE IN CONTROL.**

In the event of a Change in Control, except to the extent that the Board determines to settle the Award in accordance with Section 10.1(c) of the Plan, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the *"**Acquiror**"*), may, without the consent of the Participant, assume or continue in full force and effect the Company's rights and obligations under the Award or substitute for the Award a substantially equivalent award for the Acquiror's stock. For purposes of this Section, the Award shall be deemed assumed if, following the Change in Control, the Award confers the right to receive, subject to the terms and conditions of the Plan and this Agreement, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled. Notwithstanding the foregoing, Shares acquired pursuant to the Award prior to the Change in Control and any consideration received pursuant to the Change in Control with respect to such shares shall continue to be subject to all applicable provisions of this Agreement except as otherwise provided herein.

10. **ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.**

Subject to any required action by the stockholders of the Company, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (excepting regular, periodic cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number and kind of shares of stock or other property subject to the Award, in order to prevent dilution or enlargement of the Participant's rights under the Award. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any and all new, substituted or additional securities or other property to which Participant is entitled by reason of ownership of Shares acquired pursuant to this Award will be immediately subject to the provisions of this Award on the same basis as all Shares originally acquired hereunder. Any fractional share resulting from an

adjustment pursuant to this Section shall be rounded down to the nearest whole number. Such adjustments shall be determined by the Board, and its determination shall be final, binding and conclusive.

11. **RIGHTS AS A STOCKHOLDER, DIRECTOR, EMPLOYEE OR CONSULTANT.**

The Participant shall have no rights as a stockholder with respect to any Shares subject to the Award until the date of the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the Shares are issued, except as provided in Section 10. Subject to the provisions of this Agreement, the Participant shall exercise all rights and privileges of a stockholder of the Company with respect to Shares deposited in the Escrow pursuant to Section 8. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between a Participating Company and the Participant, the Participant's employment is "at will" and is for no specified term. Nothing in this Agreement shall confer upon the Participant any right to continue in the Service of a Participating Company or interfere in any way with any right of the Participating Company Group to terminate the Participant's Service, as the case may be, at any time.

12. **LEGENDS.**

The Company may at any time place legends referencing the Company Reacquisition Right, Right of First Refusal and any applicable federal, state or foreign securities law restrictions on all certificates representing Shares. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing Shares in the possession of the Participant in order to carry out the provisions of this Section. Unless otherwise specified by the Company, legends placed on such certificates may include, but shall not be limited to, the following:

12.1 "THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SECURITIES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 OR RULE 701 UNDER THE ACT, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY, STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT."

12.2 "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND REPURCHASE OPTIONS IN FAVOR OF THE CORPORATION OR ITS ASSIGNEE SET FORTH IN AN AGREEMENT BETWEEN THE CORPORATION AND THE REGISTERED HOLDER, OR SUCH HOLDER'S PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS CORPORATION."

13. **LOCK-UP AGREEMENT.**

The Participant hereby agrees that in the event of any underwritten public offering of stock, including an initial public offering of stock, made by the Company pursuant to an effective registration statement filed under the Securities Act, the Participant shall not offer, sell, contract to sell, pledge, hypothecate, grant any option to purchase or make any short sale of, or otherwise dispose of any shares of stock of the Company or any rights to acquire stock of the Company for such period of time from and after the effective date of such registration statement as may be established by the underwriter for such public offering; provided, however, that such period of time shall not exceed one hundred eighty (180) days from the effective date of the registration statement to be filed in connection with such public offering; provided, further, however, that such one hundred eighty (180) day period may be extended for an additional period, not to exceed twenty (20) days, upon the request of the Company or the underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto). The foregoing limitation shall not apply to shares registered in the public offering under the Securities Act. The Participant hereby agrees to enter into any agreement reasonably required by the underwriters to implement the foregoing within a reasonable timeframe if so requested by the Company.

14. **RESTRICTIONS ON TRANSFER OF SHARES.**

At any time prior to the existence of a public market for the Stock, the Board may prohibit the Participant and any transferee of such Participant from selling, transferring, assigning, pledging, or otherwise disposing of or encumbering any Shares acquired pursuant to the Award (each, a "***Transfer***") without the prior written consent of the Board. The Board may withhold consent for any reason, including without limitation any Transfer (i) to any individual or entity identified by the Company as a potential competitor or considered by the Company to be unfriendly, or (ii) if such Transfer increases the risk of the Company having a class of security held of record by such number of persons as would require the Company to register any class of securities under the Exchange Act; or (iii) if such Transfer would result in the loss of any federal or state securities law exemption relied upon by the Company in connection with the initial issuance of such shares or the issuance of any other securities; or (iv) if such Transfer is facilitated in any manner by any public posting, message board, trading portal, Internet site, or similar method of communication, including without limitation any trading portal or Internet site intended to facilitate secondary transfers of securities; or (v) if such Transfer is to be effected in a brokered transaction; or (vi) if such Transfer would be of less than all of the shares of Stock then held by the stockholder and its affiliates or is to be made to more than a single transferee. No Shares may be sold, exchanged, transferred, assigned, pledged, hypothecated or otherwise disposed of, including by operation of law, in any manner which violates any of the provisions of this Agreement and, except pursuant to an Ownership Change Event, until the date on which such shares become Vested Shares, and any such attempted disposition shall be void. The Company shall not be required (a) to transfer on its books any Shares which will have been transferred in violation of any of the provisions set forth in this Agreement or (b) to treat as owner of such Shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such Shares will have been so transferred. In order to enforce its rights under

this Section, the Company shall be authorized to give a stop transfer instruction with respect to the Shares to the Company's transfer agent.

15. **MISCELLANEOUS PROVISIONS.**

15.1 **Termination or Amendment.** The Board may terminate or amend the Plan or this Agreement at any time; provided, however, that no such termination or amendment may have a materially adverse effect on the Participant's rights under this Agreement without the consent of the Participant, unless such termination or amendment is necessary to comply with any applicable law or government regulation. No amendment or addition to this Agreement shall be effective unless in writing.

15.2 **Nontransferability of the Award.** The right to acquire Shares pursuant to the Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

15.3 **Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

15.4 **Binding Effect.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

15.5 **Delivery of Documents and Notices.** Any document relating to participation in the Plan, or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by a Participating Company, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

(a) ***Description of Electronic Delivery.*** The Plan documents, which may include but do not necessarily include: the Plan, the Grant Notice, this Agreement, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Grant Notice to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the

delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) ***Consent to Electronic Delivery*.** The Participant acknowledges that the Participant has read Section 15.5(a) of this Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice and notices in connection with the Escrow, as described in Section 15.5(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 15.5(a) or may change the electronic mail address to which such documents are to be delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 15.5(a).

15.6 **Integrated Agreement.** The Grant Notice, this Agreement and the Plan, together with any employment, service or other agreement between the Participant and a Participating Company referring to the Award, shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Grant Notice, this Agreement and the Plan shall survive any settlement of the Award and shall remain in full force and effect.

15.7 **Applicable Law.** The Agreement shall be governed by the laws of the State of Nevada as such laws are applied to agreements between Nevada residents entered into and to be performed entirely within the State of Nevada.

15.8 **Counterparts.** The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED the undersigned does hereby sell, assign and transfer unto

_____ (_____) shares of the Capital Stock of Mesa Air Group, Inc. standing in the undersigned's name on the books of said corporation represented by Certificate No. _____ herewith and does hereby irrevocably constitute and appoint _____ Attorney to transfer the said stock on the books of said corporation with full power of substitution in the premises.

Dated: _____

_____
Signature

_____
Print Name

Instructions: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise its Company Reacquisition Right set forth in the Restricted Stock Agreement without requiring additional signatures on the part of the Participant.

SAMPLE

Internal Revenue Service

[IRS Service Center
where Form 1040 is Filed]

Re: Section 83(b) Election

Dear Sir or Madam:

The following information is submitted pursuant to section 1.83-2 of the Treasury Regulations in connection with this election by the undersigned under section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code").

1. The name, address and taxpayer identification number of the taxpayer are:

   Name: _____

   Address: _____

   _____

   Social Security Number: _____

2. The following is a description of each item of property with respect to which the election is made:

   _____ shares of common stock of Mesa Air Group, Inc. (the "Shares"), acquired from Mesa Air Group, Inc. (the "Company") pursuant to a restricted stock grant.

3. The property was transferred to the undersigned on:

   Restricted stock grant date: _____

   The taxable year for which the election is made is:

   Calendar Year _____

4. The nature of the restriction to which the property is subject:

   The Shares are subject to automatic forfeiture to the Company upon the occurrence of certain events. This forfeiture provision lapses with regard to a

portion of the Shares based upon the continued performance of services by the taxpayer over time.

5. The following is the fair market value at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse) of the property with respect to which the election is made:

$_____ (_____ Shares at $_____ per share).

The property was transferred to the taxpayer pursuant to the grant of an award of restricted stock.

6. The following is the amount paid for the property:

No monetary consideration was provided in exchange for the Shares.

7. A copy of this election has been furnished to the Company, the corporation for which the services were performed by the undersigned.

Please acknowledge receipt of this election by date or received-stamping the enclosed copy of this letter and returning it to the undersigned. A self-addressed stamped envelope is provided for your convenience.

Very truly yours,

_____ Date: _____

Enclosures
cc: Mesa Air Group, Inc.

Exhibit 10.3

MESA AIR GROUP, INC.
RESTRICTED PHANTOM STOCK UNITS PLAN

1. Establishment and Purpose

Mesa Air Group, Inc., a Nevada corporation (the "*Company*"), hereby establishes the Mesa Air Group, Inc. Restricted Phantom Stock Units Plan (the "*Plan*"). The purpose of the Plan is to promote the long-term growth and profitability of the Company by (i) providing key people with incentives to improve stockholder value and to contribute to the growth and financial success of the Company through their future services, and (ii) enabling the Company to attract, retain and reward the best-available persons. The Plan permits the granting of restricted stock units.

2. Definitions

Under this Plan, except where the context otherwise indicates, the following definitions apply:

(a) "*Administrator*" means the Board or the committee(s) or officer(s) appointed by the Board that have authority to administer the Plan as provided in Section 3 hereof.

(b) "*Affiliate*" means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with, the Company (including, but not limited to, joint ventures, limited liability companies, and partnerships). For this purpose, "*control*" shall mean ownership of 50% or more of the total combined voting power or value of all classes of stock or interests of the entity, or the power to direct the management and policies of the entity, by contract or otherwise.

(c) "*Award*" means any restricted stock unit award.

(d) "*Board*" means the Board of Directors of the Company.

(e) "*Change in Control*" means: (i) the acquisition (other than from the Company) by any Person, as defined in this Section 2(e), of the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of (A) the then outstanding shares of the securities of the Company, or (B) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the "*Company Voting Stock*"); (ii) the closing of a sale or other conveyance of all or substantially all of the assets of the Company; or (iii) the effective time of any merger, share exchange, consolidation, or other business combination involving the Company if immediately after such transaction persons who hold a majority of the outstanding voting securities entitled to vote generally in the election of directors of the surviving entity (or the entity owning 100% of such surviving

entity) are not persons who, immediately prior to such transaction, held the Company Voting Stock; provided, however, that a Change in Control shall not include (X) any consolidation or merger effected exclusively to change the domicile of the Company, (Y) any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or indebtedness of the Company is cancelled or converted or a combination thereof, or (Z) an initial public offering; provided, however, that for purposes of any Award that constitutes a "nonqualified deferred compensation plan," within the meaning of Code section 409A, the Administrator, in its discretion, may specify a different definition of Change in Control in order to comply with the provisions of Code section 409A. For purposes of this Section 2(e), a "*Person*" means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, other than: employee benefit plans sponsored or maintained by the Company and by entities controlled by the Company or an underwriter of the Common Stock in a registered public offering.

(f) *"Code"* means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

(g) *"Common Stock"* means shares of common stock of the Company, no par value per share.

(h) "*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

(i) "*Fair Market Value*" means, with respect to the Common Stock, as of any date:

(i) if the principal market for the Common Stock (as determined by the Administrator if the Common Stock is listed or admitted to trading on more than one exchange or market) is a national securities exchange or an established securities market, the official closing price per share of Common Stock for the regular market session on that date on the principal exchange or market on which the Common Stock is then listed or admitted to trading or, if no sale is reported for that date, on the last preceding day for which a sale was reported;

(ii) if the principal market for the Common Stock is not a national securities exchange or an established securities market, the average of the highest bid and lowest asked prices for the Common Stock on that date as reported on a national quotation system or, if no prices are reported for that date, on the last preceding day for which prices were reported; or

(iii) if the Common Stock is neither listed or admitted to trading on a national securities exchange or an established securities market, nor quoted by a national quotation system, the value determined by the Administrator in good faith by the reasonable application of a reasonable valuation method.

(j) "*Grant Agreement*" means a written document, including an electronic writing acceptable to the Administrator, memorializing the terms and conditions of an Award granted pursuant to the Plan and which shall incorporate the terms of the Plan.

(k) "*Service*" means an individual's employment or service with the Company or an Affiliate, whether as an employee, a director or a consultant. Unless otherwise provided by the Administrator, an individual's Service shall not be deemed to have terminated merely because of a change in the capacity in which the individual renders Service or a change in the Company or Affiliate for which the individual renders Service, provided that there is no interruption or termination of the individual's Service. Furthermore, an individual's Service shall not be deemed to have been interrupted or terminated if the individual takes any military leave, sick leave, or other bona fide leave of absence approved by the Company. However, unless otherwise provided by the Administrator, if any such leave taken by an individual exceeds ninety (90) days, then on the ninety-first (91st) day following the commencement of such leave the individual's Service shall be deemed to have terminated, unless the individual's right to return to Service is guaranteed by statute or contract. Notwithstanding the foregoing, unless otherwise designated by the Company or required by law, an unpaid leave of absence shall not be treated as Service for purposes of determining vesting. An individual's Service shall be deemed to have terminated either upon an actual termination of Service or upon the business entity for which the individual performs Service ceasing to be an Affiliate. Subject to the foregoing, the Company, in its discretion, shall determine whether an individual's Service has terminated and the effective date of and reason for such termination.

3. Administration

(a) *Administration of the Plan.* The Plan shall be administered by the Board or by such committee or committees as may be appointed by the Board from time to time. To the extent allowed by applicable state law, the Board by resolution may authorize an officer or officers to grant Awards (other than stock Awards) to other officers and employees of the Company and its Affiliates, and, to the extent of such authorization, such officer or officers shall be the Administrator.

(b) *Powers of the Administrator*. The Administrator shall have all the powers vested in it by the terms of the Plan, such powers to include authority, in its sole and absolute discretion, to grant Awards under the Plan, prescribe Grant Agreements evidencing such Awards and establish programs for granting Awards.

The Administrator shall have full power and authority to take all other actions necessary to carry out the purpose and intent of the Plan, including, but not limited to, the authority to: (i) determine the eligible persons to whom, and the time or times at which Awards shall be granted; (ii) determine the types of Awards to be granted; (iii) determine the number of shares to be covered by or used for reference purposes for each Award; (iv) impose such terms, limitations, restrictions and conditions upon any such Award as

the Administrator shall deem appropriate; (v) modify, amend, extend or renew outstanding Awards, or accept the surrender of outstanding Awards and substitute new Awards; provided, however, that, except as otherwise permitted under Section 7 of the Plan, any modification, amendment, extension, renewal or substitution that would materially adversely affect any outstanding Award shall not be made without the consent of the holder (but if any of the foregoing actions results in a change in the tax consequences with respect to an Award such change shall not be considered to be a material adverse effect on the Award); (vi) accelerate or otherwise change the time in which an Award becomes vested; (vii) establish objectives and conditions, if any, for earning Awards and determining whether Awards will be paid with respect to a performance period; and (viii) for any purpose, including but not limited to, qualifying for preferred tax treatment under foreign tax laws or otherwise complying with the regulatory requirements of local or foreign jurisdictions, to establish, amend, modify, administer or terminate sub-plans, and prescribe, amend and rescind rules and regulations relating to such sub-plans.

The Administrator shall have full power and authority, in its sole and absolute discretion, to administer, construe and interpret the Plan, Grant Agreements and all other documents relevant to the Plan and Awards issued thereunder, to establish, amend, rescind and interpret such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Administrator deems necessary or advisable, and to correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent the Administrator shall deem it desirable to carry it into effect.

(c) *Non-Uniform Determinations*. The Administrator's determinations under the Plan (including without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards including the Grant Agreements evidencing such Awards, and the treatment of Awards upon a Sale of the Company) need not be uniform and may be made by the Administrator selectively among Awards or persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

(d) *Limited Liability.* To the maximum extent permitted by law, no member of the Administrator shall be liable for any action taken or decision made in good faith relating to the Plan or any Award thereunder.

(e) *Indemnification*. To the maximum extent permitted by law and by the Company's charter and by-laws, the members of the Administrator shall be indemnified by the Company in respect of all their activities under the Plan.

(f) *Effect of Administrator's Decision*. All actions taken and decisions and determinations made by the Administrator on all matters relating to the Plan pursuant to the powers vested in it hereunder shall be in the Administrator's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the Company, its stockholders, any participants in the Plan and any other employee, consultant, or director of the Company, and their respective successors in interest.

4. Shares Available for the Plan

Subject to adjustments as provided in Section 7 of the Plan, the shares of Common Stock that may be subject to Awards granted under the Plan shall not exceed an aggregate of 500,000 shares of Common Stock. If any Award, or portion of an Award, under the Plan expires or terminates, is settled in cash, or is forfeited or otherwise terminated, surrendered or canceled as to any shares, such shares shall thereafter be available for further Awards under the Plan.

5. Participation

Participation in the Plan shall be open to all employees, officers, and directors of, and other individuals providing bona fide services to or for, the Company, or of any Affiliate of the Company, as may be selected by the Administrator from time to time.

6. Awards

The Administrator, in its sole discretion, establishes the terms of all Awards granted under the Plan. The Administrator may from time to time grant Awards to eligible participants denominated in stock-equivalent units or restricted stock units ("*restricted stock units*") in such amounts and on such terms and conditions as it shall determine. Restricted stock units granted to a participant shall be credited to a bookkeeping reserve account solely for accounting purposes and shall not require a segregation of any of the Company's assets. An Award of restricted stock units may be settled in Common Stock, in cash, or in a combination of Common Stock and cash, as determined in the sole discretion of the Administrator. Except as otherwise provided in the applicable Grant Agreement, the grantee shall not have the rights of a stockholder with respect to any shares of Common Stock represented by a restricted stock unit as a result of the grant or payment of a restricted stock unit to the grantee.

7. Miscellaneous

(a) *Withholding of Taxes*. Grantees and holders of Awards shall pay to the Company or its Affiliate, or make provision satisfactory to the Administrator for payment of, any taxes required to be withheld in respect of Awards under the Plan no later than the date of the event creating the tax liability. The Company or its Affiliate may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the grantee or holder of an Award. In the event that payment to the Company or its Affiliate of such tax obligations is made in shares of Common Stock, such shares shall be valued at Fair Market Value on the applicable date for such purposes and shall not exceed in amount the minimum statutory tax withholding obligation (except as would not create an adverse accounting consequence or cost, if permitted by the Administrator).

(b) *Transferability*. Except as otherwise determined by the Administrator, no Award granted under the Plan shall be transferable by a grantee otherwise than by will or the laws of descent and distribution.

(c) *Adjustments for Corporate Transactions and Other Events*.

(i) *Stock Dividend, Stock Split and Reverse Stock Split.* In the event of a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, (A) the maximum number of shares of such Common Stock as to which Awards may be granted under this Plan, as provided in Section 4 of the Plan, and (B) the number of shares covered by and other terms of outstanding Awards, shall, without further action of the Board, be adjusted to reflect such event. The Administrator may make adjustments, in its discretion, to address the treatment of fractional shares and fractional cents that arise with respect to outstanding Awards as a result of the stock dividend, stock split or reverse stock split.

(ii) *Non-Change in Control Transactions.* Except with respect to the transactions set forth in Section 7(c)(i), in the event of any change affecting the Common Stock, the Company or its capitalization, by reason of a spin-off, split-up, dividend, recapitalization, merger, consolidation or share exchange, other than any such change that is part of a transaction resulting in a Change in Control, the Administrator, in its discretion and without the consent of the holders of the Awards, may make (A) appropriate adjustments to the maximum number and kind of shares with respect to which Awards may be granted under the Plan, as provided in Section 4 of the Plan; and (B) any adjustments in outstanding Awards, including but not limited to modifying the number, kind and price of securities subject to Awards, as the Administrator determines to be appropriate and equitable.

(iii) *Change in Control.* In the event of any transaction resulting in a Change in Control of the Company, outstanding Awards will immediately vest upon such Change in Control.

If, immediately before the Change in Control, no stock of the Company is readily tradable on an established securities market or otherwise, and the vesting or payment of an Award would be treated as a “parachute payment” (as defined in Section 280G of the Code), then the Award shall not vest or be paid unless the requirements of the shareholder approval exemption of Section 280G(b)(5) of the Code have been satisfied with respect to the Award.

(iv) *Unusual or Nonrecurring Events.* The Administrator is authorized to make, in its discretion and without the consent of holders of Awards, adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events affecting the Company, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan; provided that no such adjustment shall be made in contravention of Section 409A of the Code with respect to any Award that constitutes a deferred compensation arrangement within the meaning of Section 409A of the Code.

(d) *Substitution of Awards in Mergers and Acquisitions.* Awards may be granted under the Plan from time to time in substitution for awards held by employees, officers, consultants or directors of entities who become or are about to become employees, officers, consultants or directors of the Company or an Affiliate as the result of a merger or consolidation of the employing entity with the Company or an Affiliate, or the acquisition by the Company or an Affiliate of the assets or stock of the employing entity. The terms and conditions of any substitute Awards so granted may vary from the terms and conditions set forth herein to the extent that the Administrator deems appropriate at the time of grant to conform the substitute Awards to the provisions of the awards for which they are substituted.

(e) *Termination, Amendment and Modification of the Plan*. The Board may terminate, amend or modify the Plan or any portion thereof at any time. Except as otherwise determined by the Board, termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

(f) *Non-Guarantee of Employment or Service*. Nothing in the Plan or in any Grant Agreement thereunder shall confer any right on an individual to continue in the service of the Company or shall interfere in any way with the right of the Company to terminate such service at any time with or without cause or notice and whether or not such termination results in (i) the failure of any Award to vest; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under the Plan.

(g) *No Trust or Fund Created*. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a grantee or any other person. To the extent that any grantee or other person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(h) *Governing Law*. The validity, construction and effect of the Plan, of Grant Agreements entered into pursuant to the Plan, and of any rules, regulations, determinations or decisions made by the Administrator relating to the Plan or such Grant Agreements, and the rights of any and all persons having or claiming to have any interest therein or thereunder, shall be determined exclusively in accordance with applicable federal laws and the laws of the State of Nevada, without regard to its conflict of laws principles.

(i) *Section 409A*. The Plan and all Awards granted hereunder are intended to comply with, or otherwise be exempt from, Section 409A of the Code. The Plan and all Awards granted under the Plan shall be administered, interpreted, and construed in a manner consistent with Section 409A of the Code to the extent necessary to avoid the imposition of additional taxes under Section 409A(a)(1)(B) of the Code. Should any provision of the Plan, any Grant Agreement, or any other agreement or arrangement contemplated by the Plan be found not to comply with, or otherwise be exempt from, the provisions of Section 409A of the Code, such provision shall be modified and given effect (retroactively if necessary), in the sole discretion of the Administrator, and without the consent of the holder of the Award, in such manner as the Administrator determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Section 409A of the Code. Notwithstanding anything in the Plan to the contrary, in no event shall the Administrator exercise its discretion to accelerate the payment or settlement of an Award where such payment or settlement constitutes deferred compensation within the meaning of Section 409A of the Code unless, and solely to the extent that, such accelerated payment or settlement is permissible under Treasury Regulation section 1.409A-3(j)(4) or any successor provision. Notwithstanding any provision of the Plan or any Grant Agreement, the Company makes no representation that Awards shall be exempt from or comply with Section 409A of the Code. Neither the Company nor any Affiliate shall be liable for any tax, penalty or interest imposed on an Award recipient by Section 409A of the Code.

(j) *Effective Date; Termination Date*. The Plan is effective as of the date on which the Plan is adopted by the Board, subject to approval of the stockholders within twelve months before or after such date. No Award shall be granted under the Plan after the close of business on the day immediately preceding the tenth anniversary of the effective date of the Plan, or if earlier, the tenth anniversary of the date this Plan is approved by the stockholders. Subject to other applicable provisions of the Plan, all Awards made under the Plan prior to such termination of the Plan shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

RESTRICTED PHANTOM STOCK UNITS AGREEMENT

UNDER THE

MESA AIR GROUP, INC. RESTRICTED PHANTOM STOCK UNITS PLAN

1. Terminology. Unless otherwise provided in this Agreement, capitalized terms used herein are defined in the Glossary at the end of this Agreement or in the Plan.

2. Restricted Stock Units.

(a) Vesting. All of the RSUs are nonvested and forfeitable as of the Grant Date. Your RSUs will become vested and nonforfeitable in accordance with the vesting schedule included in your Notice so long as your Service is continuous from the Grant Date through the applicable vesting date. Vesting is rounded down to the nearest whole share at each interim vesting date and rounded up on the last vesting date. None of the RSUs will become vested and nonforfeitable after your Service ceases.

(b) Termination of Service. If your Service with the Company ceases for any reason, all unvested RSUs will be forfeited to the Company immediately and automatically upon such cessation without payment of any consideration therefor and you will have no further right, title or interest in or to such RSUs or any payment therefor.

(c) Manner of RSU Settlement. You are not required to make any monetary payment (other than applicable tax withholding, if required) as a condition to settlement of the vested RSUs. The Company will pay to you, in settlement of your vested RSUs, either a cash payment equal to the Fair Market Value or the number of whole shares of Stock that equals the number of whole RSUs that become vested, at your option, less applicable tax withholding, and such vested RSUs will terminate and cease to be outstanding upon such payment. The foregoing notwithstanding, the issuance of shares of Stock shall be subject to any then existing agreements restricting the Company's ability to issue shares of Stock.

(d) Timing of RSU Settlement. Your vested RSUs will be settled by the Company upon vesting but no later than March 15 of the calendar year after the date that the RSUs become vested. Notwithstanding the foregoing, if the Administrator determines in its sole discretion that making this payment to settle vested RSUs would jeopardize the ability of the Company to continue as a going concern, the payment may be delayed and made during the first calendar year in which making the payment would not have such effect.

(e) Dividend Equivalents. On the dividend payment date for a cash dividend on the Stock, the Administrator shall credit your Account with dividend equivalents in the form of additional RSUs. Such additional RSUs shall be subject to the same vesting requirements

applicable to the RSUs in respect of which they were credited and shall be settled in accordance with, and at the time of, settlement of the vested RSUs to which they are related. The number of RSUs to be credited shall equal the quotient determined by dividing (a) by (b), where "(a)" is the product of (i) the cash dividend payable per share of Stock, multiplied by (ii) the number of RSUs credited to your Account as of the record date, and "(b)" is the Fair Market Value of a share of Stock on the dividend payment date. Fractional units may be rounded or eliminated as provided by the Administrator. If your vested RSUs have been settled after the record date but prior to the dividend payment date, any RSUs that would be credited pursuant to the preceding sentence shall be settled on or as soon as practicable after the dividend payment date.

3. Restrictions on Transfer. Neither this Agreement nor any RSU may be assigned, transferred, pledged, hypothecated or disposed of in any way, whether by operation of law or otherwise, and no right hereunder may be subject to execution, attachment or similar process. All rights with respect to this Agreement shall be exercisable during your lifetime only by you or your guardian or legal representative.

4. Tax Withholding. On or before the time you receive payment in settlement of your vested RSUs, or at any time thereafter as requested by the Company, you hereby authorize any required withholding from such payment and/or otherwise agree to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate which arise in connection with your RSUs (the "***Withholding Taxes***").

Additionally, the Company may, in its sole discretion, satisfy all or any portion of the Withholding Taxes obligation relating to your RSUs by either of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company; or (ii) causing you to tender a cash payment. Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to make any payment to you. In the event it is determined after payment to you that the amount of the Company's withholding obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

5. Adjustments for Corporate Transactions and Other Events. Section 7 of the Plan describes adjustments that may be made to RSUs as a result of corporate transactions and the treatment of RSUs in corporate transactions.

6. Non-Guarantee of Employment or Service Relationship. Nothing in the Plan or this Agreement shall alter your at-will or other employment status or other service relationship with the Company, nor be construed as a contract of employment or service relationship between the Company and you, or as a contractual right of you to continue in the employ of, or in a service relationship with, the Company for any period of time, or as a limitation of the right of

the Company to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any nonvested and forfeitable RSUs or any other adverse effect on your interests under the Plan.

7. Rights as Stockholder. You shall not have any of the rights of a stockholder with respect to any shares of Stock as a result of the grant or settlement of the RSUs, except as otherwise provided herein.

8. The Company's Rights. This Agreement shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

9. Notices. All notices and other communications made or given pursuant to this Agreement shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company, or in the case of notices delivered to the Company by you, addressed to the Company for the attention of its Secretary at its principal executive office or, in either case, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

10. Entire Agreement. This Agreement, together with the relevant Notice and the Plan, contain the entire agreement between the parties with respect to the award granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement with respect to the terms hereof shall be void and ineffective for all purposes.

11. Amendment. This Agreement may be amended from time to time by the Company in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a materially adverse effect on you as determined in the discretion of the Administrator, except as provided in the Plan or in a written document signed by each of the parties hereto.

12. Section 409A. This Agreement and the RSUs are intended to be exempt from Section 409A under the "short-term deferral rule" exemption. For purposes of Section 409A, the payment of dividend equivalents hereunder shall be construed as earnings and the time and form of payment of such dividend equivalents shall be treated separately from the time and form of

payment of the underlying RSUs. The preceding provisions shall not be construed as a guarantee by the Company of any particular tax effect of this Agreement and in no event shall the Company be liable for any portion of any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.

13. No Obligation to Minimize Taxes. The Company has no duty or obligation to minimize the tax consequences to you of this award and shall not be liable to you for any adverse tax consequences to you arising in connection with this award. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this award and by signing the Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so.

14. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Inconsistencies between this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan shall govern.

15. No Funding. This Agreement constitutes an unfunded and unsecured promise by the Company to make payments in the future in accordance with its terms. You have the status of a general unsecured creditor of the Company as a result of receiving this award.

16. Effect on Other Employee Benefit Plans. The value of the awards under this Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

17. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Administrator relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Nevada, without regard to its provisions concerning the applicability of laws of other jurisdictions.

18. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Administrator in good faith in its absolute and uncontrolled discretion, and any such determination or any other determination by the Administrator under or pursuant to this Agreement and any interpretation by the Administrator of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you

will first exhaust your administrative remedies before the Administrator. You further agree that in the event that the Administrator does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than twenty-four (24) months after the Administrator's decision.

19. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

20. Electronic Delivery of Documents. By your signing the Notice, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the RSUs, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

{*Glossary begins on next page***}**

GLOSSARY

(a) ***"Company***" means Mesa Air Group, Inc. and its Affiliates, except where the context otherwise requires.

(b) "***Notice***" means the statement provided to you by the Company setting forth the terms of a grant of RSUs made to you, to which the Agreement is attached.

(c) "***Section 409A***" means Code section 409A and the Treasury regulations and other guidance promulgated thereunder.

(d) "***You***" or "***Your***" means the recipient of the RSUs as reflected on the Notice. Whenever the word "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Administrator, to apply to the estate, personal representative, or beneficiary to whom the RSUs may be transferred by will or by the laws of descent and distribution, the words "you" and "your" shall be deemed to include such person.

{*End of Agreement***}**

MESA AIR GROUP, INC.
AMENDED AND RESTATED
STOCK APPRECIATION RIGHTS PLAN

1. Establishment, Purpose and Types of Awards

MESA AIR GROUP, INC., a Nevada corporation (the "*Company*"), hereby establishes the MESA AIR GROUP, INC. STOCK APPRECIATION RIGHTS PLAN (the "*Plan*"). The purpose of the Plan is to promote the long-term growth and profitability of the Company by (i) providing key people with incentives to improve stockholder value and to contribute to the growth and financial success of the Company through their future services, and (ii) enabling the Company to attract, retain and reward the best-available persons.

2. Definitions

Under this Plan, except where the context otherwise indicates, the following definitions apply:

(a) *"Administrator"* means the Board or the committee(s) or officer(s) appointed by the Board that have authority to administer the Plan as provided in Section 3 hereof.

(b) "*Affiliate"* means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with, the Company (including, but not limited to, joint ventures, limited liability companies, and partnerships). For this purpose, "*control*" shall mean ownership of 50% or more of the total combined voting power or value of all classes of stock or interests of the entity, or the power to direct the management and policies of the entity, by contract or otherwise.

(c) *"Award"* means any stock appreciation right award under this Plan.

(d) *"Board"* means the Board of Directors of the Company.

(e) *"Change in Control"* means: (i) the acquisition (other than from the Company) by any Person, as defined in this Section 2(e), of the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of more than 50% of (A) the then outstanding shares of the securities of the Company, or (B) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the "*Company Voting Stock*"); (ii) the closing of a sale or other conveyance of all or substantially all of the assets of the Company; or (iii) the effective time of any merger, share exchange, consolidation, or other business combination involving the Company if immediately after such transaction persons who hold a majority of the outstanding voting securities entitled to vote generally in the election of directors of the surviving entity (or the entity owning 100% of such surviving entity) are not persons who, immediately prior to such transaction, held the Company Voting Stock; provided, however, that a Change in Control shall not include (X) any consolidation or merger effected exclusively to change the domicile of the Company, (Y) any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or indebtedness of the Company is cancelled or converted or a combination thereof, or (Z) an IPO; provided, however, that for purposes of any Award that constitutes a "nonqualified deferred compensation plan," within the meaning of Code section 409A, the Administrator, in its discretion, may specify a different definition of Change in Control in order to comply with the provisions of Code section 409A. For purposes of this Section 2(e), a "*Person*" means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, other than: employee benefit plans sponsored or maintained by the Company and by entities controlled by the Company or an underwriter of the Common Stock in a registered public offering.

(f) *"Code"* means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

(g) *"Common Stock"* means shares of common stock of the Company, no par value per share.

(h) "*IPO*" means the closing of an underwritten initial public offering of the Common Stock pursuant to an effective registration statement filed under the Securities Act of 1933, as amended.

(i) "*Fair Market Value*" means, with respect to the Common Stock, determined by the Administrator, as of any date: (i) if the Common Stock is readily tradable on an established securities market (i.e., regularly quoted by brokers or dealers making a market in such stock), the closing price on the trading day before the date, the arithmetic mean of the high and low prices on the trading day before the date, or the value determined by any other reasonable method using actual transactions in the Common Stock as reported by such market, subject to the requirements of Code section 409A and the Treasury Regulations thereunder; or (ii) if the Common Stock is not readily tradable on an established securities market, the value determined by the Administrator in good faith.

(j) *"Grant Agreement"* means a written document, including an electronic writing acceptable to the Administrator, memorializing the terms and conditions of an Award granted pursuant to the Plan and which shall incorporate the terms of the Plan.

3. Administration

(a) *Administration of the Plan.* The Plan shall be administered by the Board or by such committee or committees as may be appointed by the Board from time to time. To the extent allowed by applicable state law, the Board by resolution may authorize an officer or officers to grant Awards to other officers and employees of the Company and its Affiliates, and, to the extent of such authorization, such officer or officers shall be the Administrator.

(b) *Powers of the Administrator*. The Administrator shall have all the powers vested in it by the terms of the Plan, such powers to include authority, in its sole and absolute discretion, to grant Awards under the Plan, prescribe Grant Agreements evidencing such Awards and establish programs for granting Awards.

The Administrator shall have full power and authority to take all other actions necessary to carry out the purpose and intent of the Plan, including, but not limited to, the authority to: (i) determine the eligible persons to whom, and the time or times at which Awards shall be granted; (ii) determine the types of Awards to be granted; (iii) determine the number of shares to be covered by or used for reference purposes for each Award; (iv) impose such terms, limitations, restrictions and conditions upon any such Award as the Administrator shall deem appropriate; (v) modify, amend, extend or renew outstanding Awards, or accept the surrender of outstanding Awards and substitute new Awards; provided, however, that, except as otherwise permitted under Section 7(c) of the Plan, any modification, amendment, extension, renewal or substitution that would materially adversely affect any outstanding Award shall not be made without the consent of the holder, but if any of the foregoing actions results in a change in the tax consequences with respect to an Award such change shall not be considered to be a material adverse affect on the Award; (vi) accelerate or otherwise change the time in which an Award may be exercised or becomes payable and to waive or accelerate the lapse, in whole or in part, of any restriction or condition with respect to such Award, including, but not limited to, any restriction or condition with respect to the vesting or exercisability of an Award following termination of any grantee's employment or other relationship with the Company; (vii) establish objectives and conditions, if any, for earning Awards and determining whether Awards will be paid with respect to a performance period; and (viii) for any purpose, including but not limited to, qualifying for preferred tax treatment under foreign tax laws or otherwise complying with the regulatory requirements of local or foreign jurisdictions, to establish, amend, modify, administer or terminate sub-plans, and prescribe, amend and rescind rules and regulations relating to such sub-plans.

The Administrator shall have full power and authority, in its sole and absolute discretion, to administer, construe and interpret the Plan, Grant Agreements and all other documents relevant to the Plan and Awards issued thereunder, to establish, amend, rescind and interpret such rules, regulations,

agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Administrator deems necessary or advisable, and to correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent the Administrator shall deem it desirable to carry it into effect.

(c) *Non-Uniform Determinations*. The Administrator's determinations under the Plan (including without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards, and the Grant Agreements evidencing such Awards, and the ramifications of a Change in Control upon outstanding Awards) need not be uniform and may be made by the Administrator selectively among Awards or persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

(d) *Limited Liability.* To the maximum extent permitted by law, no member of the Administrator shall be liable for any action taken or decision made in good faith relating to the Plan or any Award thereunder.

(e) *Indemnification*. To the maximum extent permitted by law and by the Company's charter and by-laws, the members of the Administrator shall be indemnified by the Company in respect of all their activities under the Plan.

(f) *Effect of Administrator's Decision*. All actions taken and decisions and determinations made by the Administrator on all matters relating to the Plan pursuant to the powers vested in it hereunder shall be in the Administrator's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the Company, its stockholders, any participants in the Plan and any other employee, consultant, or director of the Company, and their respective successors in interest.

4. Shares Available for the Plan; Maximum Awards

Subject to adjustments as provided in Section 7(c) of the Plan, the shares of Common Stock that may be subject to Awards granted under the Plan shall not exceed an aggregate of 1,000,000 shares of Common Stock. If any Award, or portion of an Award, under the Plan expires or terminates unexercised, becomes unexercisable, or is forfeited or otherwise terminated, surrendered or canceled as to any shares, the shares subject to such Award shall thereafter be available for further Awards under the Plan.

Subject to adjustments as provided in Section 7(c) of the Plan, the maximum number of shares of Common Stock subject to Awards that may be granted during any one fiscal year of the Company to any one individual under this Plan shall be limited to 500,000 shares. Such per-individual limit shall not be adjusted to effect a restoration of shares of Common Stock with respect to which the related Award is terminated, surrendered or canceled.

5. Participation

Participation in the Plan shall be open to all employees, officers, and directors of, and other individuals providing bona fide services to or for, the Company, or of any Affiliate of the Company, as may be selected by the Administrator from time to time. The Administrator may also grant Awards to individuals in connection with hiring, recruiting or otherwise, prior to the date the individual first performs services for the Company or an Affiliate, provided that such Awards shall not become vested or exercisable, and no shares shall be issued to such individual, prior to the date the individual first commences performance of such services.

6. Stock Appreciation Rights Awards

The Administrator, in its sole discretion, establishes the terms of all Awards granted under the Plan. All Awards are subject to the terms and conditions provided in the Grant Agreement.

The Administrator may from time to time grant to eligible participants Awards of stock appreciation rights ("*SAR*"). A SAR entitles the grantee to receive, subject to the provisions of the Plan and the Grant

Agreement, a payment having an aggregate value equal to the product of (i) the excess of (A) the Fair Market Value on the exercise date of one share of Common Stock over (B) the base or exercise price per share specified in the Grant Agreement, times (ii) the number of shares specified by the SAR, or portion thereof, which is exercised.

The base or exercise price per share specified in the Grant Agreement shall not be less than Fair Market Value of a share of Common Stock on the grant date. The SARs shall have a term of no more than 10 years.

Payment by the Company of the amount receivable upon any exercise of a SAR shall be made in cash. No shares of Common Stock shall be issued, paid or delivered under this Plan or any SAR.

7. Miscellaneous

(a) *Withholding of Taxes*. Grantees and holders of Awards shall pay to the Company or its Affiliate, or make provision satisfactory to the Administrator for payment of, any taxes required to be withheld in respect of Awards under the Plan no later than the date of the event creating the tax liability. The Company or its Affiliate may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the grantee or holder of an Award. In the event that payment to the Company or its Affiliate of such tax obligations is made in shares of Common Stock, such shares shall be valued at Fair Market Value on the applicable date for such purposes and shall not exceed in amount the minimum statutory tax withholding obligation.

(b) *Transferability*. No Award granted under the Plan shall be transferable by a grantee otherwise than by will or the laws of descent and distribution. Unless otherwise determined by the Administrator in accordance with the provisions of the immediately preceding sentence, an Award may be exercised during the lifetime of the grantee, only by the grantee or, during the period the grantee is under a legal disability, by the grantee's guardian or legal representative.

(c) *Adjustments for Corporate Transactions and Other Events; Conversion to Options.*

(i) *Stock Dividend, Stock Split and Reverse Stock Split.* In the event of a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, (A) the maximum number of shares of such Common Stock as to which Awards may be granted under this Plan and the maximum number of shares with respect to which Awards may be granted during any one fiscal year of the Company to any individual, as provided in Section 4 of the Plan, and (B) the number of shares covered by and the exercise price and other terms of outstanding Awards, shall, without further action of the Board, be adjusted to reflect such event. The Administrator may make adjustments, in its discretion, to address the treatment of fractional shares and fractional cents that arise with respect to outstanding Awards as a result of the stock dividend, stock split or reverse stock split.

(ii) *Non-Change in Control Transactions.* Except with respect to the transactions set forth in Section 7(c)(i), in the event of any change affecting the Common Stock, the Company or its capitalization, by reason of a spin-off, split-up, dividend, recapitalization, merger, consolidation or share exchange, other than any such change that is part of a transaction resulting in a Change in Control of the Company, the Administrator, in its discretion and without the consent of the holders of the Awards, may make (A) appropriate adjustments to the maximum number and kind of shares reserved for issuance or with respect to which Awards may be granted under the Plan, in the aggregate and with respect to any individual during any one fiscal year of the Company, as provided in Section 4 of the Plan; and (B) any adjustments in outstanding Awards, including but not limited to modifying the number, kind and price of securities

subject to Awards, as the Administrator determines to be appropriate and equitable.

(iii) *Change in Control Transactions.* In the event of any transaction resulting in a Change in Control of the Company, outstanding Awards will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Awards by, or for the substitution of equivalent awards, as determined in the sole discretion of the Administrator, of, the surviving or successor entity or a parent thereof. In the event of such termination, the holders of Awards will be permitted, immediately before the Change in Control, to exercise all portions of such Awards under the Plan that are then exercisable or which become exercisable upon or prior to the effective time of the Change in Control. If, immediately before the Change in Control, no stock of the Company is readily tradeable on an established securities market or otherwise, and the vesting of an Award or Awards pursuant to this Section 7(c)(iii) would be treated as a "parachute payment" (as defined in section 280G of the Code), then such Award or Awards shall not vest unless the requirements of the shareholder approval exemption of section 280G(b)(5) of the Code have been satisfied with respect to such Award or Awards.

(iv) *Unusual or Nonrecurring Events.* The Administrator is authorized to make, in its discretion and without the consent of holders of Awards, adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events affecting the Company, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan; provided that no such adjustment shall be made in contravention of Code section 409A with respect to any Award that constitutes a deferred compensation arrangement within the meaning of Code section 409A.

(v) *Conversion to Stock Options.* The Administrator is authorized to substitute stock options for outstanding SARs without the consent of any holder provided that the stock options are identical to the SARs in all respects except for the medium of payment, and subject to the requirements of Code section 409A and the Treasury Regulations and other guidance thereunder.

(d) *Substitution of Awards in Mergers and Acquisitions.* Awards may be granted under the Plan from time to time in substitution for awards held by employees, officers, consultants or directors of entities who become or are about to become employees, officers, consultants or directors of the Company or an Affiliate as the result of a merger or consolidation of the employing entity with the Company or an Affiliate, or the acquisition by the Company or an Affiliate of the assets or stock of the employing entity. The terms and conditions of any substitute Awards so granted may vary from the terms and conditions set forth herein to the extent that the Administrator deems appropriate at the time of grant to conform the substitute Awards to the provisions of the awards for which they are substituted.

(e) *Termination, Amendment and Modification of the Plan*. The Board may terminate, amend or modify the Plan or any portion thereof at any time. Except as otherwise determined by the Board, termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

(f) *Non-Guarantee of Employment or Service*. Nothing in the Plan or in any Grant Agreement thereunder shall confer any right on an individual to continue in the service of the Company or shall interfere in any way with the right of the Company to terminate such service at any time with or

without cause or notice and whether or not such termination results in (i) the failure of any Award to vest; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under the Plan.

(g) *No Trust or Fund Created*. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a grantee or any other person. To the extent that any grantee or other person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(h) *Governing Law*. The validity, construction and effect of the Plan, of Grant Agreements entered into pursuant to the Plan, and of any rules, regulations, determinations or decisions made by the Administrator relating to the Plan or such Grant Agreements, and the rights of any and all persons having or claiming to have any interest therein or thereunder, shall be determined exclusively in accordance with applicable federal laws and the laws of the State of Nevada, without regard to its conflict of laws principles.

(i) Section *409A*. The Plan and all Awards granted hereunder are intended to comply with, or otherwise be exempt from, Code section 409A. The Plan and all Awards granted under the Plan shall be administered, interpreted, and construed in a manner consistent with Code section 409A to the extent necessary to avoid the imposition of additional taxes under Code section 409A(a)(1)(B). Should any provision of the Plan, any Grant Agreement, or any other agreement or arrangement contemplated by the Plan be found not to comply with, or otherwise be exempt from, the provisions of Code section 409A, such provision shall be modified and given effect (retroactively if necessary), in the sole discretion of the Administrator, and without the consent of the holder of the Award, in such manner as the Administrator determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Code section 409A. Notwithstanding anything in the Plan to the contrary, in no event shall the Administrator exercise its discretion to accelerate the payment or settlement of an Award where such payment or settlement constitutes deferred compensation within the meaning of Code section 409A unless, and solely to the extent that, such accelerated payment or settlement is permissible under Treasury Regulation section 1.409A-3(j)(4) or any successor provision.

(j) *Effective Date; Termination Date*. The Plan is effective as of the date on which the Plan is adopted by the Board. No Award shall be granted under the Plan after the close of business on the day immediately preceding the tenth anniversary of the effective date of the Plan. Subject to other applicable provisions of the Plan, all Awards made under the Plan prior to such termination of the Plan shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

STOCK APPRECIATION RIGHTS AGREEMENT

UNDER THE

MESA AIR GROUP, INC. STOCK APPRECIATION RIGHTS PLAN

1. Terminology. Unless otherwise specified, capitalized terms used in this Agreement are defined in the correlating Notice, the Glossary at the end of the Agreement and/or the Plan.

2. Exercise of SARs.

(a) Vesting. The SARs will become vested in accordance with the Vesting Schedule set forth in the Notice, so long as you are in the Service of the Company from the Grant Date through the applicable vesting dates. None of the SARs will become vested after your Service with the Company ceases.

(b) Right to Exercise. You may exercise the SARs, to the extent vested, but subject to the Restrictions on Exercise described in the Notice, at any time on or before 5:00P.M. Central Time on the Expiration Date or the earlier termination of the SARs. Section 3 below describes additional limitations on exercise of the SARs that apply in the event of your termination of Service.

(c) Exercise Procedure. In order to exercise vested SARs, you must provide the following items to the Secretary of the Company or his or her delegate before the expiration or termination of the SARs: (i) notice, in such manner and form as the Administrator may require from time to time, specifying the number of SARs being exercised; (ii) full payment of applicable withholding taxes pursuant to Section 5 of this Agreement; and (iii) a release of claims with respect to the SARs and the Plan, if requested by the Administrator.

(d) Payment upon Exercise. Upon exercise, the exercised SARs will be terminated in exchange for a lump sum cash payment to you having an aggregate value equal to the product of (i) the excess of (A) the Fair Market Value on the exercise date of one share of Common Stock over (B) the Exercise Price per Share specified in the Notice, times (ii) the number of SARs being exercised.

3. Termination of Service.

(a) Termination of Unvested SARs. If your Service with the Company ceases for any reason, the SARs that are then unvested will terminate immediately upon such cessation.

(b) Exercise Period Following Termination of Service. If your Service with the Company ceases for any reason other than discharge for Cause, the SARs that are then vested will terminate on the earlier of the 90th day following such cessation or the Expiration Date. Notwithstanding the foregoing, the Company may elect not to vest the SARs if such election is applied uniformly to all those individuals who have been granted SARs.

(c) Misconduct. The SARs will terminate in their entirety, regardless of whether the SARs are then vested, immediately upon your discharge from Service for Cause, or upon your commission of any of the following acts during the exercise period following your termination of Service: (i) fraud on or misappropriation of any funds or property of the Company, or (ii) your breach of any provision of any employment, non-disclosure, non-competition, non-solicitation, assignment of inventions, or other similar agreement executed by you for the benefit of the Company, as determined by the Administrator, which determination will be conclusive.

4. Nontransferability of SARs. The SARs are nontransferable otherwise than by will or the laws of descent and distribution and, during your lifetime, the SARs may be exercised only by you or, during the period you are under a legal disability, by your guardian or legal representative.

5. Withholding of Taxes. At the time the SARs are exercised, in whole or in part, the payment to you may be reduced by all applicable withholding taxes. In addition, you hereby authorize withholding from payroll or any other payment of any kind due to you and otherwise agree to make adequate provision for foreign, federal, state and local taxes required by law to be withheld, if any, which arise in connection with the SARs. The Company may require you to make a cash payment to cover any withholding tax obligation as a condition of exercise of the SARs.

6. Adjustments. The Administrator may make various adjustments to your SARs, including adjustments to the number and type of securities subject to the SARs and the exercise price, in accordance with the terms of the Plan.

7. Non-Guarantee of Employment or Service Relationship. Nothing in the Plan or this Agreement will alter your at-will or other employment status or other service relationship with the Company, nor be construed as a contract of employment or service relationship between you and the Company, or as a contractual right for you to continue in the employ of, or in a service relationship with, the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without Cause or notice and whether or not such discharge results in the failure of any of the SARs to become vested or exercisable or any other adverse effect on your interests under the Plan.

8. No Rights as a Stockholder. You will not have any of the rights of a stockholder with respect to any Shares underlying the SARs. No Shares will be issued upon exercise of the SARs.

9. The Company's Rights. The existence of the SARs shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

10. Entire Agreement. This Agreement, together with the correlating Notice and the Plan, contain the entire agreement between you and the Company with respect to the SARs. Any oral or written agreements, representations, warranties, written inducements, or other. communications made prior to the execution of this Agreement with respect to the SARs shall be void and ineffective for all purposes.

11. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a materially adverse effect on the SARs as determined in the discretion of the Administrator, except as provided in the Plan or in a written document signed by you and the Company.

12. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Any conflict between the terms of this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan shall govern. A copy of the Plan is provided to you with this Agreement.

13. Section 409A. This Agreement and the SARs granted hereunder are intended to be exempt from Section 409A. Nothing in the Plan or this Agreement shall be construed as including any feature for the deferral of compensation other than the deferral of recognition of income until the exercise and payment of the SARs. Should any provision of the Plan or this Agreement be found not to be exempt from the provisions of Section 409A, it may be modified and given effect, in the sole discretion of the Administrator and without requiring your consent, in such manner as the Administrator determines to be necessary or appropriate to effectuate an exemption from Section 409A. The foregoing, however, shall not be construed as a guarantee by the Company of any particular tax effect to you.

14. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Administrator relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Nevada, without regard to its provisions concerning the applicability of laws of other jurisdictions.

15. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Administrator in good faith in its absolute and uncontrolled discretion, and any such determination or any other determination by the Administrator under or pursuant to this Agreement and any interpretation by the Administrator of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Administrator. You further agree that in the event that the Administrator does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than twenty-four (24) months after the Administrator’s decision.

16. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

17. Terms of Employment Agreement Control. In the even of a discrepancy between the terms of this Agreement and the Plan on the one hand and the terms of Grantee's Employment Agreement existing as the date hereof and as amended from time to time on the other hand, the terms of the Employment Agreement shall control.

[*Glossary begins on next page]*

GLOSSARY

(a) ***"Cause"*** has the meaning ascribed to such term or words of similar import in your written employment or service contract with the Company as in effect at the time at issue and, in the absence of such agreement or definition, means your (i) conviction of, or plea of *nolo contendere* to, a felony or crime involving moral turpitude; (ii) fraud on or misappropriation of any funds or property of the Company, any affiliate, customer or vendor; (iii) personal dishonesty, incompetence, willful misconduct, willful violation of any law, rule or regulation (other than minor traffic violations or similar offenses) or breach of fiduciary duty which involves personal profit; (iv) willful misconduct in connection with your duties or willful failure to perform your responsibilities in the best interests of the Company; (v) illegal use or distribution of drugs; (vi) violation of any Company rule, regulation, procedure or policy; or (vii) breach of any provision of any employment, non-disclosure, non-competition, non-solicitation or other similar agreement executed by you for the benefit of the Company, all as determined by the Administrator, which determination will be conclusive.

(b) ***"Code"*** means the Internal Revenue Code of 1986, as amended.

(c) ***"Company"*** includes Mesa Group, Inc. and its Affiliates, except where the context otherwise requires. For purposes of determining whether a Change in Control has occurred, Company shall mean only Mesa Group, Inc.

(d) ***"Service"*** mean your employment or other service relationship with the Company and its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you are employed or otherwise have a service relationship is not the Company or its successor or an Affiliate of the Company or its successor.

(e) ***"Shares"*** mean the shares of Common Stock underlying the SARs.

(f) ***"You"; "Your".*** "You" or "your" means the recipient of the award of SARs as reflected on the Stock Option Notice. Whenever the Agreement refers to "you" under circwnstances where the provision should logically be construed, as determined by the Administrator, to apply to your estate, personal representative, or beneficiary to whom the SARs may be transferred by will or by the laws of descent and distribution, the word "you" shall be deemed to include such person.

AMENDMENT NO. 1
TO THE
MESA AIR GROUP, INC. AMENDED AND RESTATED
STOCK APPRECIATION RIGHTS PLAN

W I T N E S S E T H:

WHEREAS, Section 7(e) of the Mesa Air Group, Inc. Amended and Restated Stock Appreciation Rights Plan (the "***Plan***") authorizes the Board of Directors (the "***Board***") of Mesa Air Group, Inc., a Nevada corporation (the "***Company***"), to amend the Plan at any time; and

WHEREAS, the Board now finds it desirable and in the best interests of the Company to increase the number of shares of common stock of the Company ("***Common Stock***") that may be subject to awards under the Plan.

NOW, THEREFORE, the Plan is amended, effective as of April 21, 2015, as follows:

Section 4 is amended and restated to read as follows:

4. Shares Available for the Plan; Maximum Awards

Subject to adjustments as provided in Section 7(c) of the Plan, the shares of Common Stock that may be subject to Awards granted under the Plan shall not exceed an aggregate of 2,000,000 shares of Common Stock. If any Award, or portion of an Award, under the Plan expires or terminates unexercised, becomes unexercisable, or is forfeited or otherwise terminated, surrendered or canceled as to any shares, the shares subject to such Award shall thereafter be available for further Awards under the Plan.

Subject to adjustments as provided in Section 7(c) of the Plan, the maximum number of shares of Common Stock subject to Awards that may be granted during any one fiscal year of the Company to any one individual under this Plan shall be limited to 500,000 shares. Such per-individual limit shall not be adjusted to effect a restoration of shares of Common Stock with respect to which the related Award is terminated, surrendered or canceled.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed by its duly authorized officers this 21st day of April, 2015.

ATTEST:

By: /s/ Brian S. Gillman
Brian S. Gillman
EVP & General Counsel

MESA AIR GROUP, INC.

By: /s/ Jonathan Ornstein
Jonathan Ornstein
Chairman & CEO

Exhibit 10.14.1

EXECUTION VERSION

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CREDIT AGREEMENT

among

MESA AIRLINES, INC.
as Borrower

THE LENDERS NAMED HEREIN
as Lenders

OBSIDIAN AGENCY SERVICES, INC.
as Security Trustee

and

CORTLAND CAPITAL MARKET SERVICES LLC
as Administrative Agent

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dated as of
December 14, 2016

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This CREDIT AGREEMENT (as the same may from time to time be amended, restated or otherwise modified, this "Agreement") is made effective as of the 14th day of December, 2016 among:

(a) MESA AIRLINES, INC., a Nevada corporation (the "Borrower");

(b) the lenders listed on Schedule 1 hereto and each other Eligible Transferee, as hereinafter defined, that from time to time becomes a party hereto pursuant to Section 11.10 hereof (collectively, the "Lenders" and, individually, each a "Lender");

(c) OBSIDIAN AGENCY SERVICES, INC., a California corporation, as security trustee for the Lenders (the "Security Trustee"); and

(d) CORTLAND CAPITAL MARKET SERVICES LLC, a Delaware limited liability company, as administrative agent for the Lenders (the "Administrative Agent").

WITNESSETH:

WHEREAS, the Borrower, the Security Trustee, the Administrative Agent and the Lenders desire to contract for the establishment of credits in the aggregate principal amounts hereinafter set forth, to be made available to the Borrower upon the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I. DEFINITIONS

Section 1.1. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

"Account" means an account, as that term is defined in the U.C.C.

"Acquisition Agreement" means, collectively, that certain (i) Letter Agreement No. 7 to GTA No. CF34-0801-055, dated as of June 21, 2016, between General Electric Company, acting through its GE–Aviation business unit ("GE") , and the Parent, relating to six (6) General Electric model CF34-8C5 engines; (ii) Letter Agreement No. 8 to GTA No. CF34-0801-055, dated as of July 26, 2016, between GE, and the Parent, relating to five (5) General Electric model CF34-8C5 engines; (iii) Letter Agreement No. 9 to GTA No. CF34-0801-055, dated as of December 2, 2016, between GE, and the Parent, relating to five (5) General Electric model CF34-8C5 engines; (iv) Aircraft Engine Purchase Agreement, dated as of September 2, 2016, between NAS Investments 75, Inc. and the Borrower, relating to one (1) General Electric model CF34-8C5 engine; (v) Engine Sale and Purchase Agreement, dated as of July 8, 2016, between Magellan Aviation Services Limited and the Borrower; relating to two (2) General Electric model CF34-8C5 engines; and (vi) Engine Sale Agreement, dated as of June 23, 2016, between Beautech Power Systems, LLC and the Borrower; relating to one (1) General Electric model CF34-8C5 engine.

"Administrative Agent" means that term as defined in the first paragraph of this Agreement.

"Administrative Agent Account" shall mean the deposit account of Administrative Agent designated in writing by the Administrative Agent to the Borrower and the Security Trustee from time to time

"Administrative Agent Fee Letter" means the fee letter, dated as of December 14, 2016, between Borrower and Cortland, as amended from time to time.

"Affected Lender" means a Defaulting Lender or an Insolvent Lender.

"Affiliate" means any Person, directly or indirectly, controlling, controlled by or under common control of another Person and "control" (including the correlative meanings, the terms "controlling", "controlled by" and "under common control with") means the power, directly or indirectly, 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.

"Agreement" means that term as defined in the first paragraph of this Agreement.

"Applicable Commitment Percentage" means, for each Lender:

(a) with respect to the Delayed Draw Credit Commitment, the percentage, if any, set forth opposite such Lender's name under the column headed "Delayed Draw Credit Commitment Percentage", as set forth on Schedule 1 hereto, subject to assignments of interests pursuant to Section 11.10 hereof; and

(b) with respect to the Engine Acquisition Loan Commitment (or the Engine Acquisition Loan(s) if the Engine Acquisition Loan Commitment is no longer in effect), the percentage, if any, set forth opposite such Lender's name under the column headed "Engine Acquisition Loan Commitment Percentage", as set forth on Schedule 1 hereto, subject to assignments of interests pursuant to Section 11.10 hereof.

"Applicable Debt" means:

(a) with respect to the Delayed Draw Credit Commitment, collectively, (i) all Indebtedness incurred by the Borrower to the Delayed Draw Lenders pursuant to this Agreement and the other Loan Documents, and includes, without limitation, the principal of and interest on all Delayed Draw Loans, (ii) each extension, renewal or refinancing of the foregoing, in whole or in part, (iii) the commitment, upfront, prepayment and other fees and amounts payable hereunder in connection with the Delayed Draw Credit Commitment, and (iv) all Related Expenses incurred in connection with the foregoing; and

(b) with respect to the Engine Acquisition Loan Commitment, collectively, (i) all Indebtedness incurred by the Borrower to the Engine Acquisition Lenders pursuant to this Agreement and the other Loan Documents, and includes, without limitation, the principal of and interest on the Engine Acquisition Loans, (ii) each extension, renewal or refinancing of the foregoing in whole or in part, (iii) the upfront, prepayment and other fees and amounts payable hereunder in connection with the Engine Acquisition Loan Commitment, and (iv) all Related Expenses incurred in connection with the foregoing.

"Applicable Margin" means seven and one quarter percent (7.25%) per annum.

"Assignment Agreement" means an Assignment and Acceptance Agreement in the form of the attached Exhibit E or such other form acceptable to Administrative Agent.

"Authorized Officer" means a Financial Officer or other individual authorized by a Financial Officer in writing (with a copy to the Administrative Agent) to handle certain administrative matters in connection with this Agreement.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy", as now or hereafter in effect, or any successor thereto, as hereafter amended.

"Borrower" means that term as defined in the first paragraph of this Agreement.

"Business Day" means a day that is not a Saturday, a Sunday or another day of the year on which commercial banks are authorized or required to close in New York, New York or Los Angeles, California and is a day of the year on which dealings in Dollar deposits are carried on in the London interbank Eurodollar market.

"Capitalized Lease Obligations" means obligations of the Borrower for the payment of rent for any real or personal property under leases or agreements to lease that, in accordance with GAAP, have been or should be capitalized on the books of the lessee and, for purposes hereof, the amount of any such obligation shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Equivalent" means cash equivalent as determined in accordance with GAAP.

"Closing Date" means the effective date of this Agreement as set forth in the first paragraph of this Agreement.

"Closing Delayed Draw Amount" means Fifty-Three Million Six Hundred Seventy-Three Thousand Eight Hundred Seventeen Dollars and Fifty Cents ($53,673,817.50).

"Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated thereunder.

"Collateral" means the Engine Acquisition Collateral and the Delayed Draw Collateral.

"Commitment" means the obligation hereunder of the Lenders, during the applicable Commitment Period, to make Loans pursuant to the Delayed Draw Credit Commitment and the Engine Acquisition Loan Commitment, up to the Total Commitment Amount.

"Commitment Period" means, with respect to (i) the Delayed Draw Tranche B Credit Commitment, the period from the Closing Date to February 28, 2017, or such earlier date on which Delayed Draw Tranche B Credit Commitment shall have been terminated pursuant to

Article IX hereof, (ii) the Delayed Draw Tranche C Credit Commitment, the period from the Closing Date to December 31, 2017, or such earlier date on which Delayed Draw Tranche C Credit Commitment shall have been terminated pursuant to Article IX hereof and (iii) the Engine Acquisition Loan Commitment, the period from the Closing Date to December 31, 2016, or such earlier date on which such Engine Acquisition Loan Commitment shall have been terminated pursuant to Article IX hereof.

"Cortland" means Cortland Capital Market Services LLC, a Delaware limited liability company.

"Controlled Group" means the Borrower and each Person required to be aggregated with the Borrower under Code Section 414(b), (c), (m) or (o).

"Credit Event" means the making by the Lenders of a Loan.

"Default" means an event or condition that constitutes, or with the lapse of any applicable grace period or the giving of notice or both would constitute, an Event of Default, and that has not been waived by the Required Lenders (or, if required hereunder, all of the Lenders) in writing.

"Default Rate" means (a) with respect to any Loan or other Obligation for which a rate is specified, a rate per annum equal to two percent (2.00%) in excess of the rate otherwise applicable thereto, and (b) with respect to any other amount, if no rate is specified or available, a rate per annum equal to two percent (2.00%) in excess of the Derived Eurodollar Rate from time to time in effect.

"Defaulting Lender" means a Lender, as reasonably determined by the Administrative Agent, that (a) has failed (which failure has not been cured) to fund any Loan required to be made hereunder in accordance with the terms hereof (unless such Lender shall have notified the Administrative Agent and the Borrower in writing of its good faith determination that a condition under Section 4.1 hereof to its obligation to fund any Loan shall not have been satisfied); (b) has notified the Borrower (with a copy to Administrative Agent) or the Administrative Agent in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or generally under other agreements in which it commits to extend credit; (c) has failed, within three Business Days after receipt of a written request from the Administrative Agent or the Borrower to confirm with the Administrative Agent and the Borrower that it will comply with the terms of this Agreement relating to its obligation to fund prospective Loans, and such request states that the requesting party has reason to believe that the Lender receiving such request may fail to comply with such obligation, and states such reason; or (d) has failed to pay to the Administrative Agent or any other Lender when due an amount owed by such Lender to the Administrative Agent or any other Lender pursuant to the terms of this Agreement, unless such amount is subject to a good faith dispute or such failure has been cured. Any Defaulting Lender shall cease to be a Defaulting Lender when the Administrative Agent determines, in its reasonable discretion, that such Defaulting Lender is no longer a Defaulting Lender based upon the characteristics set forth in this definition.

"Delayed Draw Amount" means the Closing Delayed Draw Amount, as such amount may be decreased pursuant to Section 2.10 hereof.

"Delayed Draw Collateral" all of the Borrower's existing and future right, title and interest in (i) each Engine acquired in connection with any Delayed Draw Loan, (ii) Warranty Rights in respect of such Engines, (iii) Requisition, Disposition and Insurance Proceeds in respect of such Engines, (iv) any recognition of rights agreements and title recognition agreements from airframe owners, or similar protections, in respect such Engines, and (v) any rights under the Acquisition Agreement in respect of such Engines and (b) Proceeds and products of each of the foregoing.

"Delayed Draw Credit Availability" means, at any time, the amount equal to the Delayed Draw Credit Commitment minus the Delayed Draw Credit Exposure.

"Delayed Draw Credit Commitments" means, collectively, the Delayed Draw Tranche B Credit Commitments and the Delayed Draw Tranche C Credit Commitments.

"Delayed Draw Tranche B Credit Commitments" means the obligation hereunder, during the Commitment Period for the Delayed Draw Tranche B Credit Commitment, of each Delayed Draw Lender to make Delayed Draw Loans up to the aggregate amount set forth opposite such Delayed Draw Lender's name under the column headed "Delayed Draw Tranche B Credit Commitment Amount" as set forth on Schedule 1 hereto, up to an aggregate principal amount outstanding at any time equal to the Delayed Draw Amount.

"Delayed Draw Tranche C Credit Commitments" means the obligation hereunder, during the Commitment Period for the Delayed Draw Tranche C Credit Commitment, of each Delayed Draw Lender to make Delayed Draw Loans up to the aggregate amount set forth opposite such Delayed Draw Lender's name under the column headed "Delayed Draw Tranche C Credit Commitment Amount" as set forth on Schedule 1 hereto, up to an aggregate principal amount outstanding at any time equal to the Delayed Draw Amount.

"Delayed Draw Credit Exposure" means, at any time, the aggregate principal amount of all Delayed Draw Loan outstanding.

"Delayed Draw Credit Note" means a Delayed Draw Credit Note, in the form of the attached Exhibit A, executed and delivered pursuant to Section 2.5(a) hereof.

"Delayed Draw Lender" means a Lender with a percentage of the Delayed Draw Credit Commitment as set forth on Schedule 1 hereto, or that acquires a percentage of the Delayed Draw Credit Commitment pursuant to Section 11.10 hereof.

"Delayed Draw Loan" means each loan made to the Borrower by the Delayed Draw Lenders in accordance with Section 2.2 hereof.

"Delayed Draw Loan Maturity Date" means, with respect to a Delayed Draw Loan, the last day of the month containing the date that is 5 years after the applicable Drawdown Date.

"Delayed Draw Loan Termination Date" shall mean the earlier to occur of (a) the Delayed Draw Loan Maturity Date and (b) the acceleration of the applicable Delayed Draw Loan (if any).

"Delayed Draw Obligations" means, collectively, (a) all Indebtedness and other obligations now owing or hereafter incurred by the Borrower to the Security Trustee, the Administrative Agent, or any Lender pursuant to this Agreement or any other Loan Documents, and includes the principal of and interest on the Delayed Draw Loan; (b) each extension, renewal, consolidation or refinancing of any of the foregoing, in whole or in part; (c) the commitment, upfront and other fees, and any prepayment fees, payable pursuant to this Agreement or any other Loan Document; (d) every other liability, now or hereafter owing to the Security Trustee, the Administrative Agent or any Lender by the Borrower pursuant to this Agreement or any other Loan Document; and (e) all Related Expenses, in each case, in respect of the Delayed Draw Loan.

"Delivery Date" means each date that an Engine is acquired pursuant to the Acquisition Agreement.

"Deposit Account" means a deposit account, as that term is defined in the U.C.C.

"Derived Eurodollar Rate" means a rate per annum equal to the sum of the Applicable Margin for Loans plus the greater of (a) one half of one percent (0.50%) and (b) the Eurodollar Rate.

"Dodd-Frank Act" means the Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub.L. 111-203, H.R. 4173) signed into law on July 21, 2010, as amended from time to time.

"Dollar" or the $ sign means lawful currency of the United States of America.

"DOT" means the United States Department of Transportation, or any governmental body or agency succeeding to any of its principal functions.

"Drawdown Date" means, in the case of any Loan, the applicable drawdown date for such Loan.

"Eligible Transferee" means a commercial bank, financial institution or other "accredited investor" (as defined in SEC Regulation D) that is not (a) the Borrower or its Affiliate, (b) a competitor of the Borrower or its Affiliate, (c) an airline; (d) a manufacturer of regional passenger jet aircraft, (e) a natural person or (f) any Person that owns a greater than 50% equity investment in an air carrier.

"Engine" means each of up to twenty (20) General Electric model CF34-8C5 engines acquired or to be acquired by the Borrower pursuant to the Acquisition Agreement, each as more specifically described on Schedule 2 together with all Parts (as defined in the FAA Mortgage).

"Engine Acquisition Collateral" means (a) all of the Borrower's existing and future right, title and interest in (i) each Engine acquired in connection with the Engine Acquisition Loans,

(ii) Warranty Rights in respect of such Engines, (iii) Requisition, Disposition and Insurance Proceeds in respect of such Engines, (iv) any recognition of rights agreements and title recognition agreements from airframe owners, or similar protections, in respect of such Engines and (v) any rights under the Acquisition Agreement in respect of such Engines and (b) Proceeds and products of each of the foregoing.

"Engine Acquisition Lender" means a Lender with a percentage of the Engine Acquisition Loan Commitment as set forth on Schedule 1 hereto, or that acquires a percentage of the Engine Acquisition Loan Commitment pursuant to Section 11.10 hereof.

"Engine Acquisition Loan" means each loan made to the Borrower by the Engine Acquisition Lenders in the aggregate original principal amount of up to Forty-Six Million Seven Hundred Forty-Three Thousand Eight Hundred Twenty Dollars ($46,743,820), in accordance with Section 2.3 hereof.

"Engine Acquisition Loan Commitments" means the obligation hereunder, during the Commitment Period for the Engine Acquisition Loan Commitments, of each Engine Acquisition Lender to participate in the making of each Engine Acquisition Loan, up to the amount set forth opposite such Engine Acquisition Lender's name under the column headed "Engine Acquisition Loan Commitment Amount" as set forth on Schedule 1 hereto.

"Engine Acquisition Loan Exposure" means, at any time, the outstanding principal amount of the Engine Acquisition Loans.

"Engine Acquisition Loan Maturity Date" means, with respect to an Engine Acquisition Draw Loan, the last day of the month containing the date that is 5 years after the applicable Drawdown Date.

"Engine Acquisition Loan Termination Date" shall mean the earlier to occur of (a) the Engine Acquisition Loan Maturity Date and (b) the acceleration of the Engine Acquisition Loans.

"Engine Acquisition Note" means an Engine Acquisition Note, in the form of the attached Exhibit B executed and delivered pursuant to Section 2.5(b) hereof.

"Engine Acquisition Obligations" means, collectively, (a) all Indebtedness and other obligations now owing or hereafter incurred by the Borrower to the Security Trustee, the Administrative Agent, or any Lender, pursuant to this Agreement or any other Loan Documents, and includes the principal of and interest on each Engine Acquisition Loan; (b) each extension, renewal, consolidation or refinancing of any of the foregoing, in whole or in part; (c) the upfront and other fees, and any prepayment fees, payable pursuant to this Agreement or any other Loan Document; (d) every other liability, now or hereafter owing to the Security Trustee, the Administrative Agent or any Lender by the Borrower pursuant to this Agreement or any other Loan Document; and (e) all Related Expenses, in each case, in respect of the Engine Acquisition Loans.

"Engine Collateral" has the meaning set forth in the FAA Mortgage.

"Engine Manufacturer" means General Electric.

"Engine Warranty Agreement" means each Engine Warranty Agreement between the Borrower, the Security Trustee and the Engine Manufacturer.

"Environmental Laws" means all provisions of law (including the common law), statutes, ordinances, codes, rules, guidelines, policies, procedures, orders-in-council, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by a Governmental Authority or by any court, agency, instrumentality, regulatory authority or commission of any of the foregoing concerning environmental health or safety and protection of, or regulation of the discharge of substances into, the environment.

"Environmental Permits" means all permits, licenses, authorizations, certificates, approvals or registrations required by any Governmental Authority under any Environmental Laws.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated pursuant thereto.

"ERISA Event" means (a) the existence of a condition or event with respect to an ERISA Plan that presents a risk of the imposition of an excise tax or any other liability on the Borrower or of the imposition of a Lien on the assets of the Borrower; (b) the engagement by the Borrower in a non-exempt "prohibited transaction" (as defined under ERISA Section 406 or Code Section 4975) or a breach of a fiduciary duty under ERISA that could result in liability to the Borrower; (c) any failure by any Pension Plan to satisfy the minimum funding standards (within the meaning of Code Sections 412 or 430 or ERISA Section 302) applicable to such Pension Plan whether or not waived; (d) the failure to make by its due date a required installment under Code Section 430(j) with respect to any Pension Plan; (e) the application by a Controlled Group member for a waiver from the minimum funding requirements of Code Section 412 or ERISA Section 302 or a Controlled Group member is required to make additional contributions or provide security under Code Section 436 or ERISA Section 206(g); (f) a determination that any Pension Plan is, or is expected to be, in "at risk" status (within the meaning of Code Section 430 or ERISA Section 303); (g) the occurrence of a Reportable Event with respect to any Pension Plan; (h) the withdrawal by a Controlled Group member from a Multiemployer Plan in a "complete withdrawal" or a "partial withdrawal" (as such terms are defined in ERISA Sections 4203 and 4205, respectively); (i) the failure by a Controlled Group member to make any required contributions to a Multiemployer Plan; (j) the involvement of, or occurrence or existence of any event or condition that makes likely the involvement of, a Multiemployer Plan in any reorganization under ERISA Section 4241 or to be insolvent under ERISA Section 4245; (k) the failure of an ERISA Plan (and any related trust) that is intended to be qualified under Code Sections 401 and 501 to be so qualified or the failure of any "cash or deferred arrangement" under any such ERISA Plan to meet the requirements of Code Section 401(k); (l) the taking by the PBGC of any steps to terminate a Pension Plan or appoint a trustee to administer a Pension Plan, or the taking by a Controlled Group member of any steps to terminate a Pension Plan; (m) the failure by a Controlled Group member or an ERISA Plan to satisfy any requirements of law applicable to an ERISA Plan; (n) the commencement, existence or threatening of a claim, action, suit, audit or investigation with respect to an ERISA Plan, other than a routine claim for benefits;

or (o) any incurrence by or any expectation of the incurrence by a Controlled Group member of any liability for post-retirement benefits under any Welfare Plan, other than as required by ERISA Section 601, et. seq. or Code Section 4980B.

"ERISA Plan" means an "employee benefit plan" (within the meaning of ERISA Section 3(3)) that a Controlled Group member at any time sponsors, maintains, contributes to, has liability with respect to or has an obligation to contribute to such plan.

"Eurocurrency Liabilities" shall have the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar" means a Dollar denominated deposit in a bank or branch outside of the United States.

"Eurodollar Rate" means, with respect to any Loan for any Interest Period, a rate per annum (calculated on the basis of a 360-day year and actual days elapsed) equal to the one (1) month rate determined by the Administrative Agent by reference to the applicable LIBOR Bloomberg screen page as of 11:00 A.M. (London time) (rounded upwards to the nearest 1/16 of 1%), on the day two (2) Business Days prior to the first day of the relevant Interest Period. If on any date for determining the Eurodollar Rate the offered rate does not appear on the applicable LIBOR Bloomberg screen page, the Administrative Agent shall request each of the Reference Banks (as defined below) to provide the Administrative Agent with its offered quotation for United States dollar deposits to prime banks in the London interbank market for a period most nearly comparable to such relevant period as of 11:00 A.M., London time, on such date and "Eurodollar Rate" on such date shall be the arithmetic mean (rounded upwards, if necessary, to the nearest 1/16 of 1%) of all such quotations; provided, however, that if fewer than two of the Reference Banks are quoting as described above, "Eurodollar Rate" for such date shall be the cost, as determined by the Administrative Agent, of funding the relevant amount for the relevant period from whatever sources it may reasonably select from time to time. "Reference Banks" for the purposes of this Eurodollar Rate definition shall mean the principal London offices of JPMorgan Chase Bank N.A., Wells Fargo Bank, N.A. and Bank of America N.A. and/or such other bank or banks as may from time to time be selected by the Administrative Agent and agreed to by the Borrower.

"Event of Default" means an event or condition that shall constitute an event of default as defined in Article VIII hereof.

"Event of Loss" has the meaning set forth in the FAA Mortgage.

"Event of Loss Determination Notice" means that term as defined in Section 2.12(a)(ii) hereof.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Taxes" means, in the case of the Security Trustee, the Administrative Agent and each Lender, taxes imposed on or measured by its overall net income or branch profits, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Security Trustee, the Administrative Agent or such Lender, as the case may be, is organized or in which its principal office is located, or, in the case of any Lender, in which its applicable lending office is located.

"FAA" means the Federal Aviation Administration, and any successor agency thereto.

"FAA Mortgage" means the Mortgage and Security Agreement entered into in connection with this Agreement between the Borrower, as grantor, and the Security Trustee.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (and any amended or successor versions thereof that are substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and any fiscal or regulatory legislation, rules, or practices adopted pursuant to such intergovernmental agreement.

"Federal Funds Effective Rate" means, for any day, the rate per annum (rounded upward to the nearest one one-hundredth of one percent (1/100 of 1%)) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate" as of the Closing Date, *provided* that (i) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day and (ii) if no such rate is so published on such day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) quoted to U.S. national banks selected by Administrative Agent on such day on such transactions as determined by Administrative Agent.

"Financial Officer" means any of the following officers: chief executive officer, president, treasurer, chief financial officer or controller. Unless otherwise qualified, all references to a Financial Officer in this Agreement shall refer to a Financial Officer of the Borrower.

"GAAP" means generally accepted accounting principles in the United States as then in effect, which shall include the official interpretations thereof by the Financial Accounting Standards Board, applied on a basis consistent with the past accounting practices and procedures of the Borrower.

"Governmental Authority" means any nation or government, any state, province or territory or other political subdivision thereof, any governmental agency, department, authority, instrumentality, regulatory body, court, central bank or other governmental entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank), any securities exchange and any self-regulatory organization exercising such functions.

"Hedge Agreement" means any (a) hedge agreement, interest rate swap, cap, collar or floor agreement, or other interest rate management device entered into by the Borrower with any Person in connection with any Indebtedness of the Borrower, or (b) currency swap agreement, forward currency purchase agreement or similar arrangement or agreement designed to protect against fluctuations in currency exchange rates entered into by the Borrower.

"Indebtedness" means, for the Borrower, without duplication, (a) all obligations to repay borrowed money, direct or indirect, incurred, assumed, or guaranteed, (b) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), (c) all obligations under conditional sales or other title retention agreements, (d) all obligations (contingent or otherwise) under any letter of credit or banker's acceptance except to the extent such obligations are fully cash collateralized, (e) all net obligations under any currency swap agreement, interest rate swap, cap, collar or floor agreement or other interest rate management device or any Hedge Agreement, (f) all synthetic leases, (g) all Capitalized Lease Obligations, (h) all obligations of the Borrower with respect to asset securitization financing programs, (i) all obligations to advance funds to, or to purchase assets, property or services from, any other Person in order to maintain the financial condition of such Person, (j) all indebtedness of the types referred to in subparts (a) through (i) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which the Borrower is a general partner or joint venturer, unless such indebtedness is expressly made non-recourse to the Borrower, (k) any other transaction (including forward sale or purchase agreements) having the commercial effect of a borrowing of money entered into by the Borrower to finance its operations or capital requirements, and (l) any guaranty of any obligation described in subparts (a) through (k) above.

"Insolvent Lender" means a Lender, as reasonably determined by the Administrative Agent, that (a) is not Solvent or is the subsidiary of a Person that is not Solvent; or (b) has become the subject of a proceeding under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment, or is a subsidiary of a Person that has become the subject of a proceeding under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment; provided that a Lender shall not be an Insolvent Lender solely by virtue of the ownership or acquisition of an equity interest in such Lender or a parent company thereof by a governmental authority or an instrumentality thereof so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any Insolvent Lender shall cease to be an Insolvent Lender when the Administrative Agent determines, in its reasonable discretion, that such Insolvent Lender is no longer an Insolvent Lender based upon the characteristics set forth in this definition.

"Interest Period" means, for any Loan (i) with respect to the initial Interest Period, the period commencing on the date such Loan is advanced to the Borrower hereunder and ending on the next Regularly Scheduled Payment Date; (ii) with respect to each subsequent Interest Period other than the last Interest Period prior to the Termination Date, the period commencing on the last day of the preceding Interest Period and ending on the next Regularly Scheduled Payment Date; and (iii) with respect to the last Interest Period prior to the Termination Date, the period commencing on the last day of the preceding Interest Period and ending on the Termination Date.

"International Registry" means that term as defined in Title 49, Section 44113 (the Cape Town Treaty Implementation Act of 2004), as amended from time to time.

"knowledge" means, and shall be limited to, the actual knowledge of the following individuals as of the date the applicable representation is made: Jonathan G. Ornstein, Michael J. Lotz and Brian S. Gillman and each of their respective successors.

"Lender" means that term as defined in the first paragraph of this Agreement.

"Lender Credit Exposure" means, for any Lender, at any time, the aggregate of such Lender's respective pro rata shares of the Delayed Draw Credit Exposure and the Engine Acquisition Loan Exposure.

"Lien" means any mortgage, deed of trust, security interest, lien (statutory or other), charge, assignment, hypothecation, encumbrance on, pledge or deposit of, or conditional sale, lease, sale with a right of redemption or other title retention agreement and any capitalized lease with respect to any property (real or personal) or asset, and the filing of, or agreement to give, any financing statement perfecting a security interest or providing a notice filing (other than a notice filing with respect to a bailment, a consignment or an operating lease) of a lien or security interest under the law of any jurisdiction.

"Loan" means, as the context may require, a Delayed Draw Loan or an Engine Acquisition Loan.

"Loan Documents" means, collectively, this Agreement, each Note, and each Security Document, the Administrative Agent Fee Letter, as any of the foregoing may from time to time be amended, restated or otherwise modified or replaced, and any other document delivered pursuant thereto.

"Mandatory Prepayment" means that term as defined in Section 2.12(a) hereof.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, liabilities (actual or contingent), operations or financial condition of the Borrower, (b) the rights and remedies of the Security Trustee, the Administrative Agent or the Lenders under any Loan Document, (c) the ability of the Borrower to perform its obligations under any Loan Document to which it is a party or (d) the legality, validity, binding effect or enforceability against the Borrower of any Loan Document to which it is a party.

"Maximum Amount" means, for each Lender, the amount set forth opposite such Lender's name under the column headed "Maximum Amount" as set forth on Schedule 1 hereto, subject to (a) decreases of the Delayed Draw Loans pursuant to Section 2.10 hereof, (b) decreases of any Loan by virtue of principal payments made and (c) assignments of interests pursuant to Section 11.10 hereof.

"Maximum Rate" means that term as defined in Section 2.4(d) hereof.

"Multiemployer Plan" means a Pension Plan that is subject to the requirements of Subtitle E of Title IV of ERISA.

"Net Worth" means, at any date, the shareholders' equity of the Borrower, determined as of such date.

"Non-Consenting Lender" means that term as defined in Section 11.3(c) hereof.

"Non-U.S. Lender" means that term as defined in Section 3.2(c) hereof.

"Note" means a Delayed Draw Credit Note or Engine Acquisition Note, or any other promissory note delivered pursuant to this Agreement.

"Notice of Loan" means a Notice of Loan in the form of the attached Exhibit D.

"Obligations" means, collectively, the Engine Acquisition Obligations and the Delayed Draw Obligations.

"Obsidian" means Obsidian Agency Services, Inc., a California corporation.

"Organizational Documents" means, with respect to any Person (other than an individual), such Person's Articles (Certificate) of Incorporation, operating agreement or equivalent formation documents, and Regulations (Bylaws), or equivalent governing documents, and any amendments to any of the foregoing.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise, ad valorem or property taxes, goods and services taxes, harmonized sales taxes and other sales taxes, use taxes, value added taxes, charges or similar taxes or levies arising from any payment made hereunder or under any other Loan Document, or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Overall Commitment Percentage" means, for any Lender, the percentage determined by dividing (a) the sum, based upon such Lender's Applicable Commitment Percentages, of (i) the principal outstanding on the Engine Acquisition Loan(s) and (ii) the aggregate principal amount of Delayed Draw Loan outstanding; by (b) the aggregate principal amount of all Loans outstanding.

"Parent" means Mesa Air Group, Inc., a Nevada corporation and the direct parent of the Borrower.

"Participant" means that term as defined in Section 11.11 hereof.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, USA Patriot Act, Title III of Pub. L. 107-56, signed into law October 26, 2001, as amended from time to time.

"PBGC" means the Pension Benefit Guaranty Corporation, and its successor.

"Pension Plan" means an ERISA Plan that is a "pension plan" (within the meaning of ERISA Section 3(2)).

"Permitted Liens" means, at any time, Liens on any Collateral permitted to exist at such time pursuant to the terms of Section 5.9.

"Person" means any individual, sole proprietorship, partnership, joint venture, unincorporated organization, corporation, limited liability company, unlimited liability company, institution, trust, estate, Governmental Authority or any other entity.

"Proceeds" means (a) proceeds, as that term is defined in the U.C.C., and any other proceeds, and (b) whatever is received upon the sale, exchange, collection or other disposition of Collateral or proceeds, whether cash or non-cash. Cash proceeds include, without limitation, moneys, checks and Deposit Accounts. Proceeds include, without limitation, any Account arising when the right to payment is earned under a contract right, any insurance payable by reason of loss or damage to the Collateral, and any return or unearned premium upon any cancellation of insurance. Except as expressly authorized in this Agreement, the right of the Security Trustee and the Lenders to Proceeds specifically set forth herein, or indicated in any financing statement, shall never constitute an express or implied authorization on the part of the Security Trustee or any Lender to the Borrower's sale, exchange, collection or other disposition of any or all of the collateral securing the Obligations.

"Register" means that term as described in Section 11.10(i) hereof.

"Regularly Scheduled Payment Date" means, (a) with respect to the Engine Acquisition Loan, the last Business Day of each month beginning with the month after the applicable Drawdown Date, and the Engine Acquisition Loan Maturity Date, and (b) with respect to a Delayed Draw Loan, the last Business Day of each month beginning with the month after the applicable Drawdown Date, and the Delayed Draw Loan Maturity Date; provided that, if any such Regularly Scheduled Payment Date is not a Business Day, then such Regularly Scheduled Payment Date shall be the immediately succeeding Business Day (unless such succeeding Business Day would fall in the next calendar month, in which case such Regularly Scheduled Payment Date shall be the immediately preceding Business Day).

"Related Expenses" means any and all costs, liabilities and expenses (including, without limitation, losses, damages, penalties, claims, actions, attorneys' fees, legal expenses, judgments, suits and disbursements) (a) incurred by the Security Trustee, the Administrative Agent, or imposed upon or asserted against the Security Trustee, the Administrative Agent or any Lender, in any attempt by the Security Trustee, the Administrative Agent and the Lenders to (i) obtain, preserve, perfect or enforce any Loan Document or any security interest evidenced by any Loan

Document; (ii) obtain payment, performance or observance of any and all of the Obligations; or (iii) maintain, insure, audit, collect, preserve, repossess or dispose of any of the collateral securing the Obligations or any part thereof, including, without limitation, costs and expenses for appraisals, assessments and audits of the Borrower or any such collateral; or (b) incidental or related to subpart (a) above, including, without limitation, interest thereupon from the date incurred, imposed or asserted until paid at the Default Rate.

"Related Writing" means each Loan Document and any other assignment, mortgage, security agreement, guaranty agreement, subordination agreement, financial statement, audit report or other writing furnished by the Borrower, or any of its officers, to the Security Trustee, the Administrative Agent or the Lenders pursuant to or otherwise in connection with this Agreement.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"Required Lenders" means the holders, based upon each Lender's Applicable Commitment Percentages, of at least fifty-one percent (51%) of an amount (the "Total Amount") equal to the sum of:

(a) (i) during the Commitment Period for the Delayed Draw Loan, the Delayed Draw Credit Exposure plus any remaining Delayed Draw Credit Commitment, or (ii) after the Commitment Period for the Delayed Draw Loan, the Delayed Draw Credit Exposure; and

(b) (i) during the Commitment Period for the Engine Acquisition Loans, the Engine Acquisition Loan Exposure plus any remaining Engine Acquisition Loan Commitment or (ii) after the Commitment Period for the Engine Acquisition Loans, the Engine Acquisition Loan Exposure;

provided that (A) the portion of the Total Amount held or deemed to be held by any Defaulting Lender or Insolvent Lender shall be excluded for purposes of making a determination of Required Lenders, and (B) if there shall be two or more Lenders (that are not Defaulting Lenders or Insolvent Lenders), Required Lenders shall constitute at least two Lenders.

"Requirement of Law" means, as to any Person, any law, treaty, rule or regulation or determination or policy statement or interpretation of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property.

"Requisition, Disposition and Insurance Proceeds" has the meaning set forth in the FAA Mortgage.

"SEC" means the United States Securities and Exchange Commission, or any governmental body or agency succeeding to any of its principal functions.

"Section 1110" means 11 U.S.C. Section 1110 of the Bankruptcy Code or any successor or analogous section of the federal bankruptcy law in effect from time to time.

"Security Document" means the FAA Mortgage and each supplement thereto, each Engine Warranty Agreement, each U.C.C. Financing Statement or similar filing as to a jurisdiction located outside of the United States of America filed in connection herewith or perfecting any interest created in any of the foregoing documents, and any other document pursuant to which any Lien is granted by the Borrower or any other Person to the Security Trustee, for the benefit of the Lenders or Administrative Agent, as security for the Obligations, or any part thereof, and each other agreement executed or provided to the Security Trustee in connection with any of the foregoing, as any of the foregoing may from time to time be amended, restated or otherwise modified or replaced.

"Security Trustee" means that term as defined in the first paragraph of this Agreement.

"Solvent" means, with respect to any Person, that (a) the fair value of such Person's assets is in excess of the total amount of such Person's debts, as determined in accordance with the Bankruptcy Code, (b) the present fair saleable value of such Person's assets is in excess of the amount that will be required to pay such Person's debts as such debts become absolute and matured, (c) such Person is able to realize upon its assets and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as such liabilities mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond its ability to pay as such debts and liabilities mature, and (e) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which its property would constitute an unreasonably small amount of capital. As used in this definition, the term "debts" includes any legal liability, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent, as determined in accordance with the Bankruptcy Code.

"Specific Commitment" means the Delayed Draw Credit Commitment or the Engine Acquisition Loan Commitment.

"Taxes" means any and all present or future taxes of any kind, including, but not limited to, levies, imposts, duties, surtaxes, charges, fees, deductions or withholdings now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (together with any interest, penalties, fines, additions to taxes or similar liabilities with respect thereto) other than Excluded Taxes.

"Termination Date" shall mean (i) with respect to the Engine Acquisition Loans, the Engine Acquisition Loan Termination Date and (ii) with respect to the Delayed Draw Loan, the Delayed Draw Loan Termination Date.

"Title 49" means Title 49 of the United States Code.

"Total Commitment Amount" means the principal amount of One Hundred Million Four Hundred Seventeen Thousand Six Hundred Thirty-Seven Dollars and Fifty Cents ($100,417,637.50), as such amount may be decreased pursuant to Section 2.10 hereof.

"Tranche B" means that term as defined in Section 2.2(a) hereof.

"Tranche C" means that term as defined in Section 2.2(c) hereof.

"U.C.C." means the Uniform Commercial Code, as in effect from time to time in the State of New York; provided, however, that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "U.C.C." shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

"U.C.C. Financing Statement" means a financing statement filed or to be filed in accordance with the Uniform Commercial Code, as in effect from time to time, in the relevant state or states.

"Warranty Rights" has the meaning set forth in the FAA Mortgage.

"Welfare Plan" means an ERISA Plan that is a "welfare plan" within the meaning of ERISA Section 3(l).

"Yield Enhancement Fee" means that term as defined in Section 2.7(g) hereof.

Section 1.2. Accounting Terms. Any accounting term not specifically defined in this Article I shall have the meaning ascribed thereto by GAAP.

Section 1.3. Terms Generally. The foregoing definitions shall be applicable to the singular and plural forms of the foregoing defined terms. Unless otherwise defined in this Article I, terms that are defined in the U.C.C. are used herein as so defined.

ARTICLE II. AMOUNT AND TERMS OF CREDIT

Section 2.1. Amount and Nature of Credit.

(a) Subject to the terms and conditions of this Agreement, the Lenders, during the applicable Commitment Period and to the extent hereinafter provided, shall make Loans to the Borrower, at the request of the Borrower, in such aggregate amount as the Borrower shall request pursuant to the Commitment; provided that in no event shall the aggregate principal amount of all Loans outstanding under this Agreement be in excess of the Total Commitment Amount.

(b) Each Lender, for itself and not one for any other, agrees to make Loans, during the applicable Commitment Period, on such basis that, immediately after the completion of any borrowing by the Borrower:

(i) the aggregate outstanding principal amount of Loans made by such Lender shall not be in excess of the Maximum Amount for such Lender; and

(ii) with respect to each Specific Commitment, the aggregate outstanding principal amount of Loans made by such Lender with respect to such Specific Commitment shall represent that percentage of the aggregate principal amount then outstanding on all Loans within such Specific Commitment that shall be such Lender's Applicable Commitment Percentage.

Within each Specific Commitment, each borrowing from the Lenders shall be made pro rata according to the respective Applicable Commitment Percentages of the Lenders.

(c) The Loans may be made as a Delayed Draw Loan as described in Section 2.2 hereof, and as Engine Acquisition Loans as described in Section 2.3 hereof.

Section 2.2. Delayed Draw Loan. Subject to the terms and conditions of this Agreement:

(a) during the Commitment Period in respect of the Delayed Draw Tranche B Credit Commitments, the Delayed Draw Lenders shall make Delayed Draw Loans to the Borrower at the times and in the amounts as follows:

(i) on any one Business Day during such Commitment Period, in an amount equal to up to Ten Million Four Hundred Seventy-Two Thousand Nine Hundred Forty Dollars ($10,472,940); and

(ii) on any one Business Day during such Commitment Period, in an amount equal to up to Fifteen Million Seven Hundred Nine Thousand Four Hundred Ten Dollars ($15,709,410) (together with the amount in clause (a)(i), "Tranche B");

(b) during the Commitment Period in respect of the Delayed Draw Tranche C Credit Commitments, the Delayed Draw Lenders shall make Delayed Draw Loans to the Borrower at the times and in the amounts as follows:

(i) on any one Business Day during such Commitment Period, in an amount equal to up to Ten Million Nine Hundred Ninety-Six Thousand Five Hundred Eighty- Seven Dollars ($10,996,587); and

(ii) on any one Business Day during such Commitment Period, in an amount equal to up to Sixteen Million Four Hundred Ninety-Four Thousand Eight Hundred Eighty Dollars and Fifty Cents ($16,494,880.50) (together with the amount in clause (b)(i), "Tranche C");

but in no case exceeding in aggregate principal amount at any time outstanding of the Delayed Draw Credit Commitment. The principal amount of each Delayed Draw Loan shall be repaid in consecutive equal monthly installments on the first Regularly Scheduled Payment Date following the date of the advance of such Delayed Draw Loan in accordance with the repayment schedule attached hereto as Exhibit C, with the entire remaining outstanding principal balance thereof together with all other amounts owing in connection therewith payable in full on the applicable Delayed Draw Loan Termination Date. Any outstanding principal amount of any Delayed Draw Loan that is repaid may not be re-borrowed.

Section 2.3. Engine Acquisition Loan. Subject to the terms and conditions of this Agreement, during the applicable Commitment Period in respect of the Engine Acquisition Loans, the Engine Acquisition Lenders shall make an Engine Acquisition Loan to the Borrower for each Engine listed on Schedule 2 as "Initial Acquisition Engines", in a proportional amount of the total Engine Acquisition Loan Commitment. The Engine Acquisition Loans shall be

advanced in a single drawing on the applicable Drawdown Date. The principal amount of each Engine Acquisition Loan shall be repaid in consecutive equal monthly installments in accordance with the repayment schedule attached hereto as Exhibit C, with the entire remaining outstanding principal balance thereof together with all other amounts owing in connection therewith payable in full on the Engine Acquisition Loan Termination Date. Any outstanding principal amount of any Engine Acquisition Loan that is repaid may not be re-borrowed.

Section 2.4. Interest.

(a) Engine Acquisition Loan Interest. The Borrower shall pay interest on the unpaid principal amount of each Engine Acquisition Loan outstanding from time to time, with the interest rate to be fixed in advance on the first day of the Interest Period applicable thereto to the last day of the Interest Period applicable thereto, at the Derived Eurodollar Rate. Interest on each Engine Acquisition Loan shall be payable monthly in arrears on each Regularly Scheduled Payment Date and on the Engine Acquisition Loan Termination Date.

(b) Delayed Draw Loan Interest. The Borrower shall pay interest on the unpaid principal amount of the Delayed Draw Loan outstanding from time to time, with the interest rate to be fixed in advance on the first day of the Interest Period applicable thereto to the last day of the Interest Period applicable thereto, at the Derived Eurodollar Rate. Interest on each Delayed Draw Loan shall be payable on each Regularly Scheduled Payment Date and on the Delayed Draw Loan Termination Date.

(c) Default Rate. Anything herein to the contrary notwithstanding, if an Event of Default shall occur and be continuing (i) the principal of each Loan and the unpaid interest thereon shall bear interest, until paid, at the Default Rate and (ii) in the case of any other amount not paid when due from the Borrower hereunder or under any other Loan Document, such amount shall bear interest at the Default Rate. Any interest accrued at the Default Date shall be payable on demand.

(d) Limitation on Interest. In no event shall the rate of interest hereunder exceed the maximum rate allowable by law. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (i) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (ii) exclude voluntary prepayments and the effects thereof, and (iii) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations.

Section 2.5. Evidence of Indebtedness.

(a) Delayed Draw Loan. Upon the request of a Delayed Draw Lender, to evidence the obligation of the Borrower to repay the portion of the Delayed Draw Loan made by such Delayed Draw Lender and to pay interest thereon, the Borrower shall execute a Delayed Draw Credit Note, payable to the order of such Delayed Draw Lender in the principal amount equal to its Applicable Commitment Percentage of the Delayed Draw Amount, or, if less, the aggregate unpaid principal amount of Delayed Draw Loan made by such Delayed Draw Lender; provided that the failure of a Delayed Draw Lender to request a Delayed Draw Credit Note shall in no way detract from the Borrower's obligations to such Delayed Draw Lender hereunder.

(b) Engine Acquisition Loan. Upon the request of an Engine Acquisition Lender, to evidence the obligation of the Borrower to repay the portion of the Engine Acquisition Loan made by such Engine Acquisition Lender and to pay interest thereon, the Borrower shall execute an Engine Acquisition Note, payable to the order of such Engine Acquisition Lender in the principal amount of its Applicable Commitment Percentage of the Engine Acquisition Loan Commitment; provided that the failure of such Engine Acquisition Lender to request an Engine Acquisition Note shall in no way detract from the Borrower's obligations to such Engine Acquisition Lender hereunder.

Section 2.6. Notice of Loans and Credit Events; Funding of Loans.

(a) Notice of Loans and Credit Events. The Borrower, through an Authorized Officer, shall provide to the Administrative Agent a Notice of Loan, in the case of the initial Credit Event, prior to 6:00 P. M. (Eastern time) at least one (1) Business Day prior to the proposed date of borrowing, and in the case of each subsequent Credit Event, at least ten (10) Business Days prior to the proposed date of borrowing of a Loan.

(b) Funding of Loans. The Administrative Agent shall notify each relevant Lender of the date, amount and Interest Period promptly upon the receipt of a Notice of Loan. On the date that the Credit Event set forth in such Notice of Loan is to occur, each such Lender shall provide to the Administrative Agent, not later than 2:00 P.M. (Eastern time), the amount in Dollars, in federal or other immediately available funds, required of it. If the Administrative Agent shall elect to advance the proceeds of such Loan prior to receiving funds from such Lender, the Administrative Agent shall have the right, upon prior notice to the Borrower, to debit any account of the Borrower or otherwise receive such amount from the Borrower, promptly after demand, in the event that such Lender shall fail to reimburse the Administrative Agent in accordance with this subsection (b). The Administrative Agent shall also have the right to receive interest from such Lender at the Federal Funds Effective Rate in the event that such Lender shall fail to provide its portion of the Loan on the date requested and the Administrative Agent shall elect to provide such funds.

Section 2.7. Payment on Loans and Other Obligations.

(a) Payments Generally. Each payment made hereunder by the Borrower shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever.

(b) Payments from Borrower. All payments (including prepayments) to the Lenders of the principal of or interest on each Loan or other payment, including but not limited to principal, interest, fees or any other amount owed by the Borrower under this Agreement, shall be made in Dollars. All payments described in this subsection (b) shall be remitted to the Administrative Agent for the account of each Lender not later than 12:00 noon (Eastern time) on the due date thereof in immediately available funds to the Administrative Agent Account, or as may be otherwise directed by the Administrative Agent. Any such payments received by any Lender after 12:00 noon (Eastern time) may be deemed by the Administrative Agent to have been made and received on the next Business Day.

(c) Lender Records. Each appropriate Lender shall record any principal, interest or other payment, the principal amounts of each Loan, all prepayments and the applicable dates, including Interest Periods, with respect to the Loans made, and payments received by such Lender, by such method as such Lender may generally employ; provided that failure to make any such entry shall in no way detract from the obligations of the Borrower under this Agreement or any Note. The aggregate unpaid amount of Loans, types of Loans, Interest Periods and similar information with respect to the Loans set forth on the records of the Administrative Agent shall be rebuttably presumptive evidence with respect to such information, including the amounts of principal, interest and fees owing to each Lender.

(d) Timing of Payments. Whenever any payment to be made hereunder, including, without limitation, any payment to be made on any Loan, shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next Business Day and such extension of time shall in each case be included in the computation of the interest payable on such Loan; provided that, if the next Business Day shall fall in the succeeding calendar month, such payment shall be made on the preceding Business Day and the relevant Interest Period shall be adjusted accordingly.

(e) Affected Lender. To the extent that the Administrative Agent receives any payments or other amounts for the account of a Delayed Draw Lender that is an Affected Lender, at the discretion of the Administrative Agent, such Affected Lender shall be deemed to have requested that the Administrative Agent use such payment or other amount (or any portion thereof, at the discretion of the Administrative Agent) to fulfill its obligations to make Loans.

(f) [Reserved].

(g) Yield Enhancement. The Borrower shall pay a fee (the “Yield Enhancement Fee”) in an amount equal to one and one half percent (1.50%) on all scheduled principal repayments as compensation to the Lenders for the Borrower’s use of the funds. Such fee shall be due and payable on the date of repayment or prepayment, as applicable, and paid to the Administrative Agent for the account of the Lenders in accordance with their Applicable Commitment Percentages.

(h) Administrative Agent Notice. Not less than five (5) Business Days prior to each Regularly Scheduled Payment Date, the Administrative Agent shall provide Borrower with a written notice setting forth the principal, interest and Yield Enhancement Fee that will be due on such date, and the Derived Eurodollar Rate in effect for the Interest Period for such Regularly

Scheduled Payment Date; provided that failure of the Administrative Agent to provide such written notice shall in no way reduce the Borrower's obligations under this Agreement or result in any liability to Administrative Agent.

Section 2.8. Prepayment.

(a) Right to Prepay.

(i) The Borrower shall have the right at any time or from time to time to prepay, on a pro rata basis for all of the appropriate Lenders, all or any part of the principal amount of the Loans then outstanding, representing the obligations under any Specific Commitment with the proceeds of such prepayment to be distributed on a pro rata basis to the holders of the Specific Commitment being prepaid. Such payment shall include interest accrued on the amount so prepaid to the date of such prepayment and any amounts payable under Section 2.8(d) or Article III hereof with respect to the amount being prepaid. Each prepayment shall be applied to the principal installments of all Loans, pro rata, in the inverse order of their respective maturities.

(ii) Notwithstanding anything in this Section 2.8 or otherwise to the contrary, at the discretion of the Administrative Agent, in order to prepay Delayed Draw Loan made to the Borrower that were not advanced pro rata by all of the Delayed Draw Lenders, any prepayment of a Loan shall first be applied to Delayed Draw Loan made by the Delayed Draw Lenders during any period in which a Defaulting Lender or Insolvent Lender shall exist.

(b) Notice of Prepayment. The Borrower shall give the Administrative Agent irrevocable written notice of prepayment of a Loan by no later than 1:00 P.M. (Eastern time) five (5) Business Days before the Business Day on which such prepayment is to be made, specifying the Loan or Loans to be prepaid.

(c) Minimum Amount. Each prepayment of a Loan shall be in the principal amount of not less than One Million Dollars ($1,000,000), except in the case of a mandatory prepayment pursuant to Section 2.12 or Article III hereof.

(d) Prepayment Premium. For any prepayment of any Loan pursuant to this Section 2.8 and any Mandatory Prepayment under Section 2.12, the following prepayment premiums are applicable as compensation to the Lenders for the Borrower's use of the funds: (i) prior to the first anniversary of the applicable Drawdown Date, a prepayment fee of five percent (5.00%) of the principal amount of the Loan or Loans so prepaid, (ii) on or after the first anniversary of the applicable Drawdown Date and prior to the second anniversary of the applicable Drawdown Date, a prepayment fee of three percent (3.00%) of the principal amount of the Loan or Loans so prepaid and (iii) on or after the second anniversary of the applicable Drawdown Date, a prepayment fee of one and one half percent (1.50%) of the principal amount of the Loan or Loans so prepaid. For the avoidance of doubt, the Yield Enhancement Fee is included in the above premiums.

Section 2.9. Commitment and Other Fees.

(a) Commitment Fee. The Borrower shall pay to the to the Administrative Agent for the account of the Delayed Draw Lenders in accordance with their Applicable Commitment Percentages, as a consideration for the Delayed Draw Credit Commitment, a commitment fee from the Closing Date to and including the last day of the Commitment Period for the Delayed Draw Loan at a rate per annum equal to (i) one percent (1.00%), multiplied by the daily Delayed Draw Credit Availability for the applicable period in respect of Tranche B; (ii) from the Closing Date through and including September 30, 2017, one half of one percent (0.50%), multiplied by the daily Delayed Draw Credit Availability for the applicable period in respect of Tranche C and (iii) from October 1, 2017 through December 31, 2017, one percent (1.00%), multiplied by the daily Delayed Draw Credit Availability for the applicable period in respect of Tranche C. Such commitment fee shall be payable in arrears, on each Regularly Scheduled Payment Date and on the last day of the Commitment Period for the Delayed Draw Loans.

(b) Upfront Fee. The Borrower shall pay to the Administrative Agent for the account of the Lenders, on each date a Loan is advanced hereunder, an upfront fee in the amount of one and three quarters percent (1.75%) of the Loans advanced on such date. Such fee shall be due and payable on each date that a Loan is advanced, and shall be paid by the Administrative Agent to the Lenders in accordance with their Applicable Commitment Percentages.

(c) Collateral Audit and Appraisal Fees. The Borrower shall promptly reimburse the Security Trustee and the Administrative Agent for all costs and expenses relating to (i) fixed asset appraisals (including engine appraisals), and (ii) any other collateral assessment expenses that may be conducted from time to time by or on behalf of the Security Trustee or the Administrative Agent, the scope and frequency of which shall be in the reasonable discretion of such party; provided that, other than during the continuance of an Event of Default, such audits, appraisals and collateral assessments shall be conducted no more frequently than once per fiscal year of the Borrower.

(d) Administrative Agent's Fees. Borrower shall pay to Administrative Agent fees in such amounts and at such times as set forth in the Administrative Agent Fee Letter.

Section 2.10. Reduction of Delayed Draw Credit Commitment.

(a) The Delayed Draw Amount shall be reduced by an amount equal to the amount of any Delayed Draw Loans advanced pursuant to this Agreement;

(b) If Tranche B has not been advanced in its entirety on or before February 28, 2017, the Delayed Draw Amount shall be reduced by Twenty-Six Million One Hundred Eighty-Two Thousand Three Hundred Fifty Dollars ($26,182,350) (less the amount of any Tranche B advances made during the applicable Commitment Period) on March 1, 2017; and

(c) The Borrower may at any time and from time to time permanently reduce in whole or ratably in part the Delayed Draw Amount to an amount not less than the then existing Delayed Draw Credit Exposure, by giving the Administrative Agent not fewer than five (5) Business Days' written notice of such reduction, provided that any such partial reduction shall be in an aggregate amount, for all of the Delayed Draw Lenders, of not less than Ten Million Nine Hundred Ninety-Six Thousand Five Hundred Eighty-Seven Dollars ($10,996,587).

(d) On January 1, 2018, the Delayed Draw Amount shall be reduced to Zero Dollars ($0).

The Administrative Agent shall promptly notify each Delayed Draw Lender of the date of each such reduction and such Delayed Draw Lender's proportionate share thereof. After each such partial reduction, the commitment fees payable under Section 2.9(a) shall be calculated upon the Delayed Draw Amount, as so reduced. If the Borrower terminates in whole the Delayed Draw Credit Commitment, on the effective date of such termination (the Borrower having prepaid in full the unpaid principal balance, if any, of the Delayed Draw Loan, together with all interest (if any) and any fees accrued and unpaid with respect thereto), any Delayed Draw Credit Notes shall be delivered to the Administrative Agent marked "Canceled" and the Administrative Agent shall redeliver each Delayed Draw Credit Note to the Borrower. Any partial reduction in the Delayed Draw Amount shall be effective during the remainder of the Commitment Period. Upon each decrease of the Delayed Draw Amount, the Total Commitment Amount shall be decreased by the same amount.

Section 2.11. Computation of Interest and Fees. Interest on Loans, Related Expenses and commitment and other fees and charges hereunder shall be computed on the basis of a year having three hundred sixty (360) days and calculated for the actual number of days elapsed.

Section 2.12. Mandatory Payments.

(a) Mandatory Prepayments. The Borrower shall make mandatory prepayments (each a "Mandatory Prepayment") to the Administrative Agent for the account of the Lenders in accordance with the following provisions:

(i) Sale of Assets. Upon the sale or other disposition of an Engine by the Borrower permitted pursuant to Section 5.12 hereof, the Borrower shall make a Mandatory Prepayment, in an amount equal to one hundred percent (100%) of the proceeds of such disposition net of amounts required to pay taxes and reasonable costs applicable to such sale or disposition. Proceeds of sales or dispositions of (i) Collateral shall be applied (x) first, to the relevant Loan related to such Collateral and (y) second, to the principal installments of the other Loans pro rata in inverse order of maturity.

(ii) Event of Loss and Reinvestment. Within three (3) Business Days after the occurrence of an Event of Loss in respect of an Engine, the Borrower shall furnish to the Security Trustee written notice thereof. Within five (5) Business Days after such Event of Loss, the Borrower shall notify the Security Trustee of the Borrower's determination as to whether or not to replace, rebuild or restore the affected Engine (an "Event of Loss Determination Notice"). If the Borrower decides not to replace, rebuild or restore such Engine, or if the Borrower has not delivered the Event of Loss Determination Notice within five (5) Business Days after such Event of Loss, then the proceeds of insurance paid in connection with such Event of Loss, when received, shall be paid as a Mandatory Prepayment in an aggregate principal amount of the applicable Loan (plus any accrued

interest, fees or other outstanding amounts in respect of such Loan) and any remaining proceeds applied to prepay the principal installments of the other outstanding Loans pro rata in the inverse order of maturity. If the Borrower decides to replace, rebuild or restore such property, then any such replacement, rebuilding or restoration must be (A) completed within six months after the date of the Event of Loss with such casualty insurance proceeds and other funds available to the Borrower for replacement, rebuilding or restoration of such Engine. Any amounts of such insurance proceeds in connection with such Event of Loss not applied to the costs of replacement, rebuilding or restoration shall be applied as a Mandatory Prepayment. If any Engine is replaced pursuant to this Section 2.12(a)(ii), (A) any replacement engine shall (1) be in at least the same operating condition as, and having a value and utility at least equal to, the replaced Engine (assuming that such replaced Engine was in the condition and repair in which it is required to be maintained under the Loan Documents), (2) be considered an "Engine" for purposes of the Loan Documents and (3) be free and clear of all Liens (other than Permitted Liens) and (B) such replacement engine shall become subject to the security interest created by the FAA Mortgage and the Borrower shall take all steps as the Security Trustee may reasonably request to maintain and perfect such security interest.

(b) Mandatory Payments Generally. Any Mandatory Prepayment shall include interest accrued on the amount so prepaid to the date of prepayment and any other amounts payable hereunder, including the prepayment premium provided for under Section 2.8(d). Any prepayment of a Loan pursuant to this Section 2.12 shall be subject to the prepayment provisions set forth in Article III hereof. Unless otherwise agreed by the Required Lenders, any time there is a Mandatory Prepayment of the Delayed Draw Loan pursuant to this Section 2.12, the Delayed Draw Credit Commitment shall be permanently reduced by the amount of such Mandatory Prepayment allocated thereto, whether or not there shall be any Delayed Draw Credit Exposure thereunder. Borrower shall provide Administrative Agent with notice of the date and amount of any Mandatory Prepayment at least one (1) Business Day before the date it is made.

ARTICLE III. ADDITIONAL PROVISIONS RELATING TO LOANS; INCREASED CAPITAL; TAXES

Section 3.1. Requirements of Law.

(a) If, after the Closing Date, (i) the adoption of or any change in any Requirement of Law or in the interpretation or application thereof by a Governmental Authority, or (ii) the compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority:

(A) shall change the basis of taxation of payments to such Lender or Administrative Agent in respect thereof (except for Taxes and Excluded Taxes which are governed by Section 3.2 hereof);

(B) shall impose, modify or hold applicable any reserve, special deposit, insurance charge, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Rate; or

(C) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender of making, continuing or maintaining Loans, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall pay to such Lender, promptly after receipt of a written request therefor, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this subsection (a), such Lender shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled; provided, that the Borrower shall not be required to compensate any Lender pursuant to this Section 3.1(a) for any increased costs incurred more than one hundred eighty (180) days prior to the date that such Lender notifies the Borrower, in writing of the increased costs and of such Lender's intention to claim compensation thereof; provided, further, that if the circumstance giving rise to such increased costs is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(b) If any Lender shall have determined that, after the Closing Date, the adoption of or any change in any Requirement of Law regarding capital adequacy or liquidity, or liquidity requirements, or in the interpretation or application thereof by a Governmental Authority or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy or liquidity (whether or not having the force of law) from any Governmental Authority shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration the policies of such Lender or such corporation with respect to capital adequacy and liquidity), then from time to time, upon submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor (which shall include the method for calculating such amount), the Borrower shall promptly pay or cause to be paid to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction; provided, that the Borrower shall not be required to compensate any Lender pursuant to this Section 3.1(b) for any increased costs incurred more than one hundred eighty (180) days prior to the date that such Lender notifies the Borrower, in writing of the increased costs and of such Lender's intention to claim compensation thereof; provided, further, that if the circumstance giving rise to such increased costs is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(c) For purposes of this Section 3.1 and Section 3.4(a) hereof, the Dodd-Frank Act, any requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, or the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) under Basel III, and any rules, regulations, orders, requests, guidelines and directives adopted, promulgated or implemented in connection with any of the foregoing, regardless of the date adopted, issued, promulgated or implemented, are deemed to have been introduced and adopted after the Closing Date.

(d) A certificate as to any additional amounts payable pursuant to this Section 3.1 submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive absent demonstrable error. In determining any such additional amounts, such Lender may use any method of averaging and attribution that it (in its sole discretion) shall deem applicable. The obligations of the Borrower pursuant to this Section 3.1 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 3.2. Taxes.

(a) All payments made by the Borrower under any Loan Document shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes or Other Taxes. If any Taxes or Other Taxes are required to be deducted or withheld from any amounts payable to the Security Trustee, the Administrative Agent or any Lender hereunder, the amounts so payable to the Security Trustee, the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Security Trustee, the Administrative Agent or such Lender (after deducting, withholding and payment of all Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in the Loan Documents. The Borrower shall not be required to pay additional amounts to any Lender pursuant to this Section 3.2(a) with respect to Taxes and Other Taxes to the extent that the obligation to pay them would not have arisen but for such Lender's failure to comply with Section 3.2(c).

(b) Whenever any Taxes or Other Taxes are required to be withheld and paid by the Borrower, the Borrower shall timely withhold and pay such taxes to the relevant Governmental Authorities. As promptly as possible thereafter, the Borrower shall send to the Security Trustee or the Administrative Agent for its own account, or for the account of the relevant Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof or other evidence of payment reasonably acceptable to the Security Trustee, the Administrative Agent or such Lender. If the Borrower shall fail to pay any Taxes or Other Taxes when due to the appropriate Governmental Authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Security Trustee, the Administrative Agent and the appropriate Lenders on demand for any incremental Taxes or Other Taxes paid or payable by the Security Trustee, the Administrative Agent or such Lenders as a result of any such failure.

(c) Each Lender that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code (any such Person, a "Non-U.S. Lender") shall deliver to the Borrower and the Administrative Agent two copies of either (x) U.S. Internal Revenue Service Form W-8BEN, Form W-8BEN-E, Form W-8ECI or Form W-8IMY (together with the appropriate Form W-8 or Form W-9 from each beneficial owner), or, (y) in the case of a Non- U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement in form and substance acceptable to the Borrower and the Administrative Agent that such Non-U.S. Lender Party is not (1) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (2) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code or (3) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and two copies of a Form W-8BEN, Form W-8BEN-E or Form W-8IMY (together with the appropriate

Form W-8 on behalf of each beneficial interest holder claiming the exemption), or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments by the Borrower under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement or such other Loan Document. In addition, each Non-U.S. Lender shall deliver such forms or appropriate replacements promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Borrower and Administrative Agent at any time such Non-U.S. Lender determines that such Non-U.S. Lender is no longer in a position to provide any previously delivered certificate to the Borrower or the Administrative Agent (or any other form of certification adopted by the United States taxing authorities for such purpose). Notwithstanding any other provision of this subsection (c), a Non-U.S. Lender shall not be required to deliver any form pursuant to this subsection (c) that such Non-U.S. Lender is not legally able to deliver.

(d) Any Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be reasonably requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent) two copies of Internal Revenue Service Form W-9 certifying that such Lender is exempt from United States federal backup withholding tax if such Lender is required to provide such form under the Code or any regulations to avoid the imposition of U.S. federal backup withholding tax.

(e) If a payment made to a Lender or Administrative Agent under any Loan Document would be subject to United States federal withholding Tax imposed by FATCA if such Lender or Administrative Agent were to fail or were unable 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 Borrower and Administrative Agent or Administrative Agent shall deliver to Borrower at the time or times prescribed by law and at such time or times reasonably requested by Borrower or Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower or Administrative Agent as may be necessary for Borrower and Administrative Agent to comply with their obligations under FATCA and to determine that such Lender or Administrative Agent has complied with such Lender's or Administrative Agent's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (C), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(f) The agreements in this Section 3.2 shall survive the termination of the Loan Documents and the payment of the Loans and all other amounts payable hereunder.

Section 3.3. Funding Losses. The Borrower agrees to indemnify each Lender, promptly after receipt of a written request therefor, and to hold each Lender harmless from, any loss or expense that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of Loans after the Borrower has given a notice (including a

notice that is subsequently revoked) requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of Loans after the Borrower has given a notice (including a notice that is subsequently revoked) thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of a Loan on a day that is not the last day of an Interest Period applicable thereto. Such indemnification shall be in an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amounts so prepaid, or not so borrowed or continued, for the period from the date of such prepayment or of such failure to borrow or continue to the last day of such Interest Period (or, in the case of a failure to borrow or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the appropriate London interbank market, along with any administration fee charged by such Lender. A certificate as to any amounts payable pursuant to this Section 3.3 submitted to the Borrower (with a copy to the Administrative Agent) by any Lender shall be conclusive absent demonstrable error. The obligations of the Borrower pursuant to this Section 3.3 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 3.4. Eurodollar Rate Lending Unlawful; Inability to Determine Rate.

(a) If any Lender shall determine (which determination shall, upon notice thereof to the Borrower and the Administrative Agent, be conclusive and binding on the Borrower) that, after the Closing Date, (i) the introduction of or any change in or in the interpretation of any law makes it unlawful, or (ii) any Governmental Authority asserts that it is unlawful, for such Lender to make or continue any Loan, the obligations of such Lender to make or continue any such Loan shall, upon such determination, be suspended until such Lender shall notify the Administrative Agent that the circumstances causing such suspension no longer exist, and all outstanding Loans payable to such Lender shall automatically be repaid at the end of the then current Interest Periods with respect thereto or sooner, if required by law or such assertion.

(b) If the Administrative Agent or the Required Lenders determine that for any reason adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Loan, or that the Eurodollar Rate for any requested Interest Period with respect to a proposed Loan does not adequately and fairly reflect the cost to the Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain such Loan shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a borrowing of such Loan.

Section 3.5. Discretion of Lenders as to Manner of Funding. Notwithstanding any provision of this Agreement to the contrary, each Lender shall be entitled to fund and maintain its funding of all or any part of such Lender's Loans in any manner such Lender deems to be appropriate; it being understood, however, that for the purposes of this Agreement all determinations hereunder shall be made as if such Lender had actually funded and maintained each Loan during the applicable Interest Period for such Loan through the purchase of deposits having a maturity corresponding to such Interest Period and bearing an interest rate equal to the Eurodollar Rate for such Interest Period.

ARTICLE IV. CONDITIONS PRECEDENT

Section 4.1. Conditions to Each Credit Event. The obligation of the Lenders to participate in any Credit Event shall be conditioned, in the case of each Credit Event, upon the following:

(a) The Security Trustee, the Administrative Agent and the Lenders shall have received an executed copy of this Agreement duly executed by the Borrower and each other Loan Document;

(b) all conditions precedent as listed in Section 4.2 or Section 4.3 hereof, as applicable, required to be satisfied prior to the such Credit Event shall have been satisfied prior to or as of such Credit Event;

(c) the Borrower shall have submitted a Notice of Loan and otherwise complied with Section 2.6 hereof;

(d) no Default or Event of Default shall then exist or immediately after the occurrence of such Credit Event would exist;

(e) each of the representations and warranties contained in Article VI hereof shall be true in all material respects as if made on and as of the date of such Credit Event, except to the extent that any thereof expressly relate to an earlier date, and the Borrower shall have delivered a certification thereof to the Administrative Agent, which certification may be included in the Notice of Loan;

(f) no material adverse change, in the reasonable opinion of the Lenders, shall have occurred in the financial condition, operations or prospects of the Borrower since June 30, 2016;

(g) the Borrower shall have paid all due and payable fees, costs and expenses of the Security Trustee, the Administrative Agent and the Lenders and their legal counsel's reasonable and documented fees and expenses, including, without limitation the fee payable pursuant to Section 2.9(b) hereof, in each case for which invoices have been presented at least one (1) Business Day prior to the applicable Drawdown Date; provided, however, in no event shall such fees, costs or expenses include internally allocated overhead of the Lenders;

(h) the Borrower shall have provided to the Security Trustee, the Administrative Agent and the Lenders such other items and shall have satisfied such other conditions as may be reasonably required by the Security Trustee, the Administrative Agent or the Lenders.

Each request by the Borrower for a Credit Event shall be deemed to be a representation and warranty by the Borrower as of the date of such request as to the satisfaction of the conditions precedent specified in subsections (d) and (e) above.

Section 4.2. Conditions to the First Credit Event. The obligation of the Lenders to participate in the first Credit Event is subject to the Borrower satisfying, as determined by each Lender in its sole discretion, each of the following conditions prior to or concurrently with such Credit Event:

(a) FAA Mortgage. The Borrower shall have executed and delivered the FAA Mortgage together with any supplements thereto in respect of the relevant Collateral and the Security Trustee and the Lenders shall be satisfied that the FAA Mortgage and any supplements thereto is in due form for filing and recordation with the FAA.

(b) Lien Searches. With respect to the property owned or leased by the Borrower, the Borrower shall have caused to be delivered to the Security Trustee (i) the results of Uniform Commercial Code lien searches, satisfactory to the Security Trustee and the Lenders, (ii) the results of federal and state tax lien and judicial lien searches, satisfactory to the Security Trustee and the Lenders, and (iii) Uniform Commercial Code termination statements reflecting termination of all U.C.C. Financing Statements previously filed by any Person and not expressly permitted pursuant to Section 5.9 hereof;

(c) Pro Forma Financial Statements and Projections. The Borrower shall have delivered to the Security Trustee pro forma balance sheets, statements of income (loss), cash- flow, and projections in form and substance satisfactory to the Security Trustee;

(d) Financial Reports. The Borrower shall have delivered to the Security Trustee and the Lenders the financial reports reasonably requested by the Security Trustee and the Lenders; and

(e) Advertising Permission Letter. The Borrower shall have delivered to the Security Trustee and the Lenders an advertising permission letter, authorizing the Security Trustee and the Lenders to, subject to the prior approval of the Borrower, publicize the transaction and specifically to use the name of the Borrower in connection with "tombstone" advertisements in one or more publications selected by the Security Trustee or the Lenders.

Section 4.3. Conditions to Each Loan. The Borrower shall cause the following conditions to be satisfied on or prior to the date of each Loan. The obligation of the Lenders to participate in each Loan is subject to the Borrower satisfying, as determined by each Lender in its sole discretion, each of the following conditions prior to or concurrently with such Loan:

(a) Notes as Requested. The Borrower shall have executed and delivered to each Engine Acquisition Lender requesting an Engine Acquisition Note such Engine Acquisition Lender's Engine Acquisition Note.

(b) Mortgage Supplement. The Borrower shall have executed and delivered to the Security Trustee, supplement(s) to the FAA Mortgage describing the applicable Collateral in a form and substance reasonably satisfactory to the Security Trustee and in a form suitable for filing with the FAA;

(c) Engine Warranty Agreement. The Borrower shall have executed and delivered to the Security Trustee an Engine Warranty Agreement in respect of each related Engine;

(d) Letter of Direction. The Borrower shall have delivered to the Administrative Agent a letter of direction authorizing the Administrative Agent, on behalf of the Lenders, to disburse the proceeds of the applicable Loan, which letter of direction includes the authorization to transfer funds under this Agreement and the wire instructions that set forth the locations to which such funds shall be sent;

(e) Insurance Policies. The Borrower shall have delivered to the Security Trustee certificates of insurance satisfactory to the Security Trustee and the Lenders, providing for the insurances required under the FAA Mortgage in respect of the related Engines, with the Security Trustee, on behalf of the Lenders, listed as lender's loss payee and additional insured, as appropriate;

(f) Perfection of Liens. The Security Trustee shall have a first priority, perfected Lien on the relevant Engine Acquisition Collateral upon Borrower's acquisition of right, title and interest therein;

(g) Filings. The Borrower shall provide evidence that all U.C.C. and FAA filings and International Registry registrations for any relevant Engines requested by the Security Trustee have been made and are (or will be) effective to perfect the security interest in such Engines;

(h) Officer's Certificate, Resolutions, Organizational Documents. The Borrower shall have delivered to the Security Trustee and the Administrative Agent an officer's certificate certifying the names of the officers of the Borrower authorized to sign the Loan Documents, together with the true signatures of such officers and certified copies of (i) the resolutions of the board of directors of the Borrower evidencing approval of the execution, delivery and performance of the Loan Documents and the execution and performance of other Related Writings to which the Borrower is a party, and the consummation of the transactions contemplated thereby, and (ii) the Organizational Documents of the Borrower.

(i) Good Standing. The Borrower shall have delivered to the Security Trustee and the Administrative Agent a good standing certificate (or comparable document, if no such certificate is available in the applicable jurisdiction) for the Borrower, issued on or about the date of the first Credit Event by the Secretary of State in the state or states where the Borrower is incorporated or qualified as a foreign entity, except where the failure to be so qualified is not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect. The Borrower shall have received all licenses, approvals or evidence of other actions required by any Governmental Authority or any third party (including stockholder approvals, landlords' consents, and other consents) in connection with the execution and delivery of the Loan Documents or with the consummation of the transactions contemplated thereby;

(j) In-House Legal Opinion. The Borrower shall have delivered to the Security Trustee and the Administrative Agent an opinion of internal counsel for the Borrower, in form and substance satisfactory to the Security Trustee, the Administrative Agent and the Lenders.

(k) Borrower's External Counsel Opinion. The Borrower shall have delivered to the Security Trustee and the Administrative Agent an opinion of DLA Piper LLP (US) and Brownstein Hyatt Farber Schreck, LLP, as to inter alia, enforceability of the relevant Loan

Documents, creation and perfection of security interests and Section 1110, as counsel for the Borrower, in form and substance satisfactory to the Security Trustee, the Administrative Agent and the Lenders.

(l) Lien Searches; Chain of Title. The Borrower shall have caused to be delivered to the Security Trustee the results of FAA search reports and a search certificate from the International Registry, evidencing to the Security Trustee's satisfaction the title and lien status pertinent to the applicable Engines and the Borrower shall have caused to be delivered to the Security Trustee copies of the historic bills of sale for such Engines showing chain of title back to the manufacturer; and

(m) Acquisition Agreement. The Borrower shall have provided to the Security Trustee (i) a copy of the Acquisition Agreement and all material documents executed in connection therewith, and title to the relevant Engines will pass to the Borrower concurrently with the funding of the relevant Loan or (ii) other evidence reasonably satisfactory to the Security Trustee that the Borrower owns, or will own, any relevant Engines.

(n) Tax Forms. The Administrative Agent shall have received, at least four (4) Business Days prior to the applicable Drawdown Date, all completed tax forms (including signed W-9 forms from the Borrower and each Lender), documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, that is reasonably requested by the Administrative Agent.

Section 4.4. FAA Opinion. Not later than thirty (30) days after each Drawdown Date, the Borrower shall deliver to the Security Trustee and the Administrative Agent an opinion of FAA and International Registry counsel for the Borrower, in form and substance satisfactory to the Security Trustee, the Administrative Agent and the Lenders, in respect of the applicable Engines.

ARTICLE V. COVENANTS

Section 5.1. Insurance. The Borrower shall at all times maintain insurance in accordance with the terms of the Security Documents, written by such companies, in such amounts, for such periods, and against such risks as may be reasonably acceptable to the Security Trustee, with provisions reasonably satisfactory to the Security Trustee for payment of all losses thereunder to the Security Trustee, for the benefit of the Lenders, and the Borrower as their interests may appear (with lender's loss payable and additional insured endorsements, as appropriate, in favor of the Security Trustee, for the benefit of the Lenders), and, if required by the Security Trustee, the Borrower shall deposit the policies with the Security Trustee. Any such policies of insurance shall provide for no fewer than thirty (30) days' prior written notice of cancellation (seven (7) days in the event of war risk) to the Security Trustee and the Lenders. Any sums received by the Security Trustee, for the benefit of the Lenders, in payment of insurance losses, returns, or unearned premiums under the policies shall be applied as set forth in Section 2.12(b). The Security Trustee is hereby authorized to act as attorney-in-fact for the Borrower in obtaining, adjusting and settling such insurance and indorsing any drafts; provided that, except as otherwise provided in the FAA Mortgage, the Security Trustee may adjust and

settle such insurance only during the continuance of an Event of Default and in no event shall the Security Trustee have the right to cancel or reduce the coverage provided by any insurance. In the event of failure to provide such insurance as herein provided, the Security Trustee may, at its option, provide such insurance and the Borrower shall pay to the Security Trustee, upon demand, the cost thereof. Should the Borrower fail to pay such sum to the Security Trustee upon demand, interest shall accrue thereon, from the date of demand until paid in full, at the Default Rate. Within three days of the Security Trustee's written request, the Borrower shall furnish to the Security Trustee such information about the insurance of the Borrower as the Security Trustee may from time to time reasonably request, which information shall be prepared in form and detail satisfactory to the Security Trustee and certified by a Financial Officer.

Section 5.2. Money Obligations. The Borrower shall pay in full (a) prior in each case to the date when penalties would attach, all taxes, assessments and governmental charges and levies (except only those so long as and to the extent that the same shall be contested in good faith by appropriate and timely proceedings and for which adequate provisions have been established in accordance with GAAP) for which it may be or become liable or to which any or all of its properties may be or become subject; (b) all of its material wage obligations to its employees in compliance with the Fair Labor Standards Act (29 U.S.C. §§ 206-207) or any comparable provisions; and (c) all of its other material obligations calling for the payment of money (except only those so long as and to the extent that the same shall be contested in good faith and for which adequate provisions have been established in accordance with GAAP) before such payment becomes overdue, except to the extent any failure to pay any such other material obligation could not be reasonably expected to have a Material Adverse Effect.

Section 5.3. Financial Statements and Information.

(a) Quarterly Financials. The Borrower shall deliver to the Administrative Agent and the Lenders, within forty-five (45) days after the end of each quarterly period of each fiscal year of the Parent, internal unaudited balance sheets of the Parent as of the end of such period and statements of income (loss), shareholders' equity and cash flow for the quarter and fiscal year to date periods, all prepared on a consolidated (in accordance with GAAP) basis, in form and detail satisfactory to the Administrative Agent and the Lenders and certified by a Financial Officer.

(b) Annual Audit Report and Financials. The Borrower shall deliver to the Administrative Agent and the Lenders, within one hundred twenty (120) days after the end of each fiscal year of the Parent, an annual audit report of the Parent for that year prepared on a consolidated (in accordance with GAAP) basis, in form and detail satisfactory to the Administrative Agent and the Lenders and certified by an unqualified opinion of an independent public accountant satisfactory to the Administrative Agent and the Lenders, which report shall include balance sheets and statements of income (loss), shareholders' equity and cash-flow for that period.

(c) Engine Valuation. The Borrower shall deliver to the Administrative Agent and the Lenders, within thirty (30) days after publication of the most recent version thereof, and in any case at least once per calendar year, engine values book excerpts in respect of General Electric Model CF34-8C5 Engines from ICF International Inc. or another internationally recognized aviation appraiser.

(d) Utilization Reports. The Borrower shall deliver to the Administrative Agent and the Lenders, within thirty (30) days after March 31 and September 30 of each year, engine utilization reports in respect of each Engine in the form of Exhibit F.

(e) Damage Notification. The Borrower shall notify the Administrative Agent and the Lenders of any event, accident or incident in respect of the Engine that might reasonably be expected to involve the Borrower in loss or liability in excess of Five Hundred Thousand Dollars ($500,000).

Section 5.4. Financial Records. The Borrower shall at all times maintain true and complete records and books of account, including, without limiting the generality of the foregoing, appropriate provisions for possible losses and liabilities, all in accordance with GAAP, and at all reasonable times (during normal business hours and, other than after the occurrence of and during the continuance of an Event of Default, upon three (3) Business Days' notice to the Borrower) permit the Administrative Agent or any Lender, or any representative of the Administrative Agent or such Lender, to examine the Borrower's books and records and to make excerpts therefrom and transcripts thereof.

Section 5.5. Franchises; Change in Business.

(a) The Borrower shall preserve and maintain at all times its existence, and its rights and franchises necessary for its business, except as otherwise permitted pursuant to Section 5.12 hereof.

(b) The Borrower shall not engage in any business if, as a result thereof, the general nature of the business of the Borrower be substantially changed from the general nature of the business the Borrower is engaged in on the Closing Date.

Section 5.6. ERISA Pension and Benefit Plan Compliance. The Borrower shall not incur any material liability under Title IV of ERISA in connection with any ERISA Plan. The Borrower shall furnish to the Administrative Agent and the Lenders (a) as soon as possible and in any event within ten (10) days after the Borrower knows or has reason to know that any Reportable Event with respect to any ERISA Plan has occurred, a statement of a Financial Officer of the Borrower, setting forth details as to such Reportable Event and the action that the Borrower proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to the PBGC if a copy of such notice is available to the Borrower, and (b) promptly after receipt thereof, a copy of any notice the Borrower, or any member of the Controlled Group may receive from the PBGC or the Internal Revenue Service with respect to any ERISA Plan administered by the Borrower; provided that this latter clause shall not apply to notices of general application promulgated by the PBGC or the Internal Revenue Service. The Borrower shall promptly notify the Administrative Agent of any material taxes assessed, proposed to be assessed or that the Borrower has reason to believe may be assessed against the Borrower by the Internal Revenue Service with respect to any ERISA Plan. As used in this Section 5.6, "material" means the measure of a matter of significance that shall be determined as being an amount equal to five percent (5%) of Net Worth. As soon as practicable, and in any event within twenty (20) days, after the Borrower shall become aware that an ERISA Event shall have occurred, the Borrower shall provide the Administrative Agent with notice of such ERISA

Event with a certificate by a Financial Officer of the Borrower setting forth the details of the event and the action the Borrower or another Controlled Group member proposes to take with respect thereto. The Borrower shall, at the reasonable request of the Administrative Agent, deliver or cause to be delivered to the Administrative Agent true and correct copies of any documents relating to the ERISA Plan.

Section 5.7. [Reserved].

Section 5.8. [Reserved].

Section 5.9. Liens. The Borrower shall not create, assume or suffer to exist (upon the happening of a contingency or otherwise) any Lien upon any of its Collateral, whether now owned or hereafter acquired; provided that this Section 5.9 shall not apply to the following:

(a) Liens for taxes not yet due or that are being actively contested in good faith by appropriate proceedings and for which adequate reserves shall have been established in accordance with GAAP;

(b) materialmen's, mechanic's, repairmen's, employees' and other statutory Liens or writs of attachment incidental to the conduct of its business or the ownership of its property and assets that (i) were not incurred in connection with the incurrence of Indebtedness or the obtaining of advances or credit, and (ii) do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business and (iii) which are not overdue or which are being contested in good faith by appropriate proceedings promptly instituted and diligently pursued;

(c) Liens in favor of airport, customs and revenue authorities arising as a matter of law to secure payment of customs duties and in connection with the importation of goods in the ordinary course of business which are not overdue or which are being contested in good faith by appropriate proceedings promptly instituted and diligently pursued;

(d) any Lien granted to the Security Trustee, for the benefit of the Lenders (and affiliates thereof);

(e) Liens arising from judgments, decrees or attachments, so long as such judgment or award (i) does not constitute and Event of Default and (ii) shall, within 20 days after the entry thereof, have been discharged or vacated, or execution thereof stayed pending appeal or shall have been discharged, vacated or reversed within 20 days after the expiration of such stay, and so long as during any such 20 day period there is not, or any such judgment or award does not involve, any material risk of the sale, forfeiture or loss of such Collateral (including any Engine) or any interest of Security Trustee, Administrative Agent any Lender, or Borrower therein; and

(f) Liens to secure payment of worker's compensation, employment insurance, old age pensions or other social security obligations arising in the ordinary course of business other an any Liens imposed in connection with ERISA.

Section 5.10. Regulations T, U and X. The Borrower shall not take any action that would result in any non-compliance of the Loans with Regulations T, U or X, or any other applicable regulation, of the Board of Governors of the Federal Reserve System.

Section 5.11. [Reserved].

Section 5.12. Merger and Sale of Assets.

(a) The Borrower shall not merge, amalgamate or consolidate with any other Person, or convey, transfer or lease all or substantially all of its assets as an entirety to any Person unless:

(i) the Person formed by such consolidation or into which the Borrower is merged or the Person which acquires by conveyance, transfer or lease all or substantially all of the assets of the Borrower as an entirety (the "Successor Company") shall (A) be an "air carrier" within the meaning of Section 40102(a)(2) of Title 49, and hold a certificate under Section 41102(a)(1) of Title 49, or a commuter air carrier authorization, as applicable; (B) be a citizen of the United States as defined by Section 40102(a)15 of Title 49 and as that statutory provision has been interpreted by the DOT pursuant to its policies; and (C) have status with the FAA as an air carrier and hold air carrier operating certificates and other operating authorizations issued by the FAA pursuant to 14 C.F.R. Sections 119, 121 or 135 as currently in effect or as may be amended or recodified from time to time;

(ii) the Successor Company shall execute and deliver to the Lenders, the Security Trustee and the Administrative Agent a duly authorized, valid, binding and enforceable agreement in form and substance reasonably satisfactory to the Required Lenders, the Security Trustee and the Administrative Agent containing an assumption by the Successor Company of the due and punctual performance and observance of each covenant and condition of the Loan Documents to be performed or observed by the Borrower;

(iii) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing;

(iv) immediately after giving effect to such transaction, the tangible net worth of the Successor Company shall be equal to or greater than 100% of the tangible net worth of the Borrower immediately prior to such transaction;

(v) all filings shall have been made as shall be necessary to preserve the perfection of the Lien on the Engines and other relevant Collateral on a first priority and perfected basis;

(vi) promptly after the consummation of such transaction, the Borrower shall deliver to the Security Trustee and Administrative Agent an officer's certificate of the Borrower certifying as to Borrower's compliance with the conditions of this Section 5.12(a); and

(vii) the Borrower shall deliver to the Security Trustee, the Administrative Agent and the Lenders an opinion of counsel (which may be in-house counsel) reasonably satisfactory to the Required Lenders, the Security Trustee and the Administrative Agent that the agreement mentioned in clause (ii) of this Section 5.12(a) is, duly authorized, executed, delivered, valid and binding agreement of the Successor Company and enforceable against the Successor Company in accordance with the terms thereof.

(b) the Borrower may not sell any Engine, provided that a sale of an Engine shall be permitted if the proceeds of such sale net of amounts required to pay taxes and reasonable costs applicable to such sale or disposition are sufficient to prepay all amounts (including outstanding principal, accrued interest, applicable fees and premium) in respect of the related Loan in accordance with Section 2.12.

Section 5.13. [Reserved].

Section 5.14. Notice. The Borrower shall cause a Financial Officer to promptly notify the Security Trustee, the Administrative Agent and the Lenders, in writing, whenever any of the following shall occur:

(i) a Default or Event of Default may occur hereunder or any representation or warranty made in Article VI hereof or elsewhere in this Agreement or in any Related Writing may for any reason cease in any material respect to be true and complete;

(ii) the Borrower learns of a litigation or proceeding against the Borrower before a court, administrative agency or arbitrator that, if successful, might have a Material Adverse Effect; and

(iii) the Borrower learns that there has occurred or begun to exist any event, condition or thing that is reasonably likely to have a Material Adverse Effect.

Section 5.15. [Reserved].

Section 5.16. [Reserved].

Section 5.17. [Reserved].

Section 5.18. Use of Proceeds. The Borrower's use of the proceeds of (i) the Engine Acquisition Loan shall be for the purchase or re-financing of Engines listed as "Initial Acquisition Engines" on Schedule 2 and (ii) the Delayed Draw Loan shall be for the purchase or re-financing of Engines listed as "Delayed Draw Engines" on Schedule 2.

Section 5.19. Corporate Names and Locations. The Borrower shall not (a) change its corporate name, or (b) change its state, province or other jurisdiction, or form of organization, or extend or continue its existence in or to any other jurisdiction (other than its jurisdiction of organization at the date of this Agreement); unless, in each case, the Borrower shall have provided the Security Trustee, the Administrative Agent and the Lenders with at least thirty (30) days' prior written notice thereof. Without limiting the Borrower's obligations under the FAA

Mortgage, the Borrower shall also provide the Security Trustee with at least thirty (30) days' prior written notification of (i) the location of any new places of business and the changing or closing of any of its existing places of business; and (ii) any change in the location of the Borrower's chief executive office. In the event of any of the foregoing or if otherwise deemed appropriate by the Security Trustee, the Security Trustee is hereby authorized to file new U.C.C. Financing Statements describing the Collateral and otherwise in form and substance sufficient for recordation wherever necessary or appropriate, as determined in the Security Trustee's sole discretion, to perfect or continue perfected the security interest of the Security Trustee, for the benefit of the Lenders, in the Collateral. The Borrower shall pay all filing and recording fees and taxes in connection with the filing or recordation of such U.C.C. Financing Statements and security interests and shall promptly reimburse the Security Trustee therefor if the Security Trustee pays the same. Such amounts not so paid or reimbursed shall be Related Expenses hereunder.

Section 5.20. [Reserved].

Section 5.21. Collateral. The Borrower shall:

(a) subject to Section 2.9(c) hereof, at all reasonable times and, except after the occurrence of an Event of Default that is continuing, upon three (3) Business Days' notice, allow the Security Trustee and the Lenders by or through any of the Security Trustee's officers, agents, employees, attorneys or accountants to examine, inspect and make extracts from the Borrower's books and other records, including, without limitation, the tax returns of the Borrower;

(b) promptly notify the Security Trustee and the Lenders in writing of any information that the Borrower has or may receive with respect to the Collateral that might reasonably be determined to materially and adversely affect the value thereof or the rights of the Security Trustee and the Lenders with respect thereto;

(c) upon request of the Security Trustee, promptly take such action and promptly make, execute and deliver all such additional and further items, deeds, assurances, instruments and any other writings as the Security Trustee may from time to time deem necessary or appropriate, including, without limitation, chattel paper, to carry into effect the intention of this Agreement, or so as to completely vest in and ensure to the Security Trustee and the Lenders their respective rights hereunder and in or to the Collateral.

The Borrower hereby authorizes the Security Trustee, on behalf of the Lenders, to file U.C.C. Financing Statements or other appropriate notices with respect to the Collateral (including registry filings with the FAA (including the FAA Mortgage or any supplement thereto), the International Registry, and other Governmental Authorities, as appropriate, with respect to any Engine owned in whole or in part by the Borrower, and the Borrower agrees to deliver any documents necessary to perfect the security interest of the Security Trustee, for the benefit of the Lenders, in such Engine). The Borrower hereby authorizes the Security Trustee or the Security Trustee's designated agent (but without obligation by the Security Trustee to do so) to incur Related Expenses (whether prior to, upon, or subsequent to any Default or Event of Default), and the Borrower shall promptly repay, reimburse, and indemnify the Security Trustee and the Lenders for any and all Related Expenses. If the Borrower fails to keep and maintain the

Collateral in good operating condition, ordinary wear and tear excepted, the Security Trustee may (but shall not be required to) so maintain or repair all or any part of the Collateral and the cost thereof shall be a Related Expense. All Related Expenses are payable to the Security Trustee upon demand therefor; the Security Trustee may, at its option, debit Related Expenses directly to any Deposit Account of the Borrower located at the Administrative Agent.

Section 5.22. [Reserved].

Section 5.23. [Reserved].

Section 5.24. [Reserved].

Section 5.25. Regulatory Matters. The Borrower shall at all times be in material compliance with all FAA regulations or requirements (as in effect from time to time) applicable to the Borrower. Without limiting the generality of the foregoing, the Borrower shall at all times (a) possess and maintain all necessary franchises, licenses, permits, rights, concessions, authorizations and consents which are material to the operation of the routes flown by it and the conduct of its business and operations as currently conducted except in any case described in this clause (a), where the failure to do so, either individually or in the aggregate, could not be reasonably likely to have a Material Adverse Effect and (b) (i) maintain at all times its status at the DOT, as applicable, as an "air carrier" within the meaning of Section 40102(a)(2) of Title 49, and hold a certificate under Section 41102(a)(1) of Title 49, or a commuter air carrier authorization, as applicable; (ii) at all times hereunder be a citizen of the United States as defined by Section 40102(a)15 of Title 49 and as that statutory provision has been interpreted by the DOT pursuant to its policies; and (iii) maintain at all times its status at the FAA as an air carrier and hold air carrier operating certificates and other operating authorizations issued by the FAA pursuant to 14 C.F.R. Sections 119, 121 or 135 as currently in effect or as may be amended or recodified from time to time.

Section 5.26. [Reserved].

Section 5.27. [Reserved].

Section 5.28. First Priority Liens. The Liens securing the Obligations shall, and the Borrower shall take all necessary action to ensure that such Liens securing the Obligations shall, at all times, be ahead in priority to any other Liens (other than Permitted Liens).

Section 5.29. [Reserved].

Section 5.30. [Reserved].

Section 5.31. Engine Collateral. The Borrower shall at all times maintain the Collateral in accordance with the terms of the Security Documents and shall:

(a) at all times be a "transacting user entity" for purposes of the International Registry, have identified an "administrator", a "professional user entity" and have paid all required fees and taken all other actions necessary to enable the Borrower to register any "international interest" (including the "contract of sale" interest in favor of the Borrower as against seller, as applicable) or other filing necessary or advisable to perfect or protect the Security Trustee's Lien in the Engines with the International Registry;

(b) use, operate, maintain, repair and store each Engine and any airframe on which an Engine is attached, and every part thereof, properly, carefully and in compliance with all applicable statutes, ordinances and regulations of all jurisdictions in which such Engine and/or airframe is operated or used, as well as all applicable insurance policies, manufacturer's recommendations and operating and maintenance manuals;

(c) ensure that each airframe on which an Engine is attached will be operated at all times by a currently certificated pilot having the minimum total pilot hours and minimum pilot- in-command hours required by FAA rules or regulations or as required by applicable insurance policies, whichever requirements are stricter;

(d) ensure that all records and other materials pertaining to the maintenance and operation of each Engine are properly maintained, including but not limited to those required by applicable law, rule or regulation and by the manufacturer for the enforcement of any warranty;

(e) (i) ensure that each Engine is and shall at all times be maintained in good repair in the configuration and condition and in airworthy condition necessary for all material licenses under the laws, ordinances, rules and regulations of all jurisdictions in which such Engine will at any time be operated, comply in a timely manner with all applicable mandatory service bulletins, service letters, manufacturer's directives and airworthiness directives, (ii) use reasonable care to prevent each Engine from being damaged or injured, and promptly replace any part or component of such Engine which may be damaged, worn out, lost, destroyed, confiscated or otherwise rendered unsatisfactory or unavailable for use in or upon such Engine and (iii) not operate any Engine in a manner that would invalidate any warranty;

(f) Borrower shall (i) maintain each engine in accordance with the Engine Manufacturer's then current FAA approved engine maintenance program for engines of the same type as the Engines, which describes the routine maintenance and inspection requirements for the Engines and is used to define routine maintenance tasks and inspections during any shop visit and/or overhaul, and (ii) enroll and maintain such enrollment for each Engine in the Engine Manufacturer's TRUEngine Program; and

(g) Borrower shall not operate, insure, maintain, repair or otherwise treat any Engine in a manner which discriminates against such Engine when compared to with the manner in which the Borrower operates, insures, maintains or otherwise treats engines in the Borrower's fleet.

Section 5.32. Sanctions Compliance.

(a) The Borrower shall not, directly or indirectly, use an Engine, or any airframe on which an Engine is attached, in any way, or lease, sublease, sell, or permit the use of an Engine, and any airframe on which an Engine is attached, to any Person or in any country to which the export and/or use of such Engine or airframe is not permitted, under any sanctions or export control laws or regulations of the United States or any other applicable jurisdiction. The Borrower shall deliver to the Administrative Agent any certification or other evidence reasonably requested from time to time by the Administrative Agent or the Security Trustee confirming its compliance with this Section 5.32.

(b) The Borrower shall not, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available any funds to any joint venture partner or other Person to fund any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of any sanctions administered by the United States or any other applicable jurisdiction, or in any other manner that will result in a violation of such sanctions.

Section 5.33. [Reserved].

Section 5.34. Further Assurances. The Borrower shall, promptly upon reasonable request by the Security Trustee, the Administrative Agent, or the Required Lenders through the Administrative Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Security Trustee, the Administrative Agent, or the Required Lenders through the Administrative Agent, may reasonably require from time to time in order to carry out more effectively the purposes of the Loan Documents.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES

Section 6.1. Corporate Existence; Foreign Qualification; Status. The Borrower is duly organized, validly existing, and in good standing (or comparable concept in the applicable jurisdiction) under the laws of its state or jurisdiction of incorporation, and is duly qualified and authorized to do business and is in good standing (or comparable concept in the applicable jurisdiction) as a foreign entity in the jurisdictions set forth opposite its name on Schedule 6.1 hereto, which are all of the states or jurisdictions where the character of its property or its business activities makes such qualification necessary except where the failure to be so qualified is not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect. Schedule 6.1 hereto sets forth, as of the Closing Date each Person that is an owner of the Borrower's equity, its state (or jurisdiction) of formation, its relationship to the Borrower, including the percentage of each class of stock or other equity interest owned by such Person. The Borrower possesses and maintains all necessary franchises, licenses, permits, rights, concessions, authorizations and consents which are material to the operation of the routes flown by it and the conduct of its business and operations as currently conducted except in any case described in this clause (a), where the failure to do so, either individually or in the aggregate, could not be reasonably likely to have a Material Adverse Effect and (b) (i) is and shall maintain at all times its status at the DOT, as applicable, as an "air carrier" within the meaning of Section 40102(a)(2) of Title 49, and hold a certificate under Section 41102(a)(1) of Title 49, or a commuter air carrier authorization, as applicable; (ii) is and at all times hereunder will be a citizen of the United States as defined by Section 40102(a)15 of Title 49 and as that statutory provision has been interpreted by the DOT pursuant to its policies; and (iii) is and will maintain at all times its status at the FAA as an air carrier and hold air carrier operating certificates and other operating authorizations issued by the FAA pursuant to 14 C.F.R. Sections 119, 121 or 135 as currently in effect or as may be amended or recodified from time to time.

Section 6.2. Corporate Authority. The Borrower has the right and power and is duly authorized and empowered to enter into, execute and deliver the Loan Documents to which it is a party and to perform and observe the provisions of the Loan Documents. The Loan Documents to which the Borrower is a party have been duly authorized and approved by the Borrower's board of directors and are the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms. The execution, delivery and performance of the Loan Documents do not (i) conflict with, result in a breach in any of the provisions of, constitute a default under the provisions of, the Borrower's Organizational Documents or any material agreement to which the Borrower is a party or (ii) result in the creation of a Lien (other than any Permitted Lien) upon the Collateral.

Section 6.3. Compliance with Laws and Contracts. The Borrower:

(a) holds permits, certificates, licenses, orders, registrations, franchises, authorizations, and other approvals from any Governmental Authority necessary for the conduct of its business and is in compliance with all applicable laws relating thereto, except where the failure to do so would not have a Material Adverse Effect;

(b) is in compliance with all federal, state, local, or foreign applicable statutes, rules, regulations, and orders including, without limitation, those relating to environmental protection, occupational safety and health, and equal employment practices, except where the failure to be in compliance would not have a Material Adverse Effect;

(c) is not in violation of or in default under any material agreement to which it is a party or by which its assets are subject or bound, except with respect to any violation or default that would not have a Material Adverse Effect;

(d) has ensured that no Person who owns a controlling interest in or otherwise controls the Borrower and no executive officer or director of the Borrower is listed on (i) the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury, or (ii) any other similar prohibited parties lists maintained by any Governmental Authority pursuant to any authorizing statute, executive order or regulation;

(e) is in material compliance with all applicable Bank Secrecy Act ("BSA") and anti- money laundering laws and regulations; and

(f) is in compliance, in all material respects, with the Patriot Act.

Section 6.4. Litigation and Administrative Proceedings. Except as disclosed on Schedule 6.4 hereto, there are (a) no lawsuits, actions, investigations, examinations or other proceedings pending or, to the knowledge of the Borrower, threatened against the Borrower, or in respect of which the Borrower may have any liability, in any court or before or by any Governmental Authority, arbitration board, or other tribunal, (b) no orders, writs, injunctions, judgments, or decrees of any court or Governmental Authority to which the Borrower is a party

or by which the property or assets of the Borrower are bound, and (c) no grievances, disputes, or controversies outstanding with any union or other organization of the employees of the Borrower, or, to the Borrower's knowledge, threats of work stoppage, strike, or pending demands for collective bargaining, in any such case that could reasonably be expected to have a Material Adverse Effect.

Section 6.5. Title to Assets. The Borrower has good title to and ownership of the Collateral, and the Collateral is free and clear of all Liens, except those permitted under Section 5.9 hereof.

Section 6.6. Liens and Security Interests; Section 1110.

(a) On and after the Closing Date, except for Liens permitted pursuant to Section 5.9 hereof, there is and will be no U.C.C. Financing Statement or similar notice of Lien outstanding covering the Collateral. The Security Trustee, for the benefit of the Lenders, upon the filing of the U.C.C. Financing Statements and taking such other actions necessary to perfect its Lien against the Collateral as authorized hereunder will have a valid and enforceable first Lien on the Collateral securing the Obligations, subject to Liens permitted pursuant to Section 5.9 hereof. The Borrower has not entered into any contract or agreement that exists on or after the Closing Date that would prohibit the Security Trustee or the Lenders from acquiring a Lien on, or a collateral assignment of, the Collateral.

(b) The Collateral shall be entitled to the benefits of Section 1110 with respect to the right to take possession of the Engines as provided in the FAA Mortgage in the event of a case under Chapter 11 of the Bankruptcy Code in which the Borrower is a debtor.

Section 6.7. Tax Returns. All federal, state, provincial and local tax returns and other reports required by law to be filed in respect of the income, business, properties and employees of the Borrower have been filed and all taxes, assessments, fees and other governmental charges that are due and payable have been paid, except as otherwise permitted herein. The provision for taxes on the books of the Borrower is adequate for all years not closed by applicable statutes and for the current fiscal year.

Section 6.8. Environmental Laws. The Borrower is in material compliance with all Environmental Laws, including, without limitation, all Environmental Laws in all jurisdictions in which the Borrower owns or operates, or has owned or operated, a facility or site, arranges or has arranged for disposal or treatment of hazardous substances, solid waste or other wastes, accepts or has accepted for transport any hazardous substances, solid waste or other wastes or holds or has held any interest in real property or otherwise. No litigation or proceeding arising under, relating to or in connection with any Environmental Law or Environmental Permit is pending or, to the knowledge of the Borrower, threatened, against the Borrower, any real property in which the Borrower holds or has held an interest or any past or present operation of the Borrower. To the knowledge of the Borrower, no release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring, or has occurred (other than those that are currently being remediated in accordance with Environmental Laws), on, under or to any real property in which the Borrower holds any interest or performs any of its operations, in violation of any Environmental Law. As used in this Section 6.8, "litigation or proceeding" means any demand, claim, notice, suit, suit in equity, action, administrative action, investigation or written inquiry whether brought by any Governmental Authority or private Person, or otherwise.

Section 6.9. [Reserved].

Section 6.10. Continued Business. There exists no actual, pending, or, to the Borrower's knowledge, any threatened termination, cancellation or limitation of, or any modification or change in the business relationship of the Borrower and any customer or supplier, or any group of customers or suppliers, whose purchases or supplies, individually or in the aggregate, are material to the business of the Borrower, and there exists no present condition or state of facts or circumstances that would have a Material Adverse Effect or prevent the Borrower from conducting such business or the transactions contemplated by this Agreement in substantially the same manner in which it was previously conducted.

Section 6.11. Employee Benefits Plans. Schedule 6.11 hereto identifies each ERISA Plan. Each ERISA Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and all other applicable laws. No ERISA Event has occurred or is expected to occur with respect to an ERISA Plan. Full payment has been made of all amounts that a Controlled Group member is required, under applicable law or under the governing documents, to have paid as a contribution to or a benefit under each ERISA Plan. The liability of each Controlled Group member with respect to each ERISA Plan has been fully funded based upon reasonable and proper actuarial assumptions, has been fully insured, or has been fully reserved for on its financial statements. No changes have occurred or are expected to occur that would cause a material increase in the cost of providing benefits under the ERISA Plan. With respect to each ERISA Plan that is intended to be qualified under Code Section 401(a), (a) the ERISA Plan and any associated trust operationally comply with the applicable requirements of Code Section 401(a); (b) the ERISA Plan and any associated trust have been amended to comply with all such requirements as currently in effect, other than those requirements for which a retroactive amendment can be made within the "remedial amendment period" available under Code Section 401(b) (as extended under Treasury Regulations and other Treasury pronouncements upon which taxpayers may rely); (c) the ERISA Plan and any associated trust have received a favorable determination letter from the Internal Revenue Service stating that the ERISA Plan qualifies under Code Section 401(a), that the associated trust qualifies under Code Section 501(a) and, if applicable, that any cash or deferred arrangement under the ERISA Plan qualifies under Code Section 401(k), unless the ERISA Plan was first adopted at a time for which the above-described "remedial amendment period" has not yet expired; (d) the ERISA Plan currently satisfies the requirements of Code Section 410(b), without regard to any retroactive amendment that may be made within the above-described "remedial amendment period"; and (e) no contribution made to the ERISA Plan is subject to an excise tax under Code Section 4972. With respect to any Pension Plan, the "accumulated benefit obligation" of Controlled Group members with respect to the Pension Plan (as determined under Accounting Standards Codification No. 715, "Employers' Accounting for Pensions") does not exceed the fair market value of Pension Plan assets.

Section 6.12. Consents or Approvals. No consent, approval or authorization of, or filing, registration or qualification with, any Governmental Authority or any other Person is required to be obtained or completed by the Borrower in connection with the execution, delivery or performance of any of the Loan Documents, that has not already been obtained or completed.

Section 6.13. Solvency. The Borrower has received consideration that is the reasonably equivalent value of the obligations and liabilities that the Borrower has incurred to the Security Trustee, the Administrative Agent and the Lenders. The Borrower is not insolvent as defined in any applicable state, federal or relevant foreign statute, nor will the Borrower be rendered insolvent by the execution and delivery of the Loan Documents to the Security Trustee, the Administrative Agent and the Lenders. The Borrower is not engaged or about to engage in any business or transaction for which the assets retained by it are or will be an unreasonably small amount of capital, taking into consideration the obligations to the Security Trustee, the Administrative Agent and the Lenders incurred hereunder. The Borrower does not intend to, nor does it believe that it will, incur debts beyond its ability to pay such debts as they mature.

Section 6.14. Financial Statements. The unaudited consolidated financial statements of Parent for the fiscal quarter ended June 30, 2016, furnished to the Administrative Agent and the Lenders, are true and complete, have been prepared in accordance with GAAP, and fairly present the financial condition of the Borrower as of the dates of such financial statements and the results of their operations for the periods then ending. Since the dates of such statements, there has been no material adverse change in the Borrower's financial condition, properties or business or any change in the Borrower's accounting procedures.

Section 6.15. Regulations. The Borrower is not engaged principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any "margin stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States of America). Neither the granting of any Loan nor the use of the proceeds of any Loan will violate, or be inconsistent with, the provisions of Regulation T, U or X or any other Regulation of such Board of Governors.

Section 6.16. [Reserved].

Section 6.17. [Reserved].

Section 6.18. Insurance. The Borrower maintains with financially sound and reputable insurers insurance with coverage and limits as required by law and as is customary with Persons engaged in the same businesses as the Borrower, including the insurances required under the Security Documents.

Section 6.19. [Reserved].

Section 6.20. Accurate and Complete Statements. Neither the Loan Documents nor any written statement made by the Borrower in connection with any of the Loan Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein or in the Loan Documents not misleading as of the time when made or delivered (it being recognized by the Administrative Agent and Lenders that any projections and forecasts provided by the Borrower in good faith and based upon reasonable assumptions are not to be viewed as facts and that actual results during the period or periods covered by any such projections and forecasts may differ from the projected or forecasted results).

Section 6.21. Investment Company; Other Restrictions. The Borrower is not (a) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or (b) subject to any foreign, federal, state or local statute or regulation limiting its ability to incur Indebtedness.

Section 6.22. FAA Requirements. The Borrower is not in material violation of any FAA regulation or requirement as in effect from time to time.

Section 6.23. Material Adverse Change. No condition or event has occurred that the Security Trustee, the Administrative Agent or the Required Lenders could reasonably determine has or is reasonably likely to have a Material Adverse Effect.

Section 6.24. Defaults. No Default or Event of Default exists, nor will any begin to exist immediately after the execution and delivery hereof.

Section 6.25. Use of Proceeds. The Borrower's use of the proceeds of (i) each Engine Acquisition Loan shall be for the purchase or re-financing of Engines listed as "Initial Acquisition Engines" in Schedule 2 and (ii) the Delayed Draw Loan shall be for the purchase or re-financing of Engines listed as "Delayed Draw Engines" in Schedule 2.

ARTICLE VII. [RESERVED]

ARTICLE VIII. EVENTS OF DEFAULT

Any of the following specified events shall constitute an Event of Default (each an "Event of Default"):

Section 8.1. Payments. If (a) the interest on any Loan, any commitment or other fee, or any other Obligation not listed in subpart (b) hereof, shall not be paid in full when due and payable or within five (5) Business Days thereafter, or (b) the principal of any Loan, or any amount owing pursuant to Section 2.12(a) or (b) hereof shall not be paid in full when due and payable.

Section 8.2. Special Covenants. If the Borrower shall fail or omit to perform and observe Section 5.1, 5.3, 5.5(a), 5.9, 5.12, 5.21, 5.25 and 5.28 hereof.

Section 8.3. Other Covenants. If the Borrower shall fail or omit to perform and observe any agreement or other provision (other than those referred to in Section 8.1 or 8.2 hereof) contained or referred to in this Agreement or any other Related Writing that is on the Borrower's part, to be complied with, and that Default shall not have been fully corrected within thirty (30) days after the earlier of (a) any Financial Officer of the Borrower becomes aware of the occurrence thereof, or (b) the giving of written notice thereof to the Borrower by the Administrative Agent, the Security Trustee or the Required Lenders that the specified Default is to be remedied.

Section 8.4. Representations and Warranties. If any representation, warranty or statement made in or pursuant to this Agreement or any other Related Writing or any other material information furnished by the Borrower to the Administrative Agent, the Security Trustee or the Lenders, or any thereof, shall be false or erroneous in any material respect as of the date of such representation, warranty or statement (without duplication as to any materiality modifiers, qualifications, or limitations applicable thereto).

Section 8.5. [Reserved].

Section 8.6. ERISA Default. The occurrence of one or more ERISA Events that (a) the Required Lenders determine could have a Material Adverse Effect, or (b) results in a Lien on any of the assets of the Borrower.

Section 8.7. [Reserved].

Section 8.8. Judgments. There is entered against the Borrower:

(a) a final judgment or order for the payment of money by a court of competent jurisdiction, that remains unpaid or unstayed and undischarged for a period (during which execution shall not be effectively stayed) of thirty (30) days after the date on which the right to appeal has expired or payment has become due under the terms of an agreed settlement, provided that such occurrence shall constitute an Event of Default only if the aggregate of all unpaid, unstayed and undischarged judgments for the Borrower, shall exceed Five Million Dollars ($5,000,000) (less any amount that will be covered by the proceeds of insurance and is not subject to dispute by the insurance provider); or

(b) any one or more non-monetary final judgments that are not covered by insurance, or, if covered by insurance, for which the insurance company has not agreed to or acknowledged coverage, and that, in either case, the Required Lenders reasonably determine have, or would be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (i) enforcement proceedings are commenced by the prevailing party or any creditor upon such judgment or order, or (ii) there is a period of three (3) consecutive Business Days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect.

Section 8.9. Material Adverse Change. There shall have occurred any condition or event that the Security Trustee, the Administrative Agent or the Required Lenders reasonably determine has or is reasonably likely to have a Material Adverse Effect.

Section 8.10. Security. If any Lien granted in this Agreement or any other Loan Document in favor of the Security Trustee, for the benefit of the Lenders, shall be determined to be (a) void, voidable or invalid, or is subordinated or not otherwise given the priority contemplated by this Agreement and the Borrower has failed to promptly execute appropriate documents to correct such matters, or (b) unperfected as to any material amount of Collateral (as determined by the Security Trustee, in its reasonable discretion) and the Borrower has failed to promptly, upon receipt of notice or otherwise becoming aware of such matters, execute appropriate documents to correct such matters.

Section 8.11. Validity of Loan Documents. If (a) any material provision, in the sole opinion of the Security Trustee or the Administrative Agent, of any Loan Document shall at any time cease to be valid, binding and enforceable against the Borrower; (b) the validity, binding effect or enforceability of any Loan Document against the Borrower shall be contested by the

Borrower; (c) the Borrower shall deny that it has any or further liability or obligation under any Loan Document; or (d) any Loan Document shall be terminated, invalidated or set aside, or be declared ineffective or inoperative or in any way cease to give or provide to the Security Trustee, the Administrative Agent and the Lenders the benefits purported to be created thereby.

Section 8.12. Solvency. If the Borrower shall (a) except as permitted pursuant to Section 5.12 hereof, discontinue business; (b) generally not pay its debts as such debts become due; (c) make a general assignment for the benefit of creditors; (d) apply for or consent to the appointment of an interim receiver, a receiver, a receiver and manager, an administrator, a sequestrator, a monitor, a custodian, a trustee, an interim trustee, a liquidator, an agent or any other similar official of all or a substantial part of its assets or of the Borrower; (e) be adjudicated a debtor or insolvent or have entered against it an order for relief under the Bankruptcy Code, or under any other bankruptcy insolvency, liquidation, winding-up, corporate or similar statute or law, foreign, federal, state or provincial, in any applicable jurisdiction, now or hereafter existing, as any of the foregoing may be amended from time to time, or other applicable statute for jurisdictions outside of the United States, as the case may be; (f) file a voluntary petition under the Bankruptcy Code or seek relief under any bankruptcy or insolvency or analogous law in any jurisdiction outside of the United States, or file a proposal or notice of intention to file such petition; (g) have an involuntary proceeding under the Bankruptcy Code filed against it and the same shall not be controverted within ten (10) days, or shall continue undismissed for a period of sixty (60) days from commencement of such proceeding or case; (h) file a petition, an answer, an application or a proposal seeking reorganization or an arrangement with creditors or seeking to take advantage of any other law (whether federal, provincial or state, or, if applicable, other jurisdiction) relating to relief of debtors, or admit (by answer, by default or otherwise) the material allegations of a petition filed against it in any bankruptcy, reorganization, insolvency or other proceeding (whether federal, provincial or state, or, if applicable, other jurisdiction) relating to relief of debtors; (i) suffer or permit to continue unstayed and in effect for sixty (60) consecutive days any judgment, decree or order entered by a court of competent jurisdiction, that approves a petition or an application or a proposal seeking its reorganization or appoints an interim receiver, a receiver and manager, an administrator, custodian, trustee, interim trustee or liquidator of all or a substantial part of its assets, or of the Borrower; (j) have an administrative receiver appointed over the whole or substantially the whole of its assets, or of the Borrower; (k) have assets, the value of which is less than its liabilities (taking into account prospective and contingent liabilities, and rights of contribution from other Persons); or (l) have a moratorium declared in respect of any of its Indebtedness, or any analogous procedure or step is taken in any jurisdiction.

Section 8.13. Status. If the Borrower ceases to be (a) an “air carrier” within the meaning of Section 40102 of Title 49 or (b) a “citizen of the United States” as defined in Section 40102(a)(15) of Title 49.

ARTICLE IX. REMEDIES UPON DEFAULT

Notwithstanding any contrary provision or inference herein or elsewhere:

Section 9.1. Optional Defaults. If any Event of Default referred to in Section 8.1, 8.2, 8.3, 8.4, 8.6, 8.8, 8.9, 8.10, 8.11 or 8.13 hereof shall occur, the Security Trustee may, with the

consent of the Required Lenders (a copy of which is delivered to the Administrative Agent), and shall, at the written request of the Required Lenders (a copy of which is delivered to the Administrative Agent), give written notice to the Borrower to:

(a) terminate the Commitment, if not previously terminated, and, immediately upon such election, the obligations of the Lenders, and each thereof, to make any further Loan; and/or

(b) accelerate the maturity of all of the Obligations (if the Obligations are not already due and payable), whereupon all of the Obligations shall become and thereafter be immediately due and payable in full without any presentment or demand and without any further or other notice of any kind, all of which are hereby waived by the Borrower.

Section 9.2. Automatic Defaults. If any Event of Default referred to in Section 8.12 hereof shall occur:

(a) all of the Commitment shall automatically and immediately terminate, if not previously terminated, and no Lender thereafter shall be under any obligation to grant any further Loan; and

(b) the principal of and interest then outstanding on all of the Loans, and all of the other Obligations, shall thereupon become and thereafter be immediately due and payable in full (if the Obligations are not already due and payable), all without any presentment, demand or notice of any kind, which are hereby waived by the Borrower.

Section 9.3. [Reserved].

Section 9.4. Offsets. If there shall occur or exist any Event of Default referred to in Section 8.12 hereof or if the maturity of the Obligations is accelerated pursuant to Section 9.1 or 9.2 hereof, each Lender shall have the right at any time to set off against, and to appropriate and apply toward the payment of, any and all of the Obligations then owing by the Borrower to such Lender, whether or not the same shall then have matured, any and all deposit (general or special balances and all other indebtedness then held or owing by such Lender (including, without limitation, by branches and agencies or any Affiliate of such Lender, wherever located) to or for the credit or account of the Borrower, all without notice to or demand upon the Borrower or any other Person, all such notices and demands being hereby expressly waived by the Borrower.

Section 9.5. [Reserved].

Section 9.6. Collateral. The Security Trustee, the Administrative Agent and the Lenders shall at all times have the rights and remedies of a secured party under the U.C.C., in addition to the rights and remedies of a secured party provided elsewhere within this Agreement, in any other Related Writing executed by the Borrower or otherwise provided in law or equity. Upon the occurrence of an Event of Default and during the continuance thereof, the Security Trustee may require the Borrower to assemble the collateral securing the Obligations, which the Borrower agrees to do, and make it available to the Security Trustee and the Lenders at a reasonably convenient place to be designated by the Security Trustee. The Security Trustee may, with or without notice to or demand upon the Borrower and with or without the aid of legal process, make use of such force as may be necessary to enter any premises where such collateral,

or any thereof, may be found and to take possession thereof (including anything found in or on such collateral that is not specifically described in this Agreement, each of which findings shall be considered to be an accession to and a part of such collateral) and for that purpose may pursue such collateral wherever the same may be found, without liability for trespass or damage caused thereby to the Borrower. After any delivery or taking of possession of the collateral securing the Obligations, or any thereof, pursuant to this Agreement, then, with or without resort to the Borrower personally or any other Person or property, all of which the Borrower hereby waives, and upon such terms and in such manner as the Security Trustee may deem advisable, the Security Trustee, in its discretion, may sell, assign, transfer and deliver any of such collateral at any time, or from time to time. No prior notice need be given to the Borrower or to any other Person in the case of any sale of such collateral that the Security Trustee determines to be perishable or to be declining speedily in value or that is customarily sold in any recognized market, but in any other case the Security Trustee shall give the Borrower not fewer than ten days prior notice of either the time and place of any public sale of such collateral or of the time after which any private sale or other intended disposition thereof is to be made. The Borrower waives advertisement of any such sale and (except to the extent specifically required by the preceding sentence) waives notice of any kind in respect of any such sale. At any such public sale, the Security Trustee, the Administrative Agent or the Lenders may purchase such collateral, or any part thereof, free from any right of redemption, all of which rights the Borrower hereby waives and releases. After deducting all Related Expenses, and after paying all claims, if any, secured by Liens having precedence over this Agreement, the Security Trustee may apply the net proceeds of each such sale to or toward the payment of the Obligations, whether or not then due, in accordance with Section 9.8. Any excess, to the extent permitted by law, shall be paid to the Borrower, and the Borrower shall remain liable for any deficiency. In addition, the Security Trustee shall at all times have the right to obtain new appraisals of the Borrower or any collateral securing the Obligations, the cost of which shall be paid by the Borrower.

Section 9.7. Other Remedies. The remedies in this Article IX are in addition to, and not in limitation of, any other right, power, privilege, or remedy, either in law, in equity, or otherwise, to which the Lenders may be entitled. The Security Trustee shall exercise the rights under this Article IX and all other collection efforts on behalf of the Lenders and no Lender shall act independently with respect thereto, except as otherwise specifically set forth in this Agreement.

Section 9.8. Application of Proceeds.

(a) Payments Prior to Event of Default. If no Event of Default has occurred and is continuing, all monies received by the Security Trustee or Administrative Agent shall be applied, unless otherwise required by the terms of the other Loan Documents or by applicable law, as follows (provided that the Security Trustee and the Administrative Agent shall have the right at all times to apply any payment received from the Borrower first to the payment of all obligations (to the extent not paid by the Borrower) incurred by the Security Trustee and the Administrative Agent pursuant to Section 11.5 hereof and to the payment of Related Expenses to the Security Trustee):

(i) with respect to payments received in connection with the Delayed Draw Credit Commitment, to the Delayed Draw Lenders; and

(ii) with respect to payments received in connection with the Engine Acquisition Loan Commitment, to the Engine Acquisition Lenders.

(b) Payments Subsequent to Event of Default. If an Event of Default has occurred and is continuing, all monies received by the Security Trustee or Administrative Agent shall be applied, unless otherwise required by the terms of the other Loan Documents or by applicable law, as follows:

(i) first, to the payment pro rata of all obligations (to the extent not paid by the Borrower) incurred by the Security Trustee and the Administrative Agent pursuant to Section 11.5 hereof and to the payment of Related Expenses to the Security Trustee and Administrative Agent;

(ii) second, to the payment pro rata of (A) interest then accrued and payable on the outstanding Loans, (B) any fees then accrued and payable to the Security Trustee and the Administrative Agent, (C) any commitment fees, upfront fees, amendment fees and similar fees shared pro rata among the Lenders under this Agreement that are then accrued and payable, and (D) to the extent not paid by the Borrower, to the obligations incurred by the Lenders pursuant to Section 11.5 hereof;

(iii) third, for payment of principal outstanding on the Loans, on a pro rata basis to the Lenders, based upon each such Lender's Overall Commitment Percentage;

(iv) fourth, to any remaining Obligations; and

(v) finally, any remaining surplus after all of the Obligations have been paid in full, to the Borrower or to whomsoever shall be lawfully entitled thereto.

ARTICLE X. THE SECURITY TRUSTEE AND THE ADMINISTRATIVE AGENT

The Lenders authorize (a) Obsidian, and Obsidian hereby agrees, to act as Security Trustee for the Lenders in respect of this Agreement and (b) Cortland, and Cortland hereby agrees, to act as Administrative Agent for the Lenders in respect of this Agreement, in each case upon the terms and conditions set forth elsewhere in this Agreement, and upon the following terms and conditions:

Section 10.1. Appointment and Authorization of the Administrative Agent. Each Lender hereby irrevocably appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers hereunder as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto. Neither the Administrative Agent nor any of its affiliates, directors, officers, attorneys or employees shall (a) be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction), or be responsible in any manner to any of the Lenders for the effectiveness, enforceability, genuineness, validity or due execution of this Agreement or any other Loan Documents, (b) be under any obligation to any Lender to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions hereof or thereof on the

part of the Borrower, or the financial condition of the Borrower, or (c) be liable to the Borrower or Lenders for consequential damages resulting from any breach of contract, tort or other wrong in connection with the negotiation, documentation, administration or collection of the Loans or any of the Loan Documents. Notwithstanding any provision to the contrary contained in this Agreement or in any other Loan Document, the Administrative Agent shall not have any duty or responsibility except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in other Loan Documents with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. The provisions of this Article X are solely for the benefit of the Administrative Agent, the Security Trustee and Lenders and the Borrower shall not have any rights as a third party beneficiary of any of the provisions hereof.

Section 10.2. Appointment and Authorization of the Security Trustee. Each Lender hereby irrevocably appoints and authorizes the Security Trustee to take such action as agent on its behalf and to exercise such powers hereunder as are delegated to the Security Trustee by the terms hereof, together with such powers as are reasonably incidental thereto. Neither the Security Trustee nor any of its affiliates, directors, officers, attorneys or employees shall (a) be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction), or be responsible in any manner to any of the Lenders for the effectiveness, enforceability, genuineness, validity or due execution of this Agreement or any other Loan Documents, (b) be under any obligation to any Lender to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions hereof or thereof on the part of the Borrower, or the financial condition of the Borrower, or (c) be liable to the Borrower for consequential damages resulting from any breach of contract, tort or other wrong in connection with the negotiation, documentation, administration or collection of the Loans or any of the Loan Documents. Notwithstanding any provision to the contrary contained in this Agreement or in any other Loan Document, the Security Trustee shall not have any duty or responsibility except those expressly set forth herein, nor shall the Security Trustee have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Security Trustee. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in other Loan Documents with reference to the Security Trustee is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

Section 10.3. Note Holders. The Administrative Agent and the Security Trustee may treat the payee of any Note as the holder thereof (or, if there is no Note, the holder of the interest

as reflected on the books and records of the Administrative Agent) until written notice of transfer shall have been filed with the Administrative Agent, signed by such payee and in form satisfactory to the Administrative Agent.

Section 10.4. Consultation With Counsel and Experts. The Administrative Agent and the Security Trustee may consult with legal counsel, independent public accountants, consultants and other experts selected by the Administrative Agent or the Security Trustee, as the case may be, and neither shall be liable for any action taken or suffered in good faith by it in accordance with the opinion of such counsel, independent public accountants, consultants or other experts.

Section 10.5. Documents. Neither the Administrative Agent nor the Security Trustee shall be under any duty to examine into or pass upon the validity, effectiveness, genuineness or value of any Loan Document or any other Related Writing furnished pursuant hereto or in connection herewith or the value of any collateral obtained hereunder, and the Administrative Agent and the Security Trustee shall be entitled to assume that the same are valid, effective and genuine and what they purport to be.

Section 10.6. Security Trustee and Affiliates. Obsidian and its affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Borrower and its Affiliates as though Obsidian were not the Security Trustee hereunder and without notice to or consent of any Lender. Each Lender acknowledges that, pursuant to such activities, Obsidian or its affiliates may receive information regarding the Borrower or any Affiliate of Borrower (including information that may be subject to confidentiality obligations in favor of the Borrower or such Affiliate) and acknowledge that the Security Trustee shall be under no obligation to provide such information to other Lenders. With respect to Loans, Obsidian and its affiliates shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though Obsidian were not the Security Trustee, and the terms “Lender” and “Lenders” include Obsidian and its affiliates, to the extent applicable, in their individual capacities.

Section 10.7. Knowledge or Notice of Default. Neither the Administrative Agent nor the Security Trustee shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless such party has received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that the Administrative Agent or the Security Trustee receives such a notice, the Administrative Agent or the Security Trustee, as the case may be, shall give notice thereof to the Lenders and the Administrative Agent or the Security Trustee. The Administrative Agent and the Security Trustee shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that, unless and until the Administrative Agent or the Security Trustee shall have received such directions, the Administrative Agent or the Security Trustee, as the case may be, may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable, in its discretion, for the protection of the interests of the Lenders. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received written notice to the contrary from such Lender prior to the making of such Loan.

Section 10.8. Action by Agents. Subject to the other terms and conditions hereof, so long as the Security Trustee or the Administrative Agent, as applicable, shall be entitled, pursuant to Section 10.7 hereof, to assume that no Default or Event of Default shall have occurred and be continuing, each of the Security Trustee and the Administrative Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights that may be vested in it by, or with respect to taking or refraining from taking any action or actions that it may be able to take under or in respect of, this Agreement. Neither the Security Trustee nor the Administrative Agent shall incur liability under or in respect of this Agreement by acting upon any notice, certificate, warranty or other paper or instrument believed by it to be genuine or authentic or to be signed by the proper party or parties, or with respect to anything that it may do or refrain from doing in the reasonable exercise of its judgment, or that may seem to it to be necessary or desirable in the premises. Without limiting the foregoing, no Lender shall have any right of action whatsoever against the Security Trustee or the Administrative Agent as a result of such party's acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders.

Section 10.9. Delegation of Duties. The Administrative Agent and the Security Agreement may each execute any of its respective duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. Neither the Administrative Agent nor the Security Trustee shall be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct, as determined by a final and non-appealable judgment of a court of competent jurisdiction. All provisions hereof benefiting Administrative Agent and Security Trustee shall benefit such agents, employees or attorneys-in-fact, including provisions regarding indemnification.

Section 10.10. Indemnification of Administrative Agent and Security Trustee. The Lenders agree to indemnify the Security Trustee and the Administrative Agent (in each case, to the extent not reimbursed by the Borrower) ratably, according to their respective Overall Commitment Percentages, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable attorneys' fees and expenses) or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against the Security Trustee or the Administrative Agent, each in its respective capacity as agent in any way relating to or arising out of this Agreement or any other Loan Document, or any action taken or omitted by the Security Trustee or the Administrative Agent with respect to this Agreement or any other Loan Document, provided that no Lender shall be liable to the Security Trustee for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees and expenses) or disbursements resulting from the Security Trustee's gross negligence or willful misconduct as determined by a final and non-appealable judgment of a court of competent jurisdiction, or from any action taken or omitted by the Security Trustee in any capacity other than as agent under this Agreement or any other Loan Document, provided further that no Lender shall be liable to the Administrative Agent for any portion of such liabilities, obligations, losses, damages, penalties,

actions, judgments, suits, costs, expenses (including attorneys' fees and expenses) or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct as determined by a final and non-appealable judgment of a court of competent jurisdiction, or from any action taken or omitted by the Administrative Agent in any capacity other than as agent under this Agreement or any other Loan Document. No action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Article X. The undertaking in this Section 10.10 shall survive repayment of the Loans, cancellation of the Notes, if any, termination of the Commitment, any foreclosure under, or modification, release or discharge of, any or all of the Loan Documents, termination of this Agreement and the resignation or replacement of the agent.

Section 10.11. Successor Administrative Agent. The Administrative Agent may resign as agent hereunder by giving not fewer than thirty (30) days' prior written notice to the Borrower and the Lenders. If the Administrative Agent shall resign under this Agreement, then either (a) the Required Lenders shall appoint a successor agent for the Lenders (with the consent of the Borrower so long as an Event of Default does not exist and which consent shall not be unreasonably withheld), or (b) if a successor agent shall not be so appointed and approved within the thirty (30) day period following the Administrative Agent's notice to the Lenders of its resignation, then the Administrative Agent shall appoint a successor agent that shall serve as agent until such time as the Required Lenders appoint a successor agent. If no successor agent has accepted appointment as the Administrative Agent by the date that is thirty (30) days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. Upon its appointment, such successor agent shall succeed to the rights, powers and duties as agent, and the term "Administrative Agent" means such successor effective upon its appointment, and the former agent's rights, powers and duties as agent shall be terminated without any other or further act or deed on the part of such former agent or any of the parties to this Agreement. After any retiring Administrative Agent's resignation as the Administrative Agent, the provisions of this Article X shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent under this Agreement and the other Loan Documents.

Section 10.12. Successor Security Trustee. The Security Trustee may resign as agent hereunder by giving not fewer than thirty (30) days' prior written notice to the Borrower and the Lenders. If the Security Trustee shall resign under this Agreement, then either (a) the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders (with the consent of the Borrower so long as an Event of Default does not exist and which consent shall not be unreasonably withheld), or (b) if a successor agent shall not be so appointed and approved within the thirty (30) day period following the Security Trustee's notice to the Lenders of its resignation, then the Security Trustee shall appoint a successor agent that shall serve as agent until such time as the Required Lenders appoint a successor agent. If no successor agent has accepted appointment as the Security Trustee by the date that is thirty (30) days following a retiring Security Trustee's notice of resignation, the retiring Security Trustee's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Security Trustee hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. Upon its appointment, such successor agent shall

succeed to the rights, powers and duties as agent, and the term "Security Trustee" means such successor effective upon its appointment, and the former agent's rights, powers and duties as agent shall be terminated without any other or further act or deed on the part of such former agent or any of the parties to this Agreement. After any retiring Security Trustee's resignation as the Security Trustee, the provisions of this Article X shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Security Trustee under this Agreement and the other Loan Documents.

Section 10.13. Security Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Borrower, (a) the Security Trustee (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Security Trustee shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise, to (i) file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Security Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Security Trustee and their respective agents and counsel and all other amounts due the Lenders and the Security Trustee) allowed in such judicial proceedings, and (ii) collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and (b) any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Security Trustee and, in the event that the Security Trustee shall consent to the making of such payments directly to the Lenders, to pay to the Security Trustee any amount due for the reasonable compensation, expenses, disbursements and advances of the Security Trustee and its agents and counsel, and any other amounts due the Security Trustee. Nothing contained herein shall be deemed to authorize the Security Trustee to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Security Trustee to vote in respect of the claim of any Lender in any such proceeding.

Section 10.14. No Reliance on Customer Identification Program. Each Lender acknowledges and agrees that neither such Lender, nor any of its affiliates, participants or assignees, may rely on the Administrative Agent or the Security Trustee to carry out such Lender's or its affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other anti-terrorism law, including any programs involving any of the following items relating to or in connection with the Borrower, its Affiliates or agents, the Loan Documents or the transactions hereunder: (a) any identity verification procedures, (b) any record keeping, (c) any comparisons with government lists, (d) any customer notices or (e) any other procedures required under the CIP Regulations or such other laws.

Section 10.15. Other Agents. The Security Trustee shall have the continuing right from time to time to designate one or more Lenders (or its or their affiliates) as "syndication agent",

"co-syndication agent", "documentation agent", "co-documentation agent", "book runner", "lead arranger", "joint lead arranger", "arrangers" or other designations for purposes hereof. Any such designation referenced in the previous sentence or listed on the cover of this Agreement shall have no substantive effect, and any such Lender and its affiliates so referenced or listed shall have no additional powers, duties, responsibilities or liabilities as a result thereof, except in its capacity, as applicable, as the Security Trustee or a Lender.

Section 10.16. Right to Request and Act on Instructions. Administrative Agent and the Security Trustee may at any time request instructions from Lenders with respect to any actions or approvals which by the terms of this Agreement or of any of the Loan Documents Administrative Agent or the Security Trustee is permitted or desires to take or to grant, and if such instructions are promptly requested, Administrative Agent or the Security Trustee, as the case may be, shall be absolutely entitled to refrain from taking any action or to withhold any approval and shall not be under any liability whatsoever to any Person for refraining from any action or withholding any approval under any of the Loan Documents until it shall have received such instructions from Required Lenders or all or such other portion of Lenders as shall be prescribed by this Agreement. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Administrative Agent or the Security Trustee as a result of Administrative Agent or Security Trustee, as applicable, acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of Required Lenders and, notwithstanding the instructions of Required Lenders, Administrative Agent and Security Trustee each shall have no obligation to take any action if it believes, in good faith, that such action would violate applicable Law or exposes it to any liability for which it has not received satisfactory indemnification in accordance with the provisions of Section 10.10.

ARTICLE XI. MISCELLANEOUS

Section 11.1. Lenders' Independent Investigation. Each Lender, by its signature to this Agreement, acknowledges and agrees that neither the Security Trustee nor the Administrative Agent has made any representation or warranty, express or implied, with respect to the creditworthiness, financial condition, or any other condition of the Borrower or with respect to the statements contained in any information memorandum furnished in connection herewith or in any other oral or written communication between the Security Trustee or the Administrative Agent, as applicable, and such Lender. Each Lender represents that it has made and shall continue to make its own independent investigation of the creditworthiness, financial condition and affairs of the Borrower in connection with the extension of credit hereunder, and agrees that neither the Security Trustee nor the Administrative Agent has any duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto (other than such notices as may be expressly required to be given by the Security Trustee or the Administrative Agent, as applicable, to the Lenders hereunder), whether coming into its possession before the first Credit Event hereunder or at any time or times thereafter. Each Lender further represents that it has reviewed each of the Loan Documents.

Section 11.2. No Waiver; Cumulative Remedies. No omission or course of dealing on the part of the Security Trustee, the Administrative Agent, any Lender or the holder of any Note (or, if there is no Note, the holder of the interest as reflected on the books and records of the Administrative Agent) in exercising any right, power or remedy hereunder or under any of the

other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or under any of the Loan Documents. The remedies herein provided are cumulative and in addition to any other rights, powers or privileges held under any of the Loan Documents or by operation of law, by contract or otherwise.

Section 11.3. Amendments, Waivers and Consents.

(a) General Rule. No amendment, modification, termination, or waiver of any provision of any Loan Document nor consent to any variance therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders); *provided* that a copy of each such amendment, modification, termination, or waiver shall be delivered by Borrower to the Administrative Agent; and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) Exceptions to the General Rule. Notwithstanding the provisions of subsection (a) of this Section 11.3:

(i) Unanimous Consent Requirements. Unanimous consent of the Lenders shall be required with respect to (A) any increase in the Commitment hereunder, (B) the extension of the stated maturity of the Loans, the payment date of interest or scheduled principal hereunder, (C) any reduction in the stated rate of interest on the Loans (provided that the institution of the Default Rate or post default interest and a subsequent removal of the Default Rate or post default interest shall not constitute a decrease in interest rate pursuant to this Section 11.3), or in any amount of interest or scheduled principal due on any Loan, or any change in the manner of pro rata application of any payments made by the Borrower to the Lenders hereunder, (D) any change in any percentage voting requirement, voting rights, or the Required Lenders definition in this Agreement, (E) the release of the Borrower or of any material amount of collateral securing the Obligations, except as specifically permitted hereunder or (F) any amendment to this Section 11.3 or Section 9.8 hereof.

(ii) Provisions Relating to Special Rights and Duties. No provision of this Agreement affecting the Administrative Agent in its capacity as such shall be amended, modified or waived without the consent of the Administrative Agent. No provision of this Agreement affecting the Security Trustee in its capacity as such shall be amended, modified or waived without the consent of the Security Trustee.

(iii) Technical and Conforming Modifications. Notwithstanding the foregoing, technical and conforming modifications to the Loan Documents may be made with the consent of the Borrower and the Administrative Agent (A) if such modifications are not adverse to the Lenders and are requested by Governmental Authorities, or (B) to cure any ambiguity, defect or inconsistency.

(c) Replacement of Non-Consenting Lender. If, in connection with any proposed amendment, waiver or consent hereunder, the consent of all Lenders is required, but only the consent of Required Lenders is obtained, (any Lender withholding consent as described in this

subsection (c) being referred to as a "Non-Consenting Lender"), then, at the request and sole expense of the Borrower, upon notice to such Non-Consenting Lender and the Administrative Agent, such Non-Consenting Lender shall assign and delegate, without recourse (in accordance with the restrictions contained in Section 11.10 hereof) all of its interests, rights and obligations under this Agreement to a financial institution acceptable to the Administrative Agent and the Borrower that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that such Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from such financial institution (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts, including any breakage compensation under Article III hereof).

(d) Generally. Notice of amendments, waivers or consents ratified by the Lenders hereunder shall be forwarded by the Administrative Agent to all of the Lenders. Each Lender or other holder of a Note, or if there is no Note, the holder of the interest as reflected on the books and records of the Administrative Agent (or interest in any Loan) shall be bound by any amendment, waiver or consent obtained as authorized by this Section 11.3, regardless of its failure to agree thereto.

Section 11.4. Notices. All notices, requests, demands and other communications provided for hereunder shall be in writing and mailed or delivered to it, addressed to it at the address specified on the signature pages of this Agreement (or, in the case of any Lender who becomes a Lender after the date hereof, in an Assignment Agreement or in a notice delivered to Borrower and Administrative Agent by the assignee Lender forthwith upon such assignment), or, as to each party, at such other address as shall be designated by such party in a written notice to each of the other parties. All notices, statements, requests, demands and other communications provided for hereunder shall be deemed to be given or made when delivered (if received during normal business hours on a Business Day, such Business Day or otherwise the following Business Day), or two Business Days after being deposited in the mails with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by facsimile or electronic communication, in each case of facsimile or electronic communication with telephonic confirmation of receipt. All notices from the Borrower to the Security Trustee, the Administrative Agent or the Lenders pursuant to any of the provisions hereof shall not be effective until received by the Security Trustee, the Administrative Agent or the Lenders, as the case may be. For purposes of Article II hereof, the Security Trustee and the Administrative Agent shall be entitled to rely on instructions from any person that the Security Trustee or the Administrative Agent, as the case may be, in good faith believes is an Authorized Officer, and the Borrower shall hold the Security Trustee, the Administrative Agent and each Lender harmless from any loss, cost or expense resulting from any such reliance.

Section 11.5. Costs, Expenses and Documentary Taxes. The Borrower agrees to pay on demand all costs and expenses of the Security Trustee, the Administrative Agent and the Lenders and all Related Expenses, including but not limited to (a) syndication, administration, travel and reasonable and documented out-of-pocket expenses, including but not limited to attorneys' fees and expenses of one counsel to the Administrative Agent and one counsel to the Security Trustee and Lenders in connection with the preparation, negotiation and closing of the Loan Documents and the administration of the Loan Documents, and the collection and disbursement of all funds

hereunder and the other instruments and documents to be delivered hereunder, (b) extraordinary expenses of the Security Trustee, the Administrative Agent and Lenders in connection with the administration of the Loan Documents and the other instruments and documents to be delivered hereunder, and (c) the reasonable fees and documented out-of-pocket expenses of one special counsel to the Administrative Agent and one special counsel to the Security Trustee and Lenders, with respect to the foregoing, and of one local counsel to the Administrative Agent and one local counsel for the Security Trustee and Lenders, if any, in each applicable jurisdiction who may be retained by the Administrative Agent, the Security Trustee and Lenders with respect thereto. The Borrower also agrees to pay on demand all costs and expenses (including Related Expenses) of the Security Trustee, the Administrative Agent and each Lender, including reasonable attorneys' fees and expenses, in connection with the restructuring or enforcement of the Obligations, this Agreement or any other Related Writing. In addition, the Borrower shall pay any and all stamp, transfer, documentary and other taxes, assessments, charges and fees payable or determined to be payable in connection with the execution and delivery of the Loan Documents and the other instruments and documents to be delivered hereunder, and agrees to hold the Security Trustee, the Administrative Agent and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or failure to pay such taxes or fees, other than those liabilities resulting from the gross negligence or willful misconduct of the Person being indemnified, in each case as determined by a final judgment of a court of competent jurisdiction. All obligations provided for in this Section 11.5 shall survive any termination of this Agreement. The Borrower shall not be responsible for the costs and expenses of any Lender in assigning any Loan pursuant to Section 11.10.

Section 11.6. Indemnification. The Borrower agrees to defend, indemnify and hold harmless the Security Trustee, the Administrative Agent and the Lenders (and their respective affiliates, officers, directors, attorneys, agents and employees) (each an "Indemnified Party") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees) or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against the Security Trustee, the Administrative Agent or any Lender in connection with any investigative, administrative or judicial proceeding (whether or not such Lender, the Security Trustee or the Administrative Agent shall be designated a party thereto) or any other claim by any Person relating to or arising out of any Loan Document or any actual or proposed use of proceeds of the Loans or any of the Obligations, or any activities of the Borrower or its Affiliates; provided that (i) no Lender, the Security Trustee nor the Administrative Agent shall have the right to be indemnified under this Section 11.6 for its own (or its respective affiliates', officers', directors', attorneys', agents' or employees') gross negligence or willful misconduct, as determined by a final judgment of a court of competent jurisdiction and (ii) any settlement by an Indemnified Party entered into without the Borrower's prior written consent shall have been settled in a commercially reasonable manner. All obligations provided for in this Section 11.6 shall survive any termination of this Agreement.

Section 11.7. Obligations Several; No Fiduciary Obligations. The obligations of the Lenders hereunder are several and not joint. Nothing contained in this Agreement and no action taken by the Security Trustee, the Administrative Agent or the Lenders pursuant hereto shall be deemed to constitute the Security Trustee, the Administrative Agent or the Lenders a partnership, association, joint venture or other entity. No default by any Lender hereunder shall excuse the

other Lenders from any obligation under this Agreement; but no Lender shall have or acquire any additional obligation of any kind by reason of such default. The relationship between the Borrower and the Lenders with respect to the Loan Documents and the other Related Writings is and shall be solely that of debtor and creditors, respectively, and none of the Security Trustee, the Administrative Agent nor any Lender shall have any fiduciary obligation toward the Borrower with respect to any such documents or the transactions contemplated thereby.

Section 11.8. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, and by facsimile or other electronic signature, each of which counterparts when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

Section 11.9. Binding Effect; Borrower's Assignment. This Agreement shall become effective when it shall have been executed by the Borrower, the Security Trustee, the Administrative Agent and each Lender and thereafter shall be binding upon and inure to the benefit of the Borrower, the Security Trustee, the Administrative Agent and each of the Lenders and their respective successors and permitted assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Security Trustee, the Administrative Agent and all of the Lenders.

Section 11.10. Lender Assignments.

(a) Assignments of Commitments. Each Lender shall have the right at any time or times to assign to an Eligible Transferee or, after acceleration of the Obligations pursuant to Article IX hereof, any other Person (in each case other than to a Defaulting Lender or any other Lender that shall not be in compliance with this Agreement), without recourse, all or a percentage of all of the following: (i) such Lender's Commitment, (ii) all Loans made by that Lender and (iii) such Lender's Notes. Each Lender shall at all times maintain the same Applicable Commitment Percentage (as rounded to the sixth decimal) with respect to the Delayed Draw Credit Commitment and the Engine Acquisition Loan.

(b) Prior Consent. No assignment may be consummated pursuant to this Section 11.10 without the prior written consent of the Borrower, the Security Trustee and the Administrative Agent (other than an assignment by any Lender to any Affiliate of such Lender which affiliate is an Eligible Transferee and either wholly-owned by a Lender or is wholly- owned by a Person that wholly owns, either directly or indirectly, such Lender, or to another Lender), which consent of the Borrower, the Security Trustee and the Administrative Agent shall not be unreasonably withheld; provided that (i) the consent of the Borrower shall not be required if, at the time of the proposed assignment, any Default or Event of Default shall then exist; (ii) the Borrower shall be deemed to have granted its consent unless the Borrower has expressly objected to such assignment within three (3) Business Days after notice thereof and (iii) the Borrower shall not be required to consent to any assignment pursuant to Section 11.10 if the proposed assignee is a fund that owns a controlling equity investment in an airline. Anything herein to the contrary notwithstanding, any Lender may at any time make a collateral assignment of all or any portion of its rights under the Loan Documents to a Federal Reserve Bank, and no such assignment shall release such assigning Lender from its obligations hereunder.

(c) Minimum Amount. Each such assignment shall be in a minimum amount of the lesser of One Hundred Thousand Dollars ($100,000) of the assignor's Commitment and interest herein, or the entire amount of the assignor's Commitment and interest herein.

(d) Assignment Fee. Unless the assignment shall be to an Affiliate of the assignor or the assignment shall be due to merger of the assignor or for regulatory purposes, either the assignor or the assignee shall remit to the Administrative Agent, for its own account, an administrative fee of Three Thousand Five Hundred Dollars ($3,500).

(e) Assignment Agreement. The assignor shall (i) cause the assignee to execute and deliver to the Borrower and the Administrative Agent an Assignment Agreement, and (ii) execute and deliver, or cause the assignee to execute and deliver, as the case may be, to the Administrative Agent such additional amendments, assurances and other writings as the Administrative Agent may reasonably require.

(f) Non-U.S. Assignee. If the assignment is to be made to an assignee that is organized under the laws of any jurisdiction other than the United States or any state thereof or the District of Columbia, the assignor Lender shall cause such assignee, at least five Business Days prior to the effective date of such assignment, (i) to represent to the assignor Lender (for the benefit of the assignor Lender, the Administrative Agent and the Borrower) that under applicable law and treaties no taxes will be required to be withheld by the Administrative Agent, the Borrower or the assignor with respect to any payments to be made to such assignee in respect of the Loans hereunder, (ii) to furnish to the assignor Lender (and, to the extent not previously provided, the Administrative Agent and the Borrower) either U.S. Internal Revenue Service Form W-8ECI, Form W-8IMY (together with the appropriate Form W-8 or Form W-9 from each beneficial owner), Form W-8BEN or Form W-BEN-E, as applicable (wherein such assignee claims entitlement to complete exemption from U.S. federal withholding tax on all payments hereunder), and (iii) to agree (for the benefit of the assignor, the Administrative Agent and the Borrower) to provide to the assignor Lender (and, to the extent not previously provided, to the Administrative Agent and the Borrower) a new Form W-8ECI, Form W-8IMY (together with the appropriate Form W-8 or Form W-9 from each beneficial owner), Form W-8BEN or Form W- 8BEN-E, as applicable, upon the expiration or obsolescence of any previously delivered form and comparable statements in accordance with applicable U.S. laws and regulations and amendments duly executed and completed by such assignee, and to comply from time to time with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

(g) Deliveries by Borrower. Upon satisfaction of all applicable requirements specified in subsections (a) through (f) above, the Borrower shall execute and deliver (i) to the Administrative Agent, the assignor and the assignee, any consent or release (of all or a portion of the obligations of the assignor) required to be delivered by the Borrower in connection with the Assignment Agreement, and (ii) to the assignee, if requested, and the assignor, if applicable, an appropriate Note or Notes. After delivery of the new Note or Notes, the assignor's Note or Notes, if any, being replaced shall be returned to the Borrower marked "replaced".

(h) Effect of Assignment. Upon satisfaction of all applicable requirements set forth in subsections (a) through (g) above, and any other condition contained in this Section 11.10, (i) the assignee shall become and thereafter be deemed to be a "Lender" for the purposes of this

Agreement, (ii) the assignor shall be released from its obligations hereunder to the extent that its interest has been assigned, (iii) in the event that the assignor's entire interest has been assigned, the assignor shall cease to be and thereafter shall no longer be deemed to be a "Lender" and (iv) the signature pages hereto and Schedule 1 hereto shall be automatically amended, without further action, to reflect the result of any such assignment.

(i) Administrative Agent to Maintain Register. The Administrative Agent shall maintain at the address for notices referred to in Section 11.4 hereof a copy of each Assignment Agreement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount (and stated interest) of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of demonstrable error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as the owner of the Loan recorded therein for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior written notice.

Section 11.11. Sale of Participations. Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time sell participations to one or more Eligible Transferees (each a "Participant") in all or a portion of its rights or obligations under this Agreement and the other Loan Documents (including, without limitation, all or a portion of the Commitment and the Loans and participations owing to it and the Note, if any, held by it); provided that:

(a) any such Lender's obligations under this Agreement and the other Loan Documents shall remain unchanged;

(b) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations;

(c) the parties hereto shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and each of the other Loan Documents; and

(d) no Participant (unless such Participant is itself a Lender) shall be entitled to require such Lender to take or refrain from taking action under this Agreement or under any other Loan Document, except that such Lender may agree with such Participant that such Lender will not, without such Participant's consent, take action of the type described as follows:

(i) increase the portion of the participation amount of any Participant over the amount thereof then in effect, or extend the Commitment Period, without the written consent of each Participant affected thereby; or

(ii) reduce the principal amount of or extend the time for any payment of principal of any Loan, or reduce the rate of interest or extend the time for payment of interest on any Loan, without the written consent of each Participant affected thereby.

The Borrower agrees that any Lender that sells participations pursuant to this Section 11.11 shall still be entitled to the benefits of Article III hereof, notwithstanding any such transfer; provided that the obligations of the Borrower shall not increase as a result of such transfer and the Borrower shall have no obligation to any Participant.

Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loan (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations.

Section 11.12. Replacement of Affected Lenders. Each Lender agrees that, during the time in which any Lender is an Affected Lender, at the request and sole expense of the Borrower, upon notice to such Affected Lender and the Administrative Agent, such Affected Lender shall assign and delegate, without recourse (in accordance with the restrictions contained in Section 11.10 hereof), all of its interests, rights and obligations under this Agreement to an Eligible Transferee, approved by the Borrower (unless an Event of Default shall exist) and the Administrative Agent, that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that such Affected Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (recognizing that any Affected Lender may have given up its rights under this Agreement to receive payment of fees and other amounts pursuant to Section 2.7(e) and (f) hereof), from such Eligible Transferee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts, including any breakage compensation under Article III hereof).

Section 11.13. Patriot Act Notice. Each Lender, and the Administrative Agent (for itself and not on behalf of any other party), hereby notifies the Borrower that, pursuant to the requirements of the Patriot Act, such Lender and the Administrative Agent are required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of each of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act. The Borrower shall provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by the Administrative Agent or a Lender in order to assist the Administrative Agent or such Lender in maintaining compliance with the Patriot Act.

Section 11.14. Severability of Provisions; Captions; Attachments. Any provision of this Agreement that shall be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. The several captions to sections and subsections herein are inserted for convenience only and shall be ignored in interpreting the provisions of this Agreement. Each schedule or exhibit attached to this Agreement shall be incorporated herein and shall be deemed to be a part hereof.

Section 11.15. Investment Purpose. Each of the Lenders represents and warrants to the Borrower and the Administrative Agent that such Lender is entering into this Agreement with the present intention of acquiring any Note issued pursuant hereto (or, if there is no Note, the interest as reflected on the books and records of the Administrative Agent) for investment purposes only and not for the purpose of distribution or resale, it being understood, however, that each Lender shall at all times retain full control over the disposition of its assets.

Section 11.16. Entire Agreement. This Agreement, any Note and any other Loan Document or other agreement, document or instrument attached hereto or executed on or as of the Closing Date integrate all of the terms and conditions mentioned herein or incidental hereto and supersede all oral representations and negotiations and prior writings with respect to the subject matter hereof (except with respect to the syndication provisions in the Commitment Letter which shall remain in full force and effect after the Closing Date).

Section 11.17. General Limitation of Liability. No claim may be made by the Borrower, any Lender, the Security Trustee, the Administrative Agent or any other Person against the Security Trustee, the Administrative Agent, or any other Lender or the affiliates, directors, officers, employees, attorneys or agents of any of them for any damages other than actual compensatory damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any of the other Loan Documents, or any act, omission or event occurring in connection therewith; and the Borrower, each Lender, the Security Trustee and the Administrative Agent hereby, to the fullest extent permitted under applicable law, waive, release and agree not to sue or counterclaim upon any such claim for any special, consequential or punitive damages, whether or not accrued and whether or not known or suspected to exist in their favor.

Section 11.18. No Duty. All attorneys, accountants, appraisers, consultants and other professional persons (including the firms or other entities on behalf of which any such Person may act) retained by the Security Trustee, the Administrative Agent or any Lender with respect to the transactions contemplated by the Loan Documents shall have the right to act exclusively in the interest of the Security Trustee, the Administrative Agent or such Lender, as the case may be, and shall have no duty of disclosure, duty of loyalty, duty of care, or other duty or obligation of any type or nature whatsoever to the Borrower or any other Person, with respect to any matters within the scope of such representation or related to their activities in connection with such representation. The Borrower agrees not to assert any claim or counterclaim against any such persons with regard to such matters, all such claims and counterclaims, now existing or hereafter arising, whether known or unknown, foreseen or unforeseeable, being hereby waived, released and forever discharged.

Section 11.19. Legal Representation of Parties. The Loan Documents were negotiated by the parties with the benefit of legal representation and any rule of construction or interpretation otherwise requiring this Agreement or any other Loan Document to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof.

Section 11.20. Governing Law; Submission to Jurisdiction.

(a) Governing Law. THIS AGREEMENT, EACH OF THE NOTES AND ANY OTHER RELATED WRITING 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, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

(b) Submission to Jurisdiction. Each party hereto hereby agrees that any actions or proceedings initiated by any other party hereto and arising directly or indirectly out of any Loan Document may be litigated in the state courts of the State of New York, in New York County and the United States District Court for the Southern District of the State of New York. Each of the parties hereto hereby (A) expressly submits and consents in advance to such non-exclusive jurisdiction and venue in any action or proceeding commenced by any other party in any of such courts, (B) agrees that jurisdiction and venue is proper in such courts, (C) waives personal service of the summons and complaint, or other process or papers issued therein and (D) agrees that such service of the summons and complaint may be made by registered mail, return receipt requested, addressed to the applicable party, at the address set forth in Section 11.4 hereof. Each party hereto hereby 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 action or proceeding arising out of or relating to and Loan Document in any court referred to above. Each of the parties hereto 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.

(c) 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 ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (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 THE LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(d) Appointment of Process Agent. The Borrower hereby appoints CT Corporation System, with its address at 111 Eighth Avenue, 13th Floor, New York, NY 10011, as its agent for service of process in any matter related to this Agreement or the other Loan Documents and shall provide written evidence of acceptance of such appointment by such agent on or promptly following the Closing Date.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties have executed and delivered this Credit Agreement as of the date first set forth above.

Address: 410 N. 44th Street
Suite 700
Phoenix, AZ 85008

E-mail: Brian.Gillman@mesa-air.com
Legal@mesa-air.com

Telephone: +1 602-685-4051

MESA AIRLINES, INC.

By: /s/ Brian S. Gillman
Name: Brian S. Gillman
Title: Executive Vice President, General Counsel and Corporate Secretary

.

Address:	2951 28th Street, Suite 1000 Santa Monica, California 90405	OBSIDIAN AGENCY SERVICES, INC., as the Security Trustee
E-mail:	fundops@tennenbaumcapital.com	By: /s/ Howard Levkowitz
Telephone:	310 899 4922	Name: Howard Levkowitz Title: President

[Signature Page to Credit Agreement]

Address:	225 West Washington Street, 21st Floor Chicago, Illinois 60606 Attn: Ryan Warren and Legal	CORTLAND CAPITAL MARKET SERVICES LLC, as the Administrative Agent
E-mail:	ryan.warren@cortlandglobal.com and legal@cortlandglobal.com	By: /s/ Emily Ergang Pappas Name: Emily Ergang Pappas
Telephone:	(312) 262-3194	Title: Associate Counsel

Address: 2951 28th Street, Suite 1000
Santa Monica, California 90405

E-mail: fundops@tennenbaumcapital.com
Telephone: 310 899 4922

SPECIAL VALUE CONTINUATION PARTNERS, LP, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

Address: 2951 28th Street, Suite 1000
Santa Monica, California 90405

E-mail: fundops@tennenbaumcapital.com
Telephone: 310 899 4922

TCP WATERMAN CLO, LLC, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

[Signature Page to Credit Agreement]

Address:	2951 28th Street, Suite 1000 Santa Monica, California 90405
E-mail:	fundops@tennenbaumcapital.com
Telephone:	310 899 4922

TENNENBAUM SENIOR LOAN FUND II, LP, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

Address: 2951 28th Street, Suite 1000
Santa Monica, California 90405

E-mail: fundops@tennenbaumcapital.com
Telephone: 310 899 4922

TENNENBAUM SENIOR LOAN FUNDING III, LLC, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

Address: 2951 28th Street, Suite 1000
Santa Monica, California 90405

E-mail: fundops@tennenbaumcapital.com
Telephone: 310 899 4922

TENNENBAUM SENIOR LOAN OPERATING III, LLC, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

Address: 2951 28th Street, Suite 1000
Santa Monica, California 90405

E-mail: fundops@tennenbaumcapital.com
Telephone: 310 899 4922

TCP CLO III, LLC, as a Lender

By: Series I of SVOF/MM, LLC
Its: Collateral Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

Address: 2951 28th Street, Suite 1000
Santa Monica, California 90405

E-mail: fundops@tennenbaumcapital.com
Telephone: 310 899 4922

TENNENBAUM SENIOR LOAN FUND IV-B, LP, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

Address: 2951 28th Street, Suite 1000
Santa Monica, California 90405

E-mail: fundops@tennenbaumcapital.com
Telephone: 310 899 4922

TENNENBAUM SENIOR LOAN FUND V, LLC, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

Address: 2951 28th Street, Suite 1000
Santa Monica, California 90405

E-mail: fundops@tennenbaumcapital.com
Telephone: 310 899 4922

TENNENBAUM ENERGY
OPPORTUNITIES CO., LLC, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

Address: 2951 28th Street, Suite 1000
Santa Monica, California 90405

E-mail: fundops@tennenbaumcapital.com
Telephone: 310 899 4922

TENNENBAUM ENHANCED YIELD OPERATING I, LLC, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

Address: 2951 28th Street, Suite 1000
Santa Monica, California 90405

E-mail: fundops@tennenbaumcapital.com
Telephone: 310 899 4922

SAFETY NATIONAL CASUALTY CORPORATION, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

Address: 2951 28th Street, Suite 1000
Santa Monica, California 90405

E-mail: fundops@tennenbaumcapital.com
Telephone: 310 899 4922

TMD-DL HOLDINGS, LLC, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

Address:	2951 28th Street, Suite 1000 Santa Monica, California 90405
E-mail:	fundops@tennenbaumcapital.com
Telephone:	310 899 4922

TCP DIRECT LENDING FUND VIII, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

[Signature Page to Credit Agreement]

Address:	2951 28th Street, Suite 1000 Santa Monica, California 90405
E-mail:	fundops@tennenbaumcapital.com
Telephone:	310 899 4922

TCP DIRECT LENDING FUND VIII-A, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

Address: 2951 28th Street, Suite 1000
Santa Monica, California 90405

E-mail: fundops@tennenbaumcapital.com
Telephone: 310 899 4922

TCP DIRECT LENDING FUND VIII-L, as a Lender

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

SCHEDULE 1
COMMITMENTS OF LENDERS

LENDERS	DELAYED DRAW LOAN COMMITMENT PERCENTAGE	DELAYED DRAW LOAN COMMITMENT AMOUNT TRANCHE B[1]	DELAYED DRAW LOAN COMMITMENT AMOUNT TRANCHE C[2]	ENGINE ACQUISITION LOAN COMMITMENT PERCENTAGE	ENGINE ACQUISITION LOAN COMMITMENT AMOUNT	MAXIMUM AMOUNT
Special Value Continuation Partners, LP	35.40%	$9,268,182.02	$9,731,591.12	35.40%	$16,546,651.92	$35,546,425.06
TCP Waterman CLO, LLC	5.25%	$1,373,846.82	$1,442,539.16	5.25%	$2,452,753.42	$5,269,139.40
Tennenbaum Senior Loan Fund II, LP	7.57%	$1,981,509.84	$2,080,585.33	7.57%	$3,537,625.13	$7,599,720.30
Tennenbaum Senior Loan Funding III, LLC	0.00%	$0.00	$0.00	4.34%	$2,028,238.41	$2,028,238.41
Tennenbaum Senior Loan Operating III, LLC	4.34%	$1,136,065.64	$1,192,868.92	0.00%	$0.00	$2,328,934.56
TCP CLO III, LLC	5.05%	$1,321,006.56	$1,387,056.89	5.05%	$2,358,416.75	$5,066,480.20
Tennenbaum Senior Loan Fund IV-B, LP	1.11%	$290,621.44	$305,152.51	1.11%	$518,851.69	$1,114,625.64
Tennenbaum Senior Loan Fund V, LLC	4.04%	$1,056,805.25	$1,109,645.51	4.04%	$1,886,733.40	$4,053,184.16
Tennenbaum Energy Opportunities Co., LLC	8.07%	$2,113,610.49	$2,219,291.01	8.07%	$3,773,466.80	$8,106,368.30
Tennenbaum Enhanced Yield Operating I, LLC	6.05%	$1,585,207.87	$1,664,468.26	6.05%	$2,830,100.10	$6,079,776.23
Safety National Casualty Corporation	6.36%	$1,664,468.26	$1,747,691.67	6.36%	$2,971,605.11	$6,383,765.04
TMD-DL Holdings, LLC	2.72%	$713,343.54	$749,010.72	2.72%	$1,273,545.05	$2,735,899.31
TCP Direct Lending Fund VIII	5.75%	$1,505,947.48	$1,581,244.85	5.75%	$2,688,595.10	$5,775,787.43
TCP Direct Lending Fund VIII-A	7.60%	$1,989,435.88	$2,088,907.67	7.60%	$3,551,775.63	$7,630,119.18
TCP Direct Lending Fund VIII-L	0.70%	$182,298.91	$191,413.86	0.70%	$325,461.51	$699,174.28
Total Commitment Amount	**100.00%**	**$26,182,350.00**	**$27,491,467.50**	**100.00%**	**$46,743,820.00**	**$100,417,637.50**

[1] As such amount may be reduced pursuant to the Credit Agreement.

[2] As such amount may be reduced pursuant to the Credit Agreement.

SCHEDULE 2

ENGINES

INITIAL ACQUISITION ENGINES

General Electric Model CF34-8C5 Engines bearing the following manufacturer's serial numbers:

1. 194745
2. 194450
3. 965557
4. 965251
5. 195600
6. 195601
7. 195604
8. 195609
9. 195616
10. 195617

DELAYED DRAW ENGINES

General Electric Model CF34-8C5 Engines acquired pursuant to the Acquisition Agreement and bearing the following manufacturer's serial numbers (provided that such manufacturer's serial numbers may change on or prior to delivery to the Borrower):

1. 195631
2. 195636
3. 195628
4. 195629
5. 195630
6. [TBD]
7. [TBD]
8. [TBD]
9. [TBD]
10. [TBD]

SCHEDULE 6.1

CORPORATE EXISTENCE; FOREIGN QUALIFICATION

Jurisdiction of incorporation of the Borrower: Nevada

Jurisdictions where the Borrower is authorized to do business: Arizona

Capitalization of Borrower

Holder of Capital Stock	Number of Shares of Capital Stock Outstanding	Number of Outstanding Shares of Each Class Owned	Percentage of Outstanding Share of Each Class Owned
Mesa Air Group, Inc.	1,000	1,000	100%

SCHEDULE 6.4

LITIGATION AND ADMINISTRATIVE PROCEEDINGS

None.

SCHEDULE 6.11

EMPLOYEE BENEFIT PLANS

1. UnumLife Insurance Company Policy # 590135
2. UnumLife Insurance Company Policy # 590284
3. UMR,Inc. Contract # 76410647
4. DiscoveryBenefits – Flexible Spending Account (FSA) Plan #501
5. LincolnFinancial Group MAG-001 (Mesa Air Group, Inc. 401(k) Plan

EXHIBIT A
FORM OF
DELAYED DRAW CREDIT NOTE

$_____ New York, New York
[_____ __], 201_

FOR VALUE RECEIVED, the undersigned, MESA AIRLINES, INC., a Nevada corporation (the "Borrower"), promises to pay to the order of ("Lender") at the office of _____ CORTLAND CAPITAL MARKET SERVICES LLC, as the Administrative Agent, as hereinafter defined, 225 West Washington Street, 21st Floor, Chicago, Illinois 60606, the principal sum of

[_____AND 00/100] ..... DOLLARS

in lawful money of the United States of America in consecutive principal payments as set forth in the Credit Agreement (as hereinafter defined).

As used herein, "Credit Agreement" means the Credit Agreement dated as of December 14, 2016, among the Borrower, the Lenders, as defined therein, Obsidian Agency Services, Inc., as the security trustee for the Lenders (the "Security Trustee") and Cortland Capital Market Services LLC, as the administrative agent for the Lenders (the "Administrative Agent"), as the same may from time to time be amended, restated or otherwise modified. Each capitalized term used herein that is defined in the Credit Agreement and not otherwise defined herein shall have the meaning ascribed to it in the Credit Agreement.

The Borrower also promises to pay interest on the unpaid principal amount of each Delayed Draw Loan from time to time outstanding, from the date of such Delayed Draw Loan until the payment in full thereof, at the rates per annum that shall be determined in accordance with the provisions of Section 2.4(b) of the Credit Agreement. Such interest shall be payable on each date provided for in such Section 2.4(b); provided that interest on any principal portion that is not paid when due shall be payable on demand.

The portions of the principal sum hereof from time to time representing Loans, interest owing thereon and payments of principal and interest of any thereof, shall be shown on the records of Lender by such method as Lender may generally employ; provided that failure to make any such entry shall in no way detract from the obligations of the Borrower under this Note or the Credit Agreement.

If this Note shall not be paid at maturity, whether such maturity occurs by reason of lapse of time or by operation of any provision for acceleration of maturity contained in the Credit Agreement, the principal hereof and the unpaid interest thereon shall bear interest, pursuant to the terms of the Credit Agreement, until paid, at a rate per annum equal to the Default Rate. All payments of principal of and interest on this Note shall be made in immediately available funds.

This Note is one of the Delayed Draw Credit Notes referred to in the Credit Agreement and is entitled to the benefits thereof. Reference is made to the Credit Agreement for a description of the right of the undersigned to anticipate payments hereof, the right of the holder hereof to declare this Note due prior to its stated maturity, and other terms and conditions upon which this Note is issued.

Except as expressly provided in the Credit Agreement, the Borrower expressly waives presentment, demand, protest and notice of any kind. This Note 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, without giving effect to principles of conflicts of law (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law).

The undersigned authorizes any attorney at law at any time or times after the maturity hereof (whether maturity occurs by lapse of time or by acceleration) to appear in any state or federal court of record in the United States of America, to waive the issuance and service of process, to admit the maturity of this Note and the nonpayment thereof when due, to confess judgment against the undersigned in favor of the holder of this Note for the amount then appearing due, together with interest and costs of suit, and thereupon to release all errors and to waive all rights of appeal and stay of execution. The foregoing warrant of attorney shall survive any judgment, and if any judgment be vacated for any reason, the holder hereof nevertheless may thereafter use the foregoing warrant of attorney to obtain an additional judgment or judgments against the undersigned. The undersigned agrees that the Security Trustee's attorney may confess judgment pursuant to the foregoing warrant of attorney. The undersigned further agrees that the attorney confessing judgment pursuant to the foregoing warrant of attorney may receive a legal fee or other compensation from the Security Trustee or the Lenders.

MESA AIRLINES, INC.

By:_____
Name:_____
Title:_____

EXHIBIT B
FORM OF
ENGINE ACQUISITION NOTE

$_____ New York, New York
December 14, 2016

FOR VALUE RECEIVED, the undersigned, MESA AIRLINES, INC., a Nevada corporation (the "Borrower"), promises to pay to the order of [_____] ("Lender") at the office of CORTLAND CAPITAL MARKET SERVICES LLC, as the Administrative Agent, as hereinafter defined, 225 West Washington Street, 21st Floor, Chicago, Illinois 60606, the principal sum of

[_____AND 00/100] ..... DOLLARS

in lawful money of the United States of America in consecutive principal payments as set forth in the Credit Agreement (as hereinafter defined).

As used herein, "Credit Agreement" means the Credit Agreement dated as of December

14, 2016, among the Borrower, the Lenders, as defined therein, Obsidian Agency Services, Inc., as the security trustee for the Lenders (the "Security Trustee") and Cortland Capital Market Services LLC, as the administrative agent for the Lenders (the "Administrative Agent"), as the same may from time to time be amended, restated or otherwise modified. Each capitalized term used herein that is defined in the Credit Agreement and not otherwise defined herein shall have the meaning ascribed to it in the Credit Agreement.

The Borrower also promises to pay interest on the unpaid principal amount of the Engine Acquisition Loan from time to time outstanding, from the date of the Engine Acquisition Loan until the payment in full thereof, at the rates per annum that shall be determined in accordance with the provisions of Section 2.4(a) of the Credit Agreement. Such interest shall be payable on each date provided for in such Section 2.4(a); provided that interest on any principal portion that is not paid when due shall be payable on demand.

The portions of the principal sum hereof from time to time representing Loans, interest owing thereon, and payments of principal and interest of any thereof, shall be shown on the records of Lender by such method as Lender may generally employ; provided that failure to make any such entry shall in no way detract from the obligations of the Borrower under this Note or the Credit Agreement.

If this Note shall not be paid at maturity, whether such maturity occurs by reason of lapse of time or by operation of any provision for acceleration of maturity contained in the Credit Agreement, the principal hereof and the unpaid interest thereon shall bear interest, pursuant to the terms of the Credit Agreement, until paid, at a rate per annum equal to the Default Rate. All payments of principal of and interest on this Note shall be made in immediately available funds.

This Note is one of the Engine Acquisition Notes referred to in the Credit Agreement and is entitled to the benefits thereof. Reference is made to the Credit Agreement for a description of

the right of the undersigned to anticipate payments hereof, the right of the holder hereof to declare this Note due prior to its stated maturity, and other terms and conditions upon which this Note is issued.

Except as expressly provided in the Credit Agreement, the Borrower expressly waives presentment, demand, protest and notice of any kind. This Note 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, without giving effect to principles of conflicts of law (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law).

The undersigned authorizes any attorney at law at any time or times after the maturity hereof (whether maturity occurs by lapse of time or by acceleration) to appear in any state or federal court of record in the United States of America, to waive the issuance and service of process, to admit the maturity of this Note and the nonpayment thereof when due, to confess judgment against the undersigned in favor of the holder of this Note for the amount then appearing due, together with interest and costs of suit, and thereupon to release all errors and to waive all rights of appeal and stay of execution. The foregoing warrant of attorney shall survive any judgment, and if any judgment be vacated for any reason, the holder hereof nevertheless may thereafter use the foregoing warrant of attorney to obtain an additional judgment or judgments against the undersigned. The undersigned agrees that the Security Trustee's attorney may confess judgment pursuant to the foregoing warrant of attorney. The undersigned further agrees that the attorney confessing judgment pursuant to the foregoing warrant of attorney may receive a legal fee or other compensation from the Security Trustee or the Lenders.

MESA AIRLINES, INC.

By:_____
Name:_____
Title:_____

EXHIBIT C
ENGINE ACQUISITION LOAN AMORTIZATION TABLE

PAYMENT DATE	MANUFACTURER'S SERIAL NUMBER									
	194745	194450	965557	965251	195600	195601	195604	195609	195616	195617
1/31/20173	110,740	95,288	211,178	169,973	135,205	130,055	119,753	68,247	61,808	61,808
2/28/2017	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
3/31/2017	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
4/30/2017	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
5/31/2017	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
6/30/2017	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
7/31/2017	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
8/31/2017	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
9/30/2017	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
10/31/2017	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
11/30/2017	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
12/31/2017	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
1/31/2018	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167

[3] First payment to be updated based on green time as of the first Payment Date.

2/28/2018	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
3/31/2018	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
4/30/2018	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
5/31/2018	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
6/30/2018	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
7/31/2018	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
8/31/2018	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
9/30/2018	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
10/31/2018	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
11/30/2018	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
12/31/2018	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167
1/31/2019	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
2/28/2019	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
3/31/2019	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
4/30/2019	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
5/31/2019	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
6/30/2019	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187

7/31/2019	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
8/31/2019	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
9/30/2019	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
10/31/2019	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
11/30/2019	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
12/31/2019	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
1/31/2020	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
2/29/2020	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
3/31/2020	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
4/30/2020	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
5/31/2020	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
6/30/2020	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
7/31/2020	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
8/31/2020	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
9/30/2020	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
10/31/2020	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
11/30/2020	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187

12/31/2020	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
1/31/2021	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
2/28/2021	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
3/31/2021	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
4/30/2021	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
5/31/2021	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
6/30/2021	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
7/31/2021	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
8/31/2021	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
9/30/2021	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
10/31/2021	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
11/30/2021	64,241	45,825	48,228	72,263	90,090	90,237	90,531	92,003	92,187	92,187
12/31/2021	815,000	650,000	700,000	900,000	1,047,294	1,047,294	1,047,294	1,047,294	1,047,294	1,047,294
Total	4,075,000	3,250,000	3,500,000	4,500,000	5,236,470	5,236,470	5,236,470	5,236,470	5,236,470	5,236,470

DELAYED DRAW LOAN AMORTIZATION TABLE

PAYMENT NUMBER	AMOUNT[4]
1	18,027[5]
2	39,167
3	39,167
4	39,167
5	39,167
6	39,167
7	39,167
8	39,167
9	39,167
10	39,167
11	39,167
12	39,167

[4] To be updated based on actual Loan amount.
[5] First payment to be updated based on estimated green time as of the first Regularly Scheduled Payment Date.

PAYMENT NUMBER	AMOUNT[4]
13	39,167
14	39,167
15	39,167
16	39,167
17	39,167
18	39,167
19	39,167
20	39,167
21	39,167
22	39,167
23	39,167
24	39,167
25	93,438
26	93,438
27	93,438
28	93,438

PAYMENT NUMBER	AMOUNT[4]
29	93,438
30	93,438
31	93,438
32	93,438
33	93,438
34	93,438
35	93,438
36	93,438
37	93,438
38	93,438
39	93,438
40	93,438
41	93,438
42	93,438
43	93,438
44	93,438

PAYMENT NUMBER	AMOUNT[4]
45	93,438
46	93,438
47	93,438
48	93,438
49	93,438
50	93,438
51	93,438
52	93,438
53	93,438
54	93,438
55	93,438
56	93,438
57	93,438
58	93,438
59	93,438
60	1,047,294

EXHIBIT D
FORM OF
NOTICE OF LOAN

_____, 201____

Cortland Capital Market Services LLC, as the Administrative Agent
225 West Washington Street, 21st Floor
Chicago, Illinois 60606
Attn: Ryan Warren
Facsimile: 312-376-0751
Email: ryan.warren@cortlandglobal.com

Ladies and Gentlemen:

The undersigned, _____, on behalf of MESA AIRLINES, INC., a Nevada corporation (the "Borrower"), refers to the Credit Agreement, dated as of December ___, 2016 (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, the Lenders, as defined in the Credit Agreement, OBSIDIAN AGENCY SERVICES, INC., as the security trustee for the Lenders (the "Security Trustee") and CORTLAND CAPITAL MARKET SERVICES LLC, as the administrative agent for the Lenders (the "Administrative Agent"), and hereby gives you notice, pursuant to Section 2.6 of the Credit Agreement that the Borrower hereby requests a Loan (the "Proposed Loan"), and in connection therewith sets forth below the information relating to the Proposed Loan as required by Section 2.6 of the Credit Agreement:

(a) The Business Day of the Proposed Loan is _____ , 201__.

(b) The amount of the Proposed Loan is $_____.

(c) The Proposed Loan is to be:
a Delayed Draw Loan __ / the Engine Acquisition Loan __ (Check one.)

(d) The Interest Period is one month.

(e) The proceeds of the Proposed Loan should be transferred, for the benefit of Borrower, to the account identified in the wiring instructions attached hereto as Schedule 1.

(f) The Engines related to the Proposed Loan bear serial numbers [_____].

The undersigned hereby certifies on behalf of the Borrower that the following statements are true on the date hereof, and will be true on the date of the Proposed Loan:

(i) the representations and warranties contained in each Loan Document are correct in all material respects, before and after giving effect to the Proposed Loan and the application of the proceeds therefrom, as though made on and as of such date, except to the extent that any thereof expressly relate to an earlier date, in which case such representation or warranty shall be correct in all material respects as of such earlier date;

(ii) no event has occurred and is continuing, or would result from such Proposed Loan, or the application of proceeds therefrom, that constitutes a Default or Event of Default; and

(iii) the conditions set forth in Section 2.6 and Article IV of the Credit Agreement have been satisfied.

[Signature page follows.]

MESA AIRLINES, INC.

By: _____
Name: _____
Title: _____

Schedule 1

Wiring Instructions

Exhibit D-3

EXHIBIT E
FORM OF
ASSIGNMENT AND ACCEPTANCE AGREEMENT

This Assignment and Acceptance Agreement (this "Assignment Agreement") between _____(the "Assignor") and _____ (the "Assignee") is dated as of _____, 20__. The parties hereto agree as follows:

1. Preliminary Statement. Assignor is a party to a Credit Agreement, dated as of December 14, 2016 (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement"), among MESA AIRLINES, INC., a Nevada corporation (the "Borrower"), the lenders party thereto (together with their respective successors and assigns, collectively, the "Lenders" and, individually, each a "Lender"), OBSIDIAN AGENCY SERVICES, INC., as the security trustee for the Lenders (the "Security Trustee") and CORTLAND CAPITAL MARKET SERVICES LLC, as administrative agent for the Lenders (the "Administrative Agent"). Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement.

2. Assignment and Assumption. Assignor hereby sells and assigns to Assignee, and Assignee hereby purchases and assumes from Assignor, an interest in and to Assignor's rights and obligations under the Credit Agreement, effective as of the Assignment Effective Date (as hereinafter defined), equal to the percentage interest specified on Annex 1 hereto (hereinafter, the "Assigned Percentage") of Assignor's right, title and interest in and to (a) the Commitment, (b) any Loan made by Assignor that is outstanding on the Assignment Effective Date, (c) any Note delivered to Assignor pursuant to the Credit Agreement, and (d) the Credit Agreement and the other Related Writings. After giving effect to such sale and assignment and on and after the Assignment Effective Date, Assignee shall be deemed to have one or more Applicable Commitment Percentages under the Credit Agreement equal to the Applicable Commitment Percentages set forth in subparts II.A and II.B on Annex 1 hereto and an Assigned Amount as set forth on subparts I.A and I.B of Annex 1 hereto (hereinafter, the "Assigned Amount").

3. Assignment Effective Date. The Assignment Effective Date (the "Assignment Effective Date") shall be [_____ __, _____] (or such other date agreed to by the Administrative Agent). On or prior to the Assignment Effective Date, Assignor shall satisfy the following conditions:

(a) receipt by the Administrative Agent of this Assignment Agreement, including Annex 1 hereto, properly executed by Assignor and Assignee and accepted and consented to by the Administrative Agent and Security Trustee and, if necessary pursuant to the provisions of Section 11.10(b) of the Credit Agreement, by the Borrower;

(b) receipt by the Administrative Agent from Assignor of a fee of Three Thousand Five Hundred Dollars ($3,500), if required by Section 11.10(d) of the Credit Agreement;

(c) receipt by the Administrative Agent from Assignee of an administrative questionnaire, or other similar document, which shall include (i) the address for notices under the Credit Agreement, (ii) the address of its Lending Office, (iii) wire transfer instructions for delivery of funds by the Administrative Agent, and (iv) such other information as the Administrative Agent shall request; and

(d) receipt by the Administrative Agent from Assignor or Assignee of any other information required pursuant to Section 11.10 of the Credit Agreement or otherwise necessary to complete the transaction contemplated hereby.

4. Payment Obligations. In consideration for the sale and assignment of Loans hereunder, Assignee shall pay to Assignor, on the Assignment Effective Date, the amount agreed to by Assignee and Assignor. Any interest, fees and other payments accrued prior to the Assignment Effective Date with respect to the Assigned Amount shall be for the account of Assignor. Any interest, fees and other payments accrued on and after the Assignment Effective Date with respect to the Assigned Amount shall be for the account of Assignee. Each of Assignor and Assignee agrees that it will hold in trust for the other party any interest, fees or other amounts which it may receive to which the other party is entitled pursuant to the preceding sentence and to pay the other party any such amounts which it may receive promptly upon receipt thereof.

5. Credit Determination; Limitations on Assignor's Liability. Assignee represents and warrants to Assignor, the Borrower, the Security Trustee, the Administrative Agent and the Lenders (a) that it is capable of making and has made and shall continue to make its own credit determinations and analysis based upon such information as Assignee deemed sufficient to enter into the transaction contemplated hereby and not based on any statements or representations by Assignor; (b) Assignee confirms that it meets the requirements to be an assignee as set forth in Section 11.10 of the Credit Agreement; (c) Assignee confirms that it is able to fund the Loans as required by the Credit Agreement; (d) Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement and the other Related Writings are required to be performed by it as a Lender thereunder; and (e) Assignee represents that it has reviewed each of the Loan Documents. It is understood and agreed that the assignment and assumption hereunder are made without recourse to Assignor and that Assignor makes no representation or warranty of any kind to Assignee and shall not be responsible for (i) the due execution, legality, validity, enforceability, genuineness, sufficiency or collectability of the Credit Agreement or any other Related Writings, (ii) any representation, warranty or statement made in or in connection with the Credit Agreement or any of the other Related Writings, (iii) the financial condition or creditworthiness of the Borrower, (iv) the performance of or compliance with any of the terms or provisions of the Credit Agreement or any of the other Related Writings, (v) the inspection of any of the property, books or records of the Borrower, or (vi) the validity, enforceability, perfection, priority, condition, value or sufficiency of any collateral securing or purporting to secure the Loans. Neither Assignor nor any of its officers, directors, employees, agents or attorneys shall be liable for any mistake, error of judgment, or action taken or omitted to be taken in connection with the Loans, the Credit Agreement or the other Related Writings, except for its or their own gross negligence or willful misconduct. Assignee appoints the Security Trustee and the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Security Trustee and the Administrative Agent by the terms thereof.

6. Indemnity. Assignee agrees to indemnify and hold harmless Assignor against any and all losses, cost and expenses (including, without limitation, attorneys' fees) and liabilities incurred by Assignor in connection with or arising in any manner from Assignee's performance or non-performance of obligations assumed under this Assignment Agreement.

7. Subsequent Assignments. After the Assignment Effective Date, Assignee shall have the right, pursuant to Section 11.10 of the Credit Agreement, to assign the rights which are assigned to Assignee hereunder, provided that (a) any such subsequent assignment does not violate any of the terms and conditions of the Credit Agreement, any of the other Related Writings, or any law, rule, regulation, order, writ, judgment, injunction or decree and that any consent required under the terms of the Credit Agreement or any of the other Related Writings has been obtained, (b) the assignee under such assignment from Assignee shall agree to assume all of Assignee's obligations hereunder in a manner satisfactory to Assignor, and (c) Assignee is not thereby released from any of its obligations to Assignor hereunder.

8. Reductions of Aggregate Amount of Commitments. If any reduction in the Total Commitment Amount occurs between the date of this Assignment Agreement and the Assignment Effective Date, the percentage of the Total Commitment Amount assigned to Assignee shall remain the percentage specified in Section 1 hereof and the dollar amount of the Commitment of Assignee shall be recalculated based on the reduced Total Commitment Amount.

9. Acceptance of Administrative Agent; Notice by Assignor. This Assignment Agreement is conditioned upon the acceptance and consent of the Administrative Agent and Security Trustee and, if necessary pursuant to Section 11.10 of the Credit Agreement, upon the acceptance and consent of the Borrower; provided that the execution of this Assignment Agreement by the Administrative Agent and Security Trustee and, if necessary, by the Borrower is evidence of such acceptance and consent.

10. Entire Agreement. This Assignment Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

11. Governing Law. This Assignment Agreement shall be governed by the laws of the State of New York, without regard to conflicts of laws.

12. Notices. Notices shall be given under this Assignment Agreement in the manner set forth in the Credit Agreement. For the purpose hereof, the addresses of the parties hereto (until notice of a change is delivered) shall be the address set forth under each party's name on the signature pages hereof.

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

[Remainder of page intentionally left blank.]

14. JURY TRIAL WAIVER. EACH OF THE UNDERSIGNED, TO THE EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, AMONG THE SECURITY TRUSTEE, THE ADMINISTRATIVE AGENT, ANY OF THE LENDERS, AND THE BORROWER, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER AGREEMENT, INSTRUMENT OR DOCUMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED HERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE ABILITY OF THE SECURITY TRUSTEE, THE ADMINISTRATIVE AGENT OR THE LENDERS TO PURSUE REMEDIES PURSUANT TO ANY CONFESSION OF JUDGMENT OR COGNOVIT PROVISION CONTAINED IN ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT AMONG THE BORROWER, THEE SECURITY TRUSTEE, THE ADMINISTRATIVE AGENT AND THE LENDERS, OR ANY THEREOF.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement by their duly authorized officers as of the date first above written.

[NAME OF THE ASSIGNOR]

Address: _____

_____

Attn: _____
Phone: _____
Fax: _____

By: _____
Name: _____
Title: _____

[NAME OF THE ASSIGNEE]

Address: _____

_____

Attn: _____
Phone: _____
Fax: _____

By: _____
Name: _____
Title: _____

Accepted and Consented to this __ day of _____, 20__:

CORTLAND CAPITAL MARKET SERVICES LLC
as the Administrative Agent

By: _____
Name: _____
Title: _____

Accepted and Consented to this __ day of _____, 20__:

[INSERT SIGNATURE OF THE BORROWER IF REQUIRED]

MESA AIRLINES, INC.

By: _____
Name: _____
Title: _____

OBSIDIAN AGENCY SERVICES, INC.
as the Security Trustee

By: _____
Name: _____
Title: _____

ANNEX 1
TO
ASSIGNMENT AND ACCEPTANCE AGREEMENT

On and after the Assignment Effective Date, after giving effect to all other assignments being made by Assignor on the Assignment Effective Date, the Commitment of Assignee, and, if this is less than an assignment of all of Assignor's interest, Assignor, shall be as follows:

I. INTEREST BEING ASSIGNED TO ASSIGNEE

A. Delayed Draw Credit Commitment

Applicable Commitment Percentage of Delayed Draw Credit Commitment _____%
Assigned Amount $_____

B. Engine Acquisition Loan Commitment

Applicable Commitment Percentage of Engine Acquisition Loan Commitment _____%
Assigned Amount $_____

II. ASSIGNEE'S COMMITMENT (as of the Assignment Effective Date)

A. Delayed Draw Credit Commitment

Applicable Commitment Percentage of Delayed Draw Credit Commitment _____%
Assignee's Delayed Draw Credit Commitment amount $_____

B. Engine Acquisition Loan Commitment

Applicable Commitment Percentage of Engine Acquisition Loan Commitment _____%
Assignee's portion of the Engine Acquisition Loan $_____

III. ASSIGNOR'S COMMITMENT (as of the Assignment Effective Date)

A. Delayed Draw Credit Commitment

Applicable Commitment Percentage of Delayed Draw Credit Commitment _____%
Assignor's remaining Delayed Draw Credit Commitment amount $_____

B. Engine Acquisition Loan Commitment

Applicable Commitment Percentage of Engine Acquisition Loan Commitment _____%
Assignor's remaining portion of the Engine Acquisition Loan $_____

EXHIBIT F
FORM OF
ENGINE UTILIZATION REPORT

[see attached]

MONTHLY ENGINE UTILIZATION AND STATUS REPORT

Report Due Date: _____

To: 225 West Washington Street,
21st Floor
Chicago, Illinois 60606

FORWARD REPORT VIA E-MAIL TO: ryan.warren@cortlandglobal.com

From: Mesa Airlines, Inc.
Contact: Bob McConnell
Telephone: 602-225-1626
Fax: n/a

1. LEASE SCHEDULE NO._____
2. ENGINE TYPE: CF34-8C5_____
3. SERIAL NO. _____
4. Month of: _____

5. UTILIZATION RECORD

Engine Position (on Aircraft) or other Location: _____
Flight Hours Flown During Month: Hours: _____ Minutes:_____
Flight Cycles During Month: _____

INSTALLATION/REMOVAL:

Date Installed: _____
Date Removed: _____
Make/Model/Serial no. of Aircraft: _____
Original Position: _____
Actual Location: _____
Current Thrust Rating: _____
Total Time Since New as of Last Month: Hours: _____ Minutes: _____
Total Cycles Since New as of Last Month: _____Cycles

6. MAJOR OR NON-ROUTINE REPAIRS/OCCURRENCES (If Applicable):

State if engine is operating satisfactorily: yes no
(if no, give details under “Comments” below)

The undersigned has executed this certificate as of the ___ day of _____, 20__

Mesa Airlines, Inc.
3919 E. Air Lane Drive
Phoenix, AZ 85034

By: _____

Name: _____

Title: _____

Date: _____

Exhibit 10.14.2

EXECUTION VERSION

AMENDMENT NO. 1 TO CREDIT AGREEMENT

This AMENDMENT NO. 1 TO CREDIT AGREEMENT (this "Amendment"), dated as of February 26, 2018 is entered into among (i) Mesa Airlines, Inc., as borrower ("Borrower"), (ii) the lenders named herein (the "Lenders"), (iii) Obsidian Agency Services, Inc., as security trustee (the "Security Trustee"), and (iv) Cortland Capital Market Services LLC, as administrative agent (the "Administrative Agent"), and amends that certain Credit Agreement, dated as of December 14, 2016 among such parties (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"). Capitalized terms used and not otherwise defined in this Amendment shall have the same meanings in this Amendment as set forth in the Credit Agreement.

RECITALS

WHEREAS, notwithstanding delivery pursuant to Section 2.10(c) of the Credit Agreement of a commitment termination letter, dated September 29, 2017, from the Borrower, and acknowledged and agreed by the Administrative Agent, and notwithstanding Section 2.10(d) of the Credit Agreement, the Borrower desires to borrow additional Delayed Draw Loans, and the Delayed Draw Lenders are willing to provide additional Delayed Draw Tranche C Credit Commitments to fund such additional Delayed Draw Loans, as provided herein and subject to the terms and conditions of the Credit Agreement; and

WHEREAS, the parties to the Credit Agreement, on the terms and subject to the conditions set forth herein, have agreed to amend the Credit Agreement as provided for herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth below and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

SECTION 1. Amendment Effective Date Amendments. With effect from the Amendment Effective Date (as defined below):

(a) The following defined terms in Section 1.1 of the Credit Agreement shall be amended as follows:

(i) The definition of "Acquisition Agreement" shall be amended to insert "(vii) Engine Sale and Purchase Agreement, dated on or about February 28, 2018 between Magellan Aviation Services Limited, and the Borrower, relating to one (1) General Electric model CF34-8E5A1 model engine" as new subsection (vii). In addition, the word "and" prior to subsection (vi) shall be deleted and inserted prior to new subsection (vii).

(ii) Subsection (a) of the definition of "Applicable Commitment Percentage" shall be amended and restated in its entirety as follows: "(a) with respect to the Delayed Draw Credit Commitment, the percentage, if any, set forth opposite such Lender's name under the column headed "Delayed Draw Loan Commitment

Percentage" for the relevant tranche of Delayed Draw Credit Commitments, as set forth on Schedule 1 hereto, subject to assignments of interests pursuant to Section 11.10 hereof; and".

(iii) The definition of "Closing Delayed Draw Amount" shall be amended and restated in its entirety as follows: ""Closing Delayed Draw Amount" means Fifty-Seven Million Seven Hundred Twenty-Three Thousand Eight Hundred Seventeen Dollars and Forty-Eight Cents ($57,723,817.48)."

(iv) Subsection (ii) of the definition of "Commitment Period" shall be amended and restated in its entirety as follows: "(ii) the Delayed Draw Tranche C Credit Commitment, the period from the Closing Date to March 1, 2018, or such earlier date on which Delayed Draw Tranche C Credit Commitment shall have been terminated pursuant to Article IX hereof and".

(v) The definition of "Engine" shall be amended and restated in its entirety as follows: ""Engine" means each of the twenty (20) General Electric model CF34-8C5 engines and one (1) General Electric model CF34-8E5A1 engine acquired or to be acquired by the Borrower pursuant to the Acquisition Agreements, each as more specifically described on Schedule 2 together with all Parts (as defined in the FAA Mortgage)."

(vi) The definition of "Total Commitment Amount" shall be amended and restated in its entirety as follows: ""Total Commitment Amount" means the principal amount of One Hundred and Four Million Four Hundred Sixty-Seven Thousand Six Hundred Thirty-Seven Dollars and Forty-Eight Cents ($104,467,637.48), as such amount may be decreased pursuant to Section 2.10 hereof."

(b) Section 2.2(b) of the Credit Agreement is hereby amended to delete the "and" after subsection (i), delete "(together with the amount in clause (b)(i), "Tranche C") and add "and" at the end of subsection (ii), and include a new subsection (iii) as follows:

"(iii) on any one Business Day during such Commitment Period, in an amount equal to up to Four Million Fifty Thousand Dollars ($4,050,000) (together with the amount in clauses (b)(i) and (b)(ii), "Tranche C");"

(c) Section 2.10(d) of the Credit Agreement is hereby amended and restated in its entirety as follows: "On March 3, 2018, the Delayed Draw Amount shall be reduced to Zero Dollars ($0)."

(d) Section 9.8(b)(ii) of the Credit Agreement is hereby amended by inserting "based upon each such Lender's Overall Commitment Percentage" after "second, to the payment pro rata".

(e) Schedule 1 to the Credit Agreement is hereby amended and restated in its entirety in the form of Exhibit A hereto.

(f) Schedule 2 to the Credit Agreement is hereby amended and restated in its entirety in the form of Exhibit B hereto.

(g) The "Delayed Draw Loan Amortization Table" in Exhibit C to the Credit Agreement is hereby amended and restated in its entirety in the form of Exhibit C hereto.

SECTION 2. Conditions Precedent. The effectiveness of the amendments contained in Section 1 above is conditioned upon, and such amendments shall not be effective until, the following conditions have been satisfied unless such conditions have been waived in writing by the Administrative Agent (the first date on which the following conditions have been satisfied being referred to herein as the "Amendment Effective Date"):

(a) The Administrative Agent shall have received, on behalf of the Lenders, this Amendment, duly executed and delivered by the Borrower, the Security Trustee, the Administrative Agent, and each Lender.

(b) The representations and warranties referred to in Section 3 of this Amendment shall be true and correct in all material respects as though made on the date of this Amendment, except to the extent such representation or warranty specifically states that it relates to an earlier date in which case such representation or warranty shall have been true in all material respects as of such earlier date.

SECTION 3. Representations and Warranties. In order to induce the Administrative Agent, the Security Trustee and the Lenders to enter into this Amendment and amend the Credit Agreement in the manner provided in this Amendment, the Borrower confirms that as of the Amendment Effective Date its representations and warranties contained in Article VI of the Credit Agreement are (before and after giving effect to this Amendment) true and correct in all material respects (except to the extent any such representation and warranty is expressly stated to have been made as of a specific date, in which case it shall be true and correct in all material respects as of such specific date) and that no Default or Event of Default has occurred and is continuing.

SECTION 4. Miscellaneous.

(a) Reference to and Effect on the Credit Agreement and the other Loan Documents.

(i) Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents and Related Writings shall remain in full force and effect and are hereby ratified and confirmed.

(ii) The execution and delivery of this Amendment and performance of the Credit Agreement as amended hereby shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent, the Security Trustee or the Lenders under the Credit Agreement or any of the other Loan Documents or Related Writings.

(iii) From and after the Amendment Effective Date, this Amendment shall be construed as one with the Credit Agreement, and the Credit Agreement shall, where the context requires, be read and construed throughout so as to incorporate this Amendment, and any reference to the "Credit Agreement" in any of the Loan Documents or Related Writings shall be deemed to reference the Credit Agreement as amended hereby.

(b) Captions. The several captions to sections and subsections herein are inserted for convenience only and shall be ignored in interpreting the provisions of this Amendment.

(c) Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, and by facsimile or other electronic signature, each of which counterparts when so executed and delivered shall be deemed to be an original, and all of which taken together shall constitute but one and the same agreement.

(d) Governing Law. THIS AMENDMENT 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, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

(e) Loan Document. This Amendment is a Loan Document under, and as defined in, the Credit Agreement as amended hereby.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to Credit Agreement to be duly executed and delivered as of the day and year first above written.

BORROWER

MESA AIRLINES, INC.

By: /s/ Brian S. Gillman
Name: Brian S. Gillman
Title: EVP & General Counsel

SECURITY TRUSTEE

OBSIDIAN AGENCY SERVICES, INC., as the Security Trustee

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: President

ADMINISTRATIVE AGENT

CORTLAND CAPITAL MARKET SERVICES LLC, as the Administrative Agent

By: /s/ Emily Ergang Pappas
Name: Emily Ergang Pappas
Title: Associate Counsel

LENDERS

TCP Whitney CLO, Ltd (fka TCP CLO III, LLC),
as a Lender

By: Series I of SVOF/MM, LLC
Its: Collateral Manager

By: /s/ Howard Levkowitz

Name: Howard Levkowitz

Title: Managing Partner

SPECIAL VALUE CONTINUATION PARTNERS, LP, as a Lender
TCP WATERMAN CLO, LLC, as a Lender
TENNENBAUM SENIOR LOAN FUND II, LP, as a Lender
TENNENBAUM SENIOR LOAN FUNDING III, LLC, as a Lender
TCP DIRECT LENDING FUND VIII-L, as a Lender
TENNENBAUM SENIOR LOAN OPERATING III, LLC, as a Lender
TENNENBAUM SENIOR LOAN FUND IV-B, LP, as a Lender
TENNENBAUM SENIOR LOAN FUND V, LLC, as a Lender
TENNENBAUM ENERGY OPPORTUNITIES CO., LLC, as a Lender
TENNENBAUM ENHANCED YIELD OPERATING I, LLC, as a Lender
TCP ENHANCED YIELD FUNDING I, LLC, as a Lender
SAFETY NATIONAL CASUALTY CORPORATION, as a Lender
TCP DIRECT LENDING FUND VIII, as a Lender
TCP DIRECT LENDING FUND VIII-A, as a Lender
TMD-DL HOLDINGS, LLC, as a Lender

Each by: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

Exhibit A

SCHEDULE 1
COMMITMENTS OF LENDERS

LENDERS	DELAYED DRAW LOAN COMMITMENT PERCENTAGE (TRANCHE B AND C-1 AND C-2)	DELAYED DRAW LOAN COMMITMENT AMOUNT TRANCHE B[1]	DELAYED DRAW LOAN COMMITMENT AMOUNT TRANCHE C-1 AND C-2[2]	DELAYED DRAW LOAN COMMITMENT PERCENTAGE (TRANCHE C-3)	DELAYED DRAW LOAN COMMITMENT AMOUNT TRANCHE C-3[3]	ENGINE ACQUISITION LOAN COMMITMENT PERCENTAGE	ENGINE ACQUISITION LOAN COMMITMENT AMOUNT	MAXIMUM AMOUNT
Special Value Continuation Partners, LP	35.40%	$9,268,182.02	$9,731,591.12	37.00%	$1,498,670.89	35.40%	$16,546,651.90	$37,045,095.93
TCP Waterman CLO, LLC	5.25%	$1,373,846.82	$1,442,539.16	5.49%	$222,151.90	5.25%	$2,452,753.42	$5,491,291.30
Tennenbaum Senior Loan Fund II, LP	7.57%	$1,981,509.84	$2,080,585.33	7.91%	$320,411.39	7.57%	$3,537,625.13	$7,920,131.69
Tennenbaum Senior Loan Funding III, LLC	0.00%	$0.00	$0.00	0.00%	$0.00	4.34%	$2,028,238.41	$2,028,238.41
Tennenbaum Senior Loan Operating III, LLC	4.34%	$1,136,065.64	$1,192,868.92	0.00%	$0.00	0.00%	$0.00	$2,328,934.56
TCP Whitney CLO, Ltd (fka TCP CLO III, LLC)	5.05%	$1,321,006.56	$1,387,056.89	5.27%	$213,607.60	5.05%	$2,358,416.75	$5,280,087.80

[1] As such amount may be reduced pursuant to the Credit Agreement. Such Delayed Draw Tranche B Credit Commitments are provided pursuant to Section 2.2(a) of the Credit Agreement.
[2] As such amount may be reduced pursuant to the Credit Agreement. Such Delayed Draw Tranche C-1 and C-2 Credit Commitments are provided pursuant to Section 2.2(b)(i) and (b)(ii) of the Credit Agreement.
[3] As such amount may be reduced pursuant to the Credit Agreement. Such Delayed Draw Tranche C-3 Credit Commitments are provided pursuant to Section 2.2(b)(iii) of the Credit Agreement.

Tennenbaum Senior Loan Fund IV-B, LP	1.11%	$290,621.44	$305,152.51	1.16%	$46,993.67	1.11%	$518,851.69	$1,161,619.31
Tennenbaum Senior Loan Fund V, LLC	4.04%	$1,056,805.25	$1,109,645.51	4.22%	$170,886.08	4.04%	$1,886,733.40	$4,224,070.24
Tennenbaum Energy Opportunities Co., LLC	8.07%	$2,113,610.49	$2,219,291.01	8.44%	$341,772.15	8.07%	$3,773,466.80	$8,448,140.45
Tennenbaum Enhanced Yield Operating I, LLC	6.05%	$1,585,207.87	$1,664,468.26	0.00%	$0.00	6.05%	$2,830,100.10	$6,079,776.23
TCP Enhanced Yield Funding I, LLC	0.00%	$0.00	$0.00	6.33%	$256,329.11	0.00%	$0.00	$256,329.11
Safety National Casualty Corporation	6.36%	$1,664,468.26	$1,747,691.67	6.65%	$269,145.57	6.36%	$2,971,605.11	$6,652,910.61
TMD-DL Holdings, LLC	2.72%	$713,343.54	$749,010.72	2.85%	$115,348.10	2.72%	$1,273,545.05	$2,851,247.41
TCP Direct Lending Fund VIII, LLC	5.75%	$1,505,947.48	$1,581,244.85	5.64%	$228,222.18	5.75%	$2,688,595.10	$6,004,009.61
TCP Direct Lending Fund VIII-A	7.60%	$1,989,435.88	$2,088,907.67	7.94%	$321,693.04	7.60%	$3,551,775.63	$7,951,812.22
TCP Direct Lending Fund VIII-L, LLC	0.70%	$182,298.91	$191,413.86	1.11%	$44,768.32	0.70%	$325,461.51	$743,942.60
Total Commitment Amount	**100.00%**	**$26,182,350.00**	**$27,491,467.48**	**100.00%**	**$4,050,000.00**	**100.00%**	**$46,743,820.00**	**$104,467,637.48**

Exhibit A

Exhibit B

SCHEDULE 2

ENGINES

INITIAL ACQUISITION ENGINES

General Electric Model CF34-8C5 Engines bearing the following manufacturer's serial numbers:

1. 194745
2. 194450
3. 965557
4. 965251
5. 195600
6. 195601
7. 195604
8. 195609
9. 195616
10. 195617

DELAYED DRAW ENGINES

General Electric Model CF34-8C5 Engines acquired pursuant to the Acquisition Agreements and bearing the following manufacturer's serial numbers (provided that such manufacturer's serial numbers may change on or prior to delivery to the Borrower):

1. 195631
2. 195636
3. 195628
4. 195629
5. 195630
6. 195661
7. 195662
8. 195663
9. 195672
10. 195673

General Electric Model CF34-8E5A1 Engine acquired pursuant to the Engine Sale and Purchase Agreement and bearing the following manufacturer's serial number (provided that such manufacturer's serial numbers may change on or prior to delivery to the Borrower):

1. 193119

Exhibit C

DELAYED DRAW LOAN AMORTIZATION TABLE

Payment #:		TRANCHE B				
		Manufact. S/N	Manufact. S/N	Manufact. S/N	Manufact. S/N	Manufact. S/N
	Date	195-628	195-629	195-630	195-631	195-636
1	2/28/2017	$33,479.45	$33,479.45	$33,479.45	$33,479.45	$33,479.45
2	3/31/2017	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
3	4/30/2017	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
4	5/31/2017	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
5	6/30/2017	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
6	7/31/2017	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
7	8/31/2017	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
8	9/30/2017	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
9	10/31/2017	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
10	11/30/2017	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
11	12/31/2017	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
12	1/31/2018	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
13	2/28/2018	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
14	3/31/2018	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
15	4/30/2018	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
16	5/31/2018	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
17	6/30/2018	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
18	7/31/2018	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
19	8/31/2018	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
20	9/30/2018	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
21	10/31/2018	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
22	11/30/2018	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
23	12/31/2018	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
24	1/31/2019	39,166.67	39,166.67	39,166.67	39,166.67	39,166.67
25	2/28/2019	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
26	3/31/2019	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
27	4/30/2019	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
28	5/31/2019	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
29	6/30/2019	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09

30	7/31/2019	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
31	8/31/2019	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
32	9/30/2019	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
33	10/31/2019	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
34	11/30/2019	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
35	12/31/2019	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
36	1/31/2020	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
37	2/29/2020	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
38	3/31/2020	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
39	4/30/2020	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
40	5/31/2020	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
41	6/30/2020	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
42	7/31/2020	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
43	8/31/2020	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
44	9/30/2020	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
45	10/31/2020	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
46	11/30/2020	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
47	12/31/2020	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
48	1/31/2021	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
49	2/28/2021	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
50	3/31/2021	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
51	4/30/2021	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
52	5/31/2021	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
53	6/30/2021	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
54	7/31/2021	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
55	8/31/2021	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
56	9/30/2021	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
57	10/31/2021	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
58	11/30/2021	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
59	12/31/2021	92,996.09	92,996.09	92,996.09	92,996.09	92,996.09
60	1/31/2022	1,047,294.00	1,047,294.00	1,047,294.00	1,047,294.00	1,047,294.00
	Total	**$5,236,470.00**	**$5,236,470.00**	**$5,236,470.00**	**$5,236,470.00**	**$5,236,470.00**

Exhibit C

Payment #:	TRANCHE C-1			TRANCHE C-2			
		Manufact. S/N	Manufact. S/N		Manufact. S/N	Manufact. S/N	Manufact. S/N
	Date	195-661	195-662	Date	195-663	195-672	195-673
1	7/31/2017	$ 42,493.15	$ 42,493.15	10/31/2017	$ 103,013.70	$ 41,205.48	$ 41,205.48
2	8/31/2017	39,166.67	39,166.67	11/30/2017	39,166.67	39,166.67	39,166.67
3	9/30/2017	39,166.67	39,166.67	12/31/2017	39,166.67	39,166.67	39,166.67
4	10/31/2017	39,166.67	39,166.67	1/31/2018	39,166.67	39,166.67	39,166.67
5	11/30/2017	39,166.67	39,166.67	2/28/2018	39,166.67	39,166.67	39,166.67
6	12/31/2017	39,166.67	39,166.67	3/31/2018	39,166.67	39,166.67	39,166.67
7	1/31/2018	39,166.67	39,166.67	4/30/2018	39,166.67	39,166.67	39,166.67
8	2/28/2018	39,166.67	39,166.67	5/31/2018	39,166.67	39,166.67	39,166.67
9	3/31/2018	39,166.67	39,166.67	6/30/2018	39,166.67	39,166.67	39,166.67
10	4/30/2018	39,166.67	39,166.67	7/31/2018	39,166.67	39,166.67	39,166.67
11	5/31/2018	39,166.67	39,166.67	8/31/2018	39,166.67	39,166.67	39,166.67
12	6/30/2018	39,166.67	39,166.67	9/30/2018	39,166.67	39,166.67	39,166.67
13	7/31/2018	39,166.67	39,166.67	10/31/2018	39,166.67	39,166.67	39,166.67
14	8/31/2018	39,166.67	39,166.67	11/30/2018	39,166.67	39,166.67	39,166.67
15	9/30/2018	39,166.67	39,166.67	12/31/2018	39,166.67	39,166.67	39,166.67
16	10/31/2018	39,166.67	39,166.67	1/31/2019	39,166.67	39,166.67	39,166.67
17	11/30/2018	39,166.67	39,166.67	2/28/2019	39,166.67	39,166.67	39,166.67
18	12/31/2018	39,166.67	39,166.67	3/31/2019	39,166.67	39,166.67	39,166.67
19	1/31/2019	39,166.67	39,166.67	4/30/2019	39,166.67	39,166.67	39,166.67
20	2/28/2019	39,166.67	39,166.67	5/31/2019	39,166.67	39,166.67	39,166.67
21	3/31/2019	39,166.67	39,166.67	6/30/2019	39,166.67	39,166.67	39,166.67
22	4/30/2019	39,166.67	39,166.67	7/31/2019	39,166.67	39,166.67	39,166.67
23	5/31/2019	39,166.67	39,166.67	8/31/2019	39,166.67	39,166.67	39,166.67
24	6/30/2019	39,166.67	39,166.67	9/30/2019	39,166.67	39,166.67	39,166.67
25	7/31/2019	92,738.56	92,738.56	10/31/2019	91,009.40	92,775.35	92,775.35
26	8/31/2019	92,738.56	92,738.56	11/30/2019	91,009.40	92,775.35	92,775.35
27	9/30/2019	92,738.56	92,738.56	12/31/2019	91,009.40	92,775.35	92,775.35
28	10/31/2019	92,738.56	92,738.56	1/31/2020	91,009.40	92,775.35	92,775.35
29	11/30/2019	92,738.56	92,738.56	2/29/2020	91,009.40	92,775.35	92,775.35
30	12/31/2019	92,738.56	92,738.56	3/31/2020	91,009.40	92,775.35	92,775.35
31	1/31/2020	92,738.56	92,738.56	4/30/2020	91,009.40	92,775.35	92,775.35

Exhibit C

32	2/29/2020	92,738.56	92,738.56	5/31/2020	91,009.40	92,775.35	92,775.35
33	3/31/2020	92,738.56	92,738.56	6/30/2020	91,009.40	92,775.35	92,775.35
34	4/30/2020	92,738.56	92,738.56	7/31/2020	91,009.40	92,775.35	92,775.35
35	5/31/2020	92,738.56	92,738.56	8/31/2020	91,009.40	92,775.35	92,775.35
36	6/30/2020	92,738.56	92,738.56	9/30/2020	91,009.40	92,775.35	92,775.35
37	7/31/2020	92,738.56	92,738.56	10/31/2020	91,009.40	92,775.35	92,775.35
38	8/31/2020	92,738.56	92,738.56	11/30/2020	91,009.40	92,775.35	92,775.35
39	9/30/2020	92,738.56	92,738.56	12/31/2020	91,009.40	92,775.35	92,775.35
40	10/31/2020	92,738.56	92,738.56	1/31/2021	91,009.40	92,775.35	92,775.35
41	11/30/2020	92,738.56	92,738.56	2/28/2021	91,009.40	92,775.35	92,775.35
42	12/31/2020	92,738.56	92,738.56	3/31/2021	91,009.40	92,775.35	92,775.35
43	1/31/2021	92,738.56	92,738.56	4/30/2021	91,009.40	92,775.35	92,775.35
44	2/28/2021	92,738.56	92,738.56	5/31/2021	91,009.40	92,775.35	92,775.35
45	3/31/2021	92,738.56	92,738.56	6/30/2021	91,009.40	92,775.35	92,775.35
46	4/30/2021	92,738.56	92,738.56	7/31/2021	91,009.40	92,775.35	92,775.35
47	5/31/2021	92,738.56	92,738.56	8/31/2021	91,009.40	92,775.35	92,775.35
48	6/30/2021	92,738.56	92,738.56	9/30/2021	91,009.40	92,775.35	92,775.35
49	7/31/2021	92,738.56	92,738.56	10/31/2021	91,009.40	92,775.35	92,775.35
50	8/31/2021	92,738.56	92,738.56	11/30/2021	91,009.40	92,775.35	92,775.35
51	9/30/2021	92,738.56	92,738.56	12/31/2021	91,009.40	92,775.35	92,775.35
52	10/31/2021	92,738.56	92,738.56	1/31/2022	91,009.40	92,775.35	92,775.35
53	11/30/2021	92,738.56	92,738.56	2/28/2022	91,009.40	92,775.35	92,775.35
54	12/31/2021	92,738.56	92,738.56	3/31/2022	91,009.40	92,775.35	92,775.35
55	1/31/2022	92,738.56	92,738.56	4/30/2022	91,009.40	92,775.35	92,775.35
56	2/28/2022	92,738.56	92,738.56	5/31/2022	91,009.40	92,775.35	92,775.35
57	3/31/2022	92,738.56	92,738.56	6/30/2022	91,009.40	92,775.35	92,775.35
58	4/30/2022	92,738.56	92,738.56	7/31/2022	91,009.40	92,775.35	92,775.35
59	5/31/2022	92,738.56	92,738.56	8/31/2022	91,009.40	92,775.35	92,775.35
60	6/30/2022	1,047,294.00	1,047,294.00	9/30/2022	1,047,294.00	1,047,294.00	1,047,294.00
	Total	**$ 5,236,470.00**	**$ 5,236,470.00**	**Total**	**$ 5,236,470.00**	**$ 5,236,470.00**	**$ 5,236,470.00**

Exhibit C

	TRANCHE C-3	
Payment #:	Date	Manufact. S/N 193-119
1	3/31/2018	$39,166.67
2	4/30/2018	39,166.67
3	5/31/2018	39,166.67
4	6/30/2018	39,166.67
5	7/31/2018	39,166.67
6	8/31/2018	39,166.67
7	9/30/2018	39,166.67
8	10/31/2018	39,166.67
9	11/30/2018	39,166.67
10	12/31/2018	39,166.67
11	1/31/2019	39,166.67
12	2/28/2019	39,166.67
13	3/31/2019	39,166.67
14	4/30/2019	39,166.67
15	5/31/2019	39,166.67
16	6/30/2019	39,166.67
17	7/31/2019	39,166.67
18	8/31/2019	39,166.67
19	9/30/2019	39,166.67
20	10/31/2019	39,166.67
21	11/30/2019	39,166.67
22	12/31/2019	39,166.67
23	1/31/2020	39,166.67
24	2/29/2020	39,166.67
25	3/31/2020	65,714.29
26	4/30/2020	65,714.29
27	5/31/2020	65,714.29
28	6/30/2020	65,714.29
29	7/31/2020	65,714.29
30	8/31/2020	65,714.29
31	9/30/2020	65,714.29
32	10/31/2020	65,714.29
33	11/30/2020	65,714.29
34	12/31/2020	65,714.29
35	1/31/2021	65,714.29
36	2/28/2021	65,714.29
37	3/31/2021	65,714.29
38	4/30/2021	65,714.29
39	5/31/2021	65,714.29
40	6/30/2021	65,714.29
41	7/31/2021	65,714.29
42	8/31/2021	65,714.29
43	9/30/2021	65,714.29
44	10/31/2021	65,714.29
45	11/30/2021	65,714.29

Exhibit C

46	12/31/2021	65,714.29
47	1/31/2022	65,714.29
48	2/28/2022	65,714.29
49	3/31/2022	65,714.29
50	4/30/2022	65,714.29
51	5/31/2022	65,714.29
52	6/30/2022	65,714.29
53	7/31/2022	65,714.29
54	8/31/2022	65,714.29
55	9/30/2022	65,714.29
56	10/31/2022	65,714.29
57	11/30/2022	65,714.29
58	12/31/2022	65,714.29
59	1/31/2023	65,714.29
60	2/28/2023	810,000.00
	Total	**$4,050,000.00**

Exhibit C

Exhibit 10.15.1

EXECUTION VERSION

MORTGAGE AND SECURITY AGREEMENT

Dated as of December 14, 2016

Between

MESA AIRLINES, INC.,

as Grantor,

and

OBSIDIAN AGENCY SERVICES, INC.,

as Security Trustee

TABLE OF CONTENTS

MORTGAGE AND SECURITY AGREEMENT

MORTGAGE AND SECURITY AGREEMENT, dated as of December 14, 2016 (this "Mortgage"), between MESA AIRLINES, INC., a Nevada corporation (together with its permitted successors and assigns, the "Grantor"), and OBSIDIAN AGENCY SERVICES, INC., a California corporation, as Security Trustee (together with its successors and permitted assigns, the "Security Trustee"), for the benefit of the Secured Parties.

W I T N E S S E T H

WHEREAS, the Grantor, as borrower, is entering into that certain Credit Agreement, dated as of the date hereof, with the lenders from time to time party thereto (together with their respective successors and assigns and any other additional lenders that become party to the Credit Agreement, each a "Lender" and collectively, the "Lenders"), Cortland Capital Market Services LLC, as administrative agent (the "Administrative Agent" and, together with the Lenders and the Security Trustee, the "Secured Parties"), and the Security Trustee (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement");

WHEREAS, pursuant to the Credit Agreement, the Grantor is required to grant a continuing Lien on the Collateral to secure the Secured Obligations;

WHEREAS, all things necessary to make this Mortgage the valid, binding and legal obligation of the Grantor for the uses and purposes herein set forth, in accordance with its terms, have been done and performed and have happened;

NOW, THEREFORE, in consideration of the premises, the mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Mortgage hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitional Provisions.

(a) Unless otherwise specified herein or therein, all capitalized terms used in this Mortgage or other document made or delivered pursuant hereto shall have the meanings set forth in Schedule I hereto or, if not defined in such Schedule I, in the Credit Agreement.

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Mortgage shall refer to this Mortgage as a whole and not to any particular provision of this Mortgage, and Section, subsection, Annex, Schedule and Exhibit references are to this Mortgage unless otherwise specified.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) References to any Person shall include such Person's successors and assigns subject to any limitations provided for herein or in the other Loan Documents.

(e) References to agreements shall include such agreements as amended, modified or supplemented.

(f) Unless the context shall otherwise require, references to any Requirement of Law shall include such Requirement of Law as amended, modified, supplemented, substituted, reissued or reenacted from time to time.

ARTICLE II

GRANT OF SECURITY INTEREST

SECTION 2.01. Grant of Security Interest. In order to secure the payment and performance of the Secured Obligations from time to time outstanding according to their tenor and effect and to secure the performance and observance by the Grantor of Payment of all the agreements, covenants and provisions contained herein and in the other Loan Documents for the benefit of the Secured Parties, and in consideration of the premises and of the covenants herein contained, and for other good and valuable consideration the receipt and adequacy thereof are hereby acknowledged, the Grantor 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, its successors and assigns, for the security and benefit of the Secured Parties, a security interest (and, in the case of each Engine, an International Interest) in all right, title and interest of the Grantor in, to and under the following described property, rights and privileges, whether now owned or hereafter acquired (which, collectively, together with all property hereafter specifically subject to the Lien of this Mortgage by the terms hereof or any supplement hereto, are included within, and are referred to as, the "Collateral"), to wit:

(1) Each Engine, each of which is a jet propulsion aircraft engine with at least 1750 lbs of thrust or its equivalent (such Engine being more particularly described in each applicable Mortgage Supplement executed and delivered by the Grantor as provided herein) as the same is now and will hereafter be constituted, and whether or not any such Engine shall be installed in or attached to an airframe, together with (a) all Parts of whatever nature, which are from time to time included within the definition of "Engines", including all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to the Engines (other than additions, improvements, accessions and accumulations which constitute appliances, parts, instruments, appurtenances, accessories, furnishings or other equipment excluded from the definition of Parts) and (b) all Engine Documents;

(2) Any continuing rights of the Grantor (to the extent the Grantor may assign or otherwise grant a Lien on them without the consent of any other Person) in respect of any warranty, indemnity or agreement, express or implied, as to title, materials, workmanship, design or patent infringement with respect to such Engines (reserving in each case to the Grantor, however, all of the Grantor's other rights and interest in and to such warranty, indemnity or agreement) together in each case under this clause (3) with all rights, powers, privileges, options

and other benefits of the Grantor thereunder (subject to such reservation) with respect to such Engines, including, without limitation, the right to make all waivers and agreements, to give and receive all notices and other instruments or communications, to take such action upon the occurrence of a default thereunder, 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 Grantor is or may be entitled to do thereunder (subject to such reservation) (the "Warranty Rights");

(3) All proceeds with respect to the requisition of title to or use of any Engine by any Governmental Authority or from the sale or other disposition of any Engine or other property described in any of these Granting Clauses by the Security Trustee pursuant to the terms of this Mortgage, and all insurance proceeds with respect to any Engine or part thereof (the "Requisition, Disposition and Insurance Proceeds");

(4) All monies and securities from time to time deposited or required to be deposited with the Security Trustee by or for the account of the Grantor pursuant to any terms of this Mortgage held or required to be held by the Security Trustee hereunder, including any cash, Cash Equivalents, and earnings thereon, and any other financial assets held in the Administrative Agent Account, and all security entitlements with respect thereto ("Cash Collateral");

(5) All recognition of rights agreements and title recognition agreements from airframe owners, or similar protections, in respect of any Engine ("Title Rights");

(6) All rights under the Acquisition Agreement in respect of any Engine ("Acquisition Rights"); and

(7) All proceeds of the foregoing.

PROVIDED, HOWEVER, that notwithstanding any of the foregoing provisions, so long as no Event of Default shall have occurred and be continuing, (a) each of the Security Trustee and the other Secured Parties shall not (and shall not permit any of its Affiliates or other Person claiming by, through or under it to) take or cause to be taken any action contrary to the Grantor's right to quiet enjoyment of the Engines, and to possess, use, retain and control the Engines and all revenues, income and profits derived therefrom without hindrance. TO HAVE AND TO HOLD all and singular the aforesaid property unto the Security Trustee, and its successors and assigns, for the uses and purposes and in all cases and as to all property specified in paragraphs (1) through (6) inclusive above, subject to the terms and provisions set forth in this Mortgage.

It is expressly agreed that anything herein contained to the contrary notwithstanding, the Grantor shall remain liable under the Pledged Agreements to which it is a party to perform all of the obligations assumed by it thereunder, except to the extent prohibited or excluded from doing so pursuant to the terms and provisions thereof, and the Secured Parties shall have no obligation or liability under the Pledged Agreements by reason of or arising out of the assignment hereunder, nor shall the Secured Parties be required or obligated in any manner to perform or fulfill any obligations of the Grantor under or pursuant to the Pledged Agreements, or to make any payment, or to make any inquiry as to the nature or sufficiency of any payment

received by it, or present or file any claim, or take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

The Grantor does hereby designate the Security Trustee, upon the occurrence and during the continuance of an Event of Default, the true and lawful attorney of the Grantor, irrevocably, granted for good and valuable consideration and coupled with an interest and with full power of substitution, and with full power (in the name of the Grantor or otherwise) to ask for, require, demand, receive, compound and give acquittance for any and all monies and claims for monies (in each case including insurance and requisition proceeds) due and to become due under or arising out of the Pledged Agreements, and all other property which now or hereafter constitutes part of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or to take any action or to institute any proceedings which the Security Trustee may reasonably deem to be necessary in the premises; provided that the Security Trustee shall not exercise any such rights except upon the occurrence and during the continuance of an Event of Default.

The Grantor agrees that at any time and from time to time, upon the written request of the Security Trustee, the Grantor will promptly and duly execute and deliver, or cause to be duly executed and delivered, any and all such further instruments and documents (including, without limitation, U.C.C. continuation statements) as the Security Trustee may reasonably deem necessary to perfect, preserve or protect the mortgage, security interests and assignments created or intended to be created hereby or to obtain for the Security Trustee the full benefits of the assignment hereunder and of the rights and powers herein granted.

ARTICLE III

COVENANTS OF THE GRANTOR

SECTION 3.01. Liens.

The Grantor will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Grantor's interest in the Collateral, except Permitted Liens. The Grantor shall promptly, at its own expense, take such action as may be necessary to duly discharge (by bonding or otherwise) any such Lien other than Permitted Liens arising at any time.

SECTION 3.02. Possession, Operation and Use, Maintenance, Markings and Designated Locations.

(a) General. Except as otherwise expressly provided herein, the Grantor shall be entitled to operate, use, locate, employ or otherwise utilize or not utilize any Engine or Part in any lawful manner or place in accordance with the Grantor's business judgment.

(b) Possession. The Grantor shall not, without the prior consent of the Security Trustee, lease or otherwise in any manner deliver, transfer or relinquish possession of any Engine, or install any Engine on any airframe; except that the Grantor may, without such prior written consent of the Security Trustee:

(i) Deliver possession of any Engine or Part (x) to the Manufacturer thereof or to any third-party maintenance provider for testing, service, repair, maintenance or overhaul work on any Engine or Part, or, to the extent required or permitted by Section 3.04, for alterations or modifications in or additions to any Engine or (y) to any Person for the purpose of transport to a Person referred to in the preceding clause (x);

(ii) Install an Engine on an airframe owned by the Grantor, free and clear of all Liens, except Permitted Liens and those that do not apply to such Engine;

(iii) Install an Engine on an airframe leased to the Grantor, or owned by the Grantor subject to a mortgage, security agreement, conditional sale or other secured financing arrangement, but only if such airframe is free and clear of all Liens, except (A) the rights of the parties to such lease, if applicable, or any such secured financing arrangement, covering such airframe and (B) Liens of the type permitted by clause (ii) above and the Grantor shall have, within thirty (30) days after the date hereof, received from the lessor, mortgagee, secured party or conditional seller, as applicable, in respect of such airframe, a written agreement (which may be a copy of the lease, mortgage, security agreement, conditional sale or other agreement covering such airframe), whereby such Person agrees that it will not acquire or claim any right, title or interest in, or Lien on, such Engine by reason of such Engine being installed on such airframe at any time while such Engine is subject to the Lien of this Mortgage; and

(iv) Transfer possession of any Engine to the U.S. Government, in which event the Grantor shall promptly notify the Security Trustee in writing of any such transfer of possession and, in the case of any transfer pursuant to CRAF, in such notification shall identify by name, address and telephone numbers the Contracting Office Representative or Representatives for the Military Airlift Command of the United States Air Force to whom notices must be given and to whom requests or claims must be made to the extent applicable under CRAF;

provided that (1) the rights of any transferee who receives possession by reason of a transfer permitted by this Section 3.02(b) shall be subject and subordinate to all the terms of this Mortgage, (2) the Grantor shall remain primarily liable for the performance of all of the terms of this Mortgage and all the terms and conditions of this Mortgage and the other Loan Documents shall remain in effect and (3) no transfer of possession otherwise in compliance with this Section 3.02(b) shall (x) result in the maintenance, operation or use of the applicable Engine except in compliance with Sections 3.02(c) and 3.02(d) or (y) permit any action not permitted to the Grantor hereunder.

(c) Operation and Use. So long as an Engine is subject to the Lien of this Mortgage, the Grantor shall not operate, use or locate such Engine, or allow such Engine to be operated, used or located, (i) in any area excluded from coverage by any insurance required by the terms of Section 3.06, except in the case of a requisition by the U.S. Government where the Grantor obtains indemnity in lieu of such insurance from the U.S. Government, or insurance from the U.S. Government, against substantially the same risks and for at least the amounts of

the insurance required by Section 3.06 covering such area, or (ii) in any recognized area of hostilities unless covered in accordance with Section 3.06 by war risk insurance, or in either case unless the Engine is only temporarily operated, used or located in such area as a result of an emergency, equipment malfunction, navigational error, hijacking, weather condition or other similar unforeseen circumstance, so long as the Grantor diligently and in good faith proceeds to remove such Engine from such area. So long as any Engine is subject to the Lien of this Mortgage, the Grantor shall not permit such Engine to be used, operated, maintained, serviced, repaired or overhauled (x) in violation of any Requirement of Law binding on or applicable to such Engine or (y) in violation of any airworthiness certificate, license or registration of any Governmental Authority relating to such Engine, except (i) immaterial or non-recurring violations with respect to which corrective measures are taken promptly by the Grantor, upon discovery thereof, or (ii) to the extent the validity or application of any such Requirement of Law or requirement relating to any such certificate, license or registration is being contested in good faith by the Grantor in any reasonable manner which does not involve any material risk of the sale, forfeiture or loss of such Engine, any material risk of criminal liability or material civil penalty against the Security Trustee or any Secured Party or impair the Security Trustee's security interest in such Engine.

(d) Maintenance and Repair. So long as any Engine is subject to the Lien of this Mortgage, the Grantor shall cause such Engine to be maintained, serviced, repaired and overhauled in accordance with maintenance standards required by the FAA, except in any such case during (x) temporary periods of storage in accordance with applicable regulations or (y) maintenance and modification permitted hereunder. The Grantor further agrees that each Engine will be maintained, used, serviced, repaired, overhauled or inspected in compliance with applicable laws with respect to the maintenance of such Engine and in compliance with each applicable airworthiness certificate, license and registration relating to such Engine issued by the FAA, other than minor or nonrecurring violations with respect to which corrective measures are taken upon discovery thereof and except to the extent the Grantor is contesting in good faith the validity or application of any such Requirement of Law or requirement relating to any such certificate, license or registration in any reasonable manner which does not create a material risk of sale, loss or forfeiture of such Engine or the interest of the Security Trustee therein, or any material risk of criminal liability or material civil penalty against the Security Trustee or any other Secured Party. The Grantor shall maintain, or cause to be maintained, the Engine Documents in the English language.

(e) Registration. Unless this Mortgage has been discharged, the Grantor shall cause this Mortgage to be duly recorded and at all times maintained of record as a valid, first-priority perfected mortgage (subject to Permitted Liens) on the Grantor's right, title and interest in the Engines (except to the extent such perfection or priority cannot be maintained solely as a result of the failure by the Security Trustee to execute and deliver any necessary documents). The Grantor shall at all times remain a Certificated Air Carrier and a Citizen of the United States. Unless this Mortgage has been discharged, the Grantor shall cause the International Interest granted under this Mortgage in favor of the Security Trustee in each Engine to be registered on the International Registry as an International Interest on such Engine, subject to the Security Trustee providing its consent to the International Registry with respect thereto.

(f) Markings. On or reasonably promptly after the Applicable Date for an Engine, the Grantor will cause to be affixed to, and maintained in, the Engine, in a clearly visible location, a placard of a reasonable size and shape bearing the legend: "Subject to a security interest in favor of Obsidian Agency Services, Inc., as Security Trustee." Such placards may be removed temporarily, if necessary, in the course of maintenance of any Engine. If any such placard is damaged or becomes illegible, the Grantor shall promptly replace it with a placard complying with the requirements of this Section. If the Security Trustee is replaced or its name is changed, the Grantor shall replace such placards with new placards reflecting the correct name of the Security Trustee promptly after the Grantor receives notice of such replacement or change and, if resulting from a replacement by the Lenders of the Security Trustee not for cause, advancement from the Lenders of its reasonable costs of making such replacement.

SECTION 3.03. Inspection.

(a) At all reasonable times, so long as an Engine is subject to the Lien of this Mortgage, any representatives designated by the Security Trustee (the "Inspecting Parties") may inspect such Engine and the related Engine Documents that are of the type customarily inspected by lenders with a security interest in, or lessors of, similar engines operated by the Grantor.

(b) With respect to such rights of inspection, neither the Security Trustee nor any Lender shall have any duty or liability to make, or any duty or liability by reason of not making, any such visit, inspection or survey.

(c) Each Inspecting Party shall be fully insured at no cost to the Grantor in a manner reasonably satisfactory to the Grantor with respect to any risks incurred in connection with any such inspection or shall provide to the Grantor a written release satisfactory to the Grantor with respect to such risks.

(d) Any such inspection shall be during the Grantor's normal business hours and subject to the safety, security and workplace rules applicable at the location where such inspection is conducted and any applicable governmental rules or regulations.

(f) No exercise of such inspection right shall interfere with the use, operation or maintenance of any Engine by, or the business of, the Grantor and neither the Grantor shall be required to undertake or incur any additional liabilities in connection therewith.

(g) Each Inspecting Party shall bear its own expenses in connection with any such inspection.

SECTION 3.04. Replacement and Pooling of Parts, Alterations, Modifications and Additions.

(a) Replacement of Parts. Except as otherwise provided herein, so long as an Engine is subject to the Lien of this Mortgage, the Grantor, at its own cost and expense, will promptly replace all Parts which may from time to time be incorporated or installed in or attached to such Engine and which may from time to time become worn out, lost, stolen,

destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever. In addition, the Grantor may, at its own cost and expense, remove in the ordinary course of maintenance, service, repair, overhaul or testing any Parts, whether or not worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use; provided, however, that the Grantor, except as otherwise provided herein, at its own cost and expense, will replace such Parts as promptly as reasonably practicable. All replacement parts shall be free and clear of all Liens, except for Permitted Liens and pooling arrangements to the extent permitted by Section 3.04(c) below (and except in the case of replacement property temporarily installed on an emergency basis) and shall be in as good an operating condition and have a value and utility not less than the value and utility of the Parts replaced (assuming such replaced Parts were in the condition required hereunder).

(b) Parts Subject to Lien. Except as otherwise provided herein, any Part at any time removed from an Engine shall remain subject to the Lien of this Mortgage, no matter where located, until such time as such Part shall be replaced by a part that has been incorporated or installed in or attached to such Engine and that meets the requirements for replacement parts specified above. Immediately upon any replacement part becoming incorporated or installed in or attached to such Engine as provided in Section 3.04(a), without further act, (i) the replaced Part shall thereupon be free and clear of all rights of the Security Trustee and shall no longer be deemed a Part hereunder and (ii) such replacement part shall become subject to this Mortgage and be deemed part of such Engine, as the case may be, for all purposes hereof to the same extent as the Parts originally incorporated or installed in or attached to such Engine.

(c) Pooling of Parts. Any Part removed from an Engine may be subjected by the Grantor to a normal pooling arrangement customary in the airline industry and entered into in the ordinary course of business of the Grantor, provided that the part replacing such removed Part shall be incorporated or installed in or attached to such Engine in accordance with Sections 3.04(a) and 3.04(b) as promptly as practicable after the removal of such removed Part. In addition, any replacement part when incorporated or installed in or attached to an Engine may be owned by any third party, subject to a normal pooling arrangement, so long as the Grantor, at its own cost and expense, as promptly thereafter as reasonably possible, either (i) causes such replacement part to become subject to the Lien of this Mortgage, free and clear of all Liens except Permitted Liens, at which time such replacement part shall become a Part or (ii) replaces (or causes to be replaced) such replacement part by incorporating or installing in or attaching to such Engine a further replacement Part owned by the Grantor free and clear of all Liens except Permitted Liens and which shall become subject to the Lien of this Mortgage in accordance with Section 3.04(b).

(d) Alterations, Modifications and Additions. The Grantor shall make (or cause to be made) alterations and modifications in and additions to each Engine as may be required to be made from time to time to meet the applicable standards of the FAA, to the extent made mandatory in respect of such Engine (a "Mandatory Modification"); provided, however, that the Grantor may, in good faith and by appropriate procedure, contest the validity or application of any law, rule, regulation or order in any reasonable manner which does not materially adversely affect the Security Trustee's interest in such Engine and does not involve any material risk of sale, forfeiture or loss of such Engine or the interest of the Security Trustee

therein, or any material risk of material civil penalty or any material risk of criminal liability being imposed on the Security Trustee or any Secured Party. In addition, the Grantor, at its own expense, may from time to time make, or cause to be made, such alterations and modifications in and additions to any Engine (each an "Optional Modification") as the Grantor may deem desirable in the proper conduct of its business including, without limitation, removal of Parts which the Grantor deems are obsolete or no longer suitable or appropriate for use in such Engine ("Obsolete Parts"); provided, however, that no such Optional Modification to an Engine shall diminish the fair market value, utility or remaining useful life of such Engine below its fair market value, utility or remaining useful life immediately prior to such Optional Modification (assuming such Engine was in the condition required by this Mortgage immediately prior to such Optional Modification). All Parts incorporated or installed in or attached to any Engine as the result of any alteration, modification or addition effected by the Grantor shall be free and clear of any Liens except Permitted Liens and become subject to the Lien of this Mortgage; provided that the Grantor may, at any time so long as any Engine is subject to the Lien of this Mortgage, remove any such Part (such Part being referred to herein as a "Removable Part") from such Engine if (i) such Part is in addition to, and not in replacement of or in substitution for, any Part originally incorporated or installed in or attached to such Engine at the time of original delivery thereof by the Manufacturer or any Part in replacement of, or in substitution for, any such original Part, (ii) such Part is not required to be incorporated or installed in or attached or added to such Engine pursuant to the terms of Section 3.02(d) or the first sentence of this Section 3.04(d) and (iii) such Part can be removed from such Engine without materially diminishing the fair market value, utility or remaining useful life which such Engine would have had at the time of removal had such removal not been effected by the Grantor, assuming such Engine was otherwise maintained in the condition required by this Mortgage and such Removable Part had not been incorporated or installed in or attached to such Engine. Upon the removal by the Grantor of any such Removable Part or Obsolete Part as above provided, (A) title thereto shall, without further act, be free and clear of all rights of the Security Trustee and (B) such Removable Part or Obsolete Part shall no longer be deemed a Part hereunder. Removable Parts may be leased from or financed by (and subject to Liens thereunder in favor of) third parties other than the Security Trustee.

SECTION 3.05. Loss, Destruction or Requisition

(a) Event of Loss. Upon the occurrence of an Event of Loss with respect to an Engine, the Grantor shall promptly upon obtaining knowledge of such Event of Loss (and in any event within 3 Business Days after such occurrence) give the Security Trustee written notice of such Event of Loss. The Grantor shall comply with the applicable requirements of Section 2.12 of the Credit Agreement with respect to any proceeds relating to such Event of Loss. Upon (i) the receipt by the Administrative Agent of all proceeds with respect to an Event of Loss or (ii) the replacement of any Engine subject to such Event of Loss and, in either case, compliance with Section 2.12 of the Credit Agreement with respect thereto, any Engine suffering such Event of Loss shall be released from the Lien of this Mortgage.

(b) Requisition for Use. In the event of a requisition for use by any Governmental Authority of an Engine, the Grantor shall promptly notify the Security Trustee of such requisition and all of the Grantor's obligations under this Mortgage shall continue to the same extent as if such requisition had not occurred except to the extent that the performance or

observance of any obligation by the Grantor shall have been prevented or delayed by such requisition; provided that the Grantor's obligations under Section 3.06 (except while an assumption of liability by the U.S. Government of the scope referred to in Section 3.06(c) is in effect) shall not be reduced or delayed by such requisition. Provided no Event of Default has occurred and is continuing, any payments received by the Security Trustee or the Grantor from such Governmental Authority with respect to such requisition of use shall be paid over to, or retained by, the Grantor; if an Event of Default has occurred and is continuing, such payments from such requisition of use shall be deposited in the Administrative Agent Account for application pursuant to the Credit Agreement.

SECTION 3.06. Insurance.

(a) Obligation to Insure. The Grantor shall comply with, or cause to be complied with, each of the provisions of Annex A, which provisions are hereby incorporated by this reference as if set forth in full herein.

(b) Insurance for Own Account. Nothing in this Section 3.06 shall limit or prohibit (a) the Grantor from maintaining the policies of insurance required under Annex A with higher coverage than those specified in Annex A, or (b) the Security Trustee or any other Additional Insured from obtaining insurance for its own account (and any proceeds payable under such separate insurance shall be payable as provided in the policy relating thereto); provided, however, that no insurance may be obtained or maintained that would limit or otherwise adversely affect the coverage of any insurance required to be obtained or maintained by the Grantor pursuant to this Section 3.06 and Annex A.

(c) Indemnification by Government in Lieu of Insurance. The Security Trustee agrees to accept, in lieu of insurance against any risk with respect to an Engine described in Annex A, indemnification from, or insurance provided by, the U.S. Government, or upon the written consent of the Security Trustee, other Governmental Authority, against such risk in an amount that, when added to the amount of insurance, if any, against such risk that the Grantor may continue to maintain, in accordance with this Section 3.06, shall be at least equal to the amount of insurance against such risk otherwise required by this Section 3.06.

(d) Application of Insurance Proceeds. As between the Grantor and the Security Trustee, all insurance proceeds received as a result of the occurrence of an Event of Loss with respect to any Engine under policies required to be maintained by the Grantor pursuant to this Section 3.06 will be paid over to the Security Trustee and shall be applied pursuant to Section 2.12 and the other provisions of the Credit Agreement, as applicable. All proceeds of insurance required to be maintained by the Grantor, in accordance with this Section 3.06 and Section B of Annex A, in respect of any property damage or loss not constituting an Event of Loss with respect to any Engine shall be held by or paid over to the Grantor, as provided in Section B of Annex A, and shall be applied in payment (or to reimburse the Grantor) for repairs or for replacement property.

SECTION 3.07. Filings; Change of Office.

(a) The Grantor, at its sole cost and expense, will cause the FAA Filed Documents with respect to each Engine and Financing Statements with respect to each Engine, and all continuation statements (and any amendments necessitated by any combination, consolidation or merger of the Grantor, or any change in its corporate name or its location (as such term is used in Section 9-307 of the U.C.C.) in respect of such Financing Statements), to be prepared and duly and timely filed and recorded, or filed for recordation, to the extent permitted under the Act (with respect to the FAA Filed Documents) or the U.C.C. or similar law of any other applicable jurisdiction (with respect to such other documents).

(b) The Grantor will give the Security Trustee timely written notice (but in any event within 30 days prior to the expiration of the period of time specified under applicable law to prevent lapse of perfection) of (i) any change of its location (as such term is used in Section 9-307 of the U.C.C.) from its then present location, as specified on Schedule 6.9 to the Credit Agreement and (ii) any change in its corporate name, and will promptly take any action required by Section 3.07(a) as a result of such change of its location or corporate name.

ARTICLE IV

REMEDIES

SECTION 4.01. Remedies.

If an Event of Default shall have occurred and be continuing and so long as the same shall continue, then and in every such case the Security Trustee may exercise any or all of the rights and powers and pursue any and all of the remedies pursuant to this Article IV and shall have and may exercise all of the rights and remedies of a secured party under the U.C.C. and the Cape Town Treaty and may take possession of all or any part of the properties covered or intended to be covered by the Lien created hereby or pursuant hereto and may exclude the Grantor and all Persons claiming under it wholly or partly therefrom; provided, that the Security Trustee shall give the Grantor at least ten days' prior written notice of any sale of any Engine. Without limiting any of the foregoing, it is understood and agreed that the Security Trustee may exercise any right of sale of any Engine available to it, even though it shall not have taken possession of such Engine and shall not have possession thereof at the time of such sale, and may pursue all or part of the Collateral wherever it may be found and may enter any of the premises of the Grantor wherever the Collateral may be or is supposed to be and search for the Collateral and take possession of and remove the Collateral. In addition, each of the Secured Parties shall have a right after the occurrence and during the continuance of an Event of Default to inspect the Engines and the Engine Documents in accordance with Section 3.03, and the Grantor shall bear the reasonable costs thereof, notwithstanding Section 3.03(c).

SECTION 4.02. Return of Collateral, Etc.

(a) If an Event of Default shall have occurred and be continuing, at the request of the Security Trustee, the Grantor shall promptly execute and deliver to the Security Trustee such instruments of title and other documents as the Security Trustee may deem necessary or advisable to enable the Security Trustee or an agent or representative designated by

the Security Trustee, at such time or times and place or places as the Security Trustee may specify, to obtain possession of all or any part of the Collateral to which the Security Trustee shall at the time be entitled hereunder. If the Grantor shall for any reason fail to execute and deliver such instruments and documents after such request by the Security Trustee, the Security Trustee may obtain a judgment conferring on the Security Trustee the right to immediate possession and requiring the Grantor to execute and deliver such instruments and documents to the Security Trustee, to the entry of which judgment the Grantor hereby specifically consents to the fullest extent permitted by Requirement of Law. All expenses of obtaining such judgment or of pursuing, searching for and taking such property shall, until paid, be secured by the Lien of this Mortgage.

(b) Upon every such taking of possession, the Security Trustee may, from time to time, at the expense of the Collateral, make all such expenditures for maintenance, use, operation, storage, insurance, leasing, control, management, disposition, modifications or alterations to and of the Collateral, as it may deem proper. In each such case, the Security Trustee shall have the right to maintain, use, operate, store, insure, lease, control, manage, dispose of, modify or alter the Collateral and to exercise all rights and powers of the Grantor relating to the Collateral, as the Security Trustee shall deem best, including the right to enter into any and all such agreements with respect to the maintenance, use, operation, storage, insurance, leasing, control, management, disposition, modification or alteration of the Collateral or any part thereof as the Security Trustee may determine, and the Security Trustee shall be entitled to collect and receive directly all rents, revenues and other proceeds of the Collateral and every part thereof, without prejudice, however, to the right of the Security Trustee under any provision of this Mortgage to collect and receive all cash held by, or required to be deposited with, the Security Trustee hereunder. Such rents, revenues and other proceeds shall be applied to pay the expenses of the maintenance, use, operation, storage, insurance, leasing, control, management, disposition, improvement, modification or alteration of the Collateral and of conducting the business thereof, and to make all payments which the Security Trustee may be required or may elect to make, if any, for taxes, assessments, insurance or other proper charges upon the Collateral or any part thereof (including the employment of engineers and accountants to examine, inspect and make reports upon the properties and books and records of the Grantor), and all other payments which the Security Trustee may be required or authorized to make under any provision of this Mortgage, as well as just and reasonable compensation for the services of the Security Trustee, and of all Persons properly engaged and employed by the Security Trustee with respect hereto.

(c) To the extent permitted by applicable law, the Security Trustee and each Lender may be a purchaser of the Collateral or any part thereof or any interest therein at any such sale thereof, whether pursuant to foreclosure or power of sale or otherwise, and the Lenders shall be entitled to credit against the purchase price bid at such sale all or any part of the due and unpaid amounts of the Secured Obligations secured by the Lien of this Mortgage. The Security Trustee or any such Lender, upon any such purchase, shall acquire good title to the property so purchased, to the extent permitted by applicable law, free of the Grantor’s rights of redemption.

(d) Upon any sale of the Collateral or any part thereof or interest therein pursuant hereto, whether pursuant to foreclosure or power of sale or otherwise, the receipt of the official making the sale by judicial proceeding or of the Security Trustee shall be sufficient discharge to the purchaser for the purchase money and neither such official nor such purchaser shall be obligated to see to the application thereof.

(e) Any sale or other conveyance of any Engine or other Collateral or any interest therein by the Security Trustee made pursuant to the terms of this Mortgage shall bind the Grantor and the Lenders and shall be effective to transfer or convey all right, title and interest of the Security Trustee, the Grantor and the Lenders in and to the Engine. 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.

SECTION 4.03. Remedies Cumulative.

Each and every right, power and remedy given to the Security Trustee 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 under any applicable law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Security Trustee, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Security Trustee in the exercise of any right, remedy or power or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Grantor or to be an acquiescence therein.

SECTION 4.04. Discontinuance of Proceedings.

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 Grantor and the Security Trustee shall, subject to any determination in such proceedings, be restored to their former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Grantor or the Security Trustee shall continue as if no such proceedings had been instituted.

SECTION 4.05. Appointment of Receiver.

If any Event of Default shall occur and be continuing, to the extent permitted by law, the Security Trustee shall, as a matter of right, be entitled to the appointment of a receiver (who may be the Security Trustee or any successor or nominee thereof) for all or any part of the Collateral, whether such receivership be incidental to a proposed sale of the Collateral or the taking of possession thereof or otherwise, and the Grantor hereby consents to the appointment of such a receiver and will not oppose any such appointment. Any receiver appointed for all or any part of the Collateral shall be entitled to exercise all the rights and powers of the Security Trustee with respect to the Collateral.

SECTION 4.06. The Security Trustee Authorized to Execute Bills of Sale, Etc.

The Grantor hereby irrevocably appoints the Security Trustee the true and lawful attorney-in-fact of the Grantor (which appointment is coupled with an interest) in its name and stead and on its behalf, for the purpose of effectuating any sale, assignment, transfer or delivery for the enforcement of the Lien of this Mortgage, whether pursuant to foreclosure or power of sale, assignments and other instruments as may be necessary or appropriate, with full power of substitution, the Grantor hereby ratifying and confirming all that such attorney or any substitute shall do by virtue hereof in accordance with applicable law; provided that the Security Trustee shall not exercise any right as such attorney-in-fact except during the continuance of an Event of Default. Nevertheless, if so requested by the Security Trustee or any purchaser, the Grantor shall ratify and confirm any such sale, assignment, transfer or delivery, by executing and delivering to the Security Trustee or such purchaser all bills of sale, assignments, releases and other proper instruments to effect such ratification and confirmation as may be designated in any such request.

SECTION 4.07. Limitations Under CRAF.

Notwithstanding the provisions of this Article IV, during any period that an Engine is subject to CRAF in accordance with the provisions of Section 3.02(b)(iv) and in the possession of the U.S. Government, the Security Trustee shall not, as a result of any Event of Default, exercise its remedies hereunder in such manner as to limit the Grantor's control under this Mortgage of such Engine, unless at least 60 days' (or such other period as may then be applicable under CRAF) written notice of default hereunder shall have been given by the Security Trustee or any Secured Party by registered or certified mail to the Grantor with a copy to the Contracting Officer Representative or Representatives for the Military Airlift Command of the United States Air Force to whom notices must be given under the contract governing the Grantor's participation in CRAF with respect to such Engine.

SECTION 4.08. Allocation of Payments.

All cash proceeds received by the Security Trustee in respect of any sale of, collection from, or other realization upon all or any part of the Collateral pursuant to the exercise by the Security Trustee of its remedies as a secured creditor as provided in Article IV of this Mortgage shall be held by the Security Trustee as Collateral for, and then at any time thereafter shall, in the discretion of the Security Trustee, be applied, in whole or in part, against all or any part of the Secured Obligations pursuant to the terms of the Credit Agreement. Any surplus of such cash proceeds held by the Security Trustee and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantor or to whomever may be at such time lawfully entitled to receive such surplus.

ARTICLE V

MISCELLANEOUS

SECTION 5.01. Termination of Mortgage.

(a) Upon the Mortgage Termination Date, the Grantor shall have the right to terminate this Mortgage (provided that all indemnities set forth herein shall survive) and the Security Trustee, at the request and expense of the Grantor, will promptly execute and deliver to the Grantor a proper instrument or instruments acknowledging the satisfaction and termination of this Mortgage, and, subject to the terms of the Loan Documents, will duly assign, transfer and deliver to the Grantor (without recourse and without any representation or warranty) such of its Collateral as may be in the possession of the Security Trustee and as has not theretofore been sold or otherwise applied or released pursuant to this Mortgage.

(b) Upon (i) any disposition or sale of any Engine that is permitted under Section 5.12 of the Credit Agreement, (ii) the release of any Engine pursuant to Section 3.05(a) of this Mortgage, (iii) the payment in full in cash of the Secured Obligations relating to any Engine, the Commitments being terminated and provided no Event of Default has occurred and is continuing or (iv) the effectiveness of any written consent by the Security Trustee or the Required Lenders as provided under the Loan Documents to the release of any Collateral from the Lien granted hereby, such Engine, and any Warranty Rights, Requisition, Disposition and Insurance Proceeds, Cash Collateral, Title Rights and Acquisition Rights related thereto, shall be released from the Lien granted under this Mortgage.

(c) In connection with any release of any Collateral pursuant to this Section 5.01, the Security Trustee will promptly execute and deliver to the Grantor, at the Grantor's sole expense, all appropriate U.C.C. termination statements and other documents that the Grantor shall reasonably request to evidence such release and shall take necessary action to permit the Grantor to register with the International Registry the discharge of the International Interest created by this Mortgage in such released Collateral. The Security Trustee shall have no liability whatsoever to any Secured Party as a result of any release of Collateral by it as permitted by this Section 5.01. The release of an Engine from the Lien of this Mortgage shall have the effect without further action of releasing all other Collateral, including the related Engine Documents, respectively, relating to such Engine.

SECTION 5.02. No Legal Title to Collateral in Secured Parties.

No Secured Party shall have legal title to any part of the Collateral. No transfer, by operation of law or otherwise, of any right, title and interest of any Secured Party in and to the Collateral or hereunder shall operate to terminate this Mortgage or entitle such holder or any successor or transferee of such holder to an accounting or to the transfer to it of any legal title to any part of the Collateral.

SECTION 5.03. Sale of Collateral by Security Trustee Is Binding.

Any sale or other conveyance of the Collateral, or any part thereof (including any part thereof or interest therein), by the Security Trustee made pursuant to the terms of this

Mortgage shall bind the Secured Parties and shall be effective to transfer or convey all right, title and interest of the Security Trustee, the Grantor and such Secured Parties in and to such Collateral or part thereof. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by the Security Trustee.

SECTION 5.04. Mortgage for Benefit of the Grantor, Security Trustee and Secured Parties.

Nothing in this Mortgage, whether express or implied, shall be construed to give any Person other than the Grantor and the Security Trustee, any legal or equitable right, remedy or claim under or in respect of this Mortgage.

SECTION 5.05. Notices.

Any notice or communication by the Grantor or the Security Trustee to the other is duly given if in writing and delivered in person or by first class mail (registered or certified, return receipt requested), facsimile transmission or overnight air courier guaranteeing next day delivery, to the other's address:

(a) if to the Grantor:

Mesa Airlines, Inc.
410 North 44th Street, Suite 700
Phoenix, AZ 85008

(b) if to the Security Trustee, to its office at:

Obsidian Agency Services, Inc.
2951 28th Street, Suite 1000
Santa Monica, CA 90405

Attention: Rob DiPaolo

The Grantor or the Security Trustee, by notice to the other, may designate additional or different addresses for subsequent notices or communications.

All notices, statements, requests, demands and other communications provided for hereunder shall be deemed to be given or made when delivered (if received during normal business hours on a Business Day, such Business Day or otherwise the following Business Day), or two Business Days after being deposited in the mails with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by facsimile or electronic communication, in each case of facsimile or electronic communication with telephonic confirmation of receipt.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

SECTION 5.06. 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, to the fullest extent permitted by law. Any such prohibition or unenforceability in any particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction, to the fullest extent permitted by law.

SECTION 5.07. Waivers; Amendments.

This Mortgage may not be amended, modified or waived except with the written consent of the Grantor and the Security Trustee. Any amendment, modification or supplement of or to any provision of this Mortgage, any termination or waiver of any provision of this Mortgage and any consent to any departure by the Grantor from the terms of any provision of this Mortgage shall be effective only in the specific instance and for the specific purpose for which made or given.

SECTION 5.08. Successors and Assigns.

All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, each of the parties hereto and the successors and permitted assigns of each, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by any Secured Party shall bind the successors and permitted assigns of such Secured Party.

SECTION 5.09. Headings.

The headings of the various Articles and sections herein and in the table of contents hereto are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 5.10. Counterpart Form.

This Mortgage may be executed in any number of counterparts and by different parties hereto in separate counterparts, and by facsimile or other electronic signature, each of which counterparts when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

SECTION 5.11. Bankruptcy.

It is the intention of the parties that the Security Trustee shall be entitled to the benefits of Section 1110 with respect to the right to take possession of the Engines as provided herein in the event of a case under Chapter 11 of the Bankruptcy Code in which the Grantor is a debtor, and in any instance where more than one construction is possible of the terms and conditions hereof or any other pertinent Loan Document, each such party agrees that a construction which would preserve such benefits shall control over any construction which would not preserve such benefits.

SECTION 5.12. Governing Law, Submission to Jurisdiction, Waiver of Jury Trial, Process Agent Appointment. 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, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW). Each party hereto hereby agrees that any actions or proceedings initiated by any other party hereto and arising directly or indirectly out of this Mortgage may be litigated in the state courts of the State of New York, in New York County and the United States District Court for the Southern District of the State of New York. Each of the parties hereto hereby (A) expressly submits and consents in advance to such non-exclusive jurisdiction and venue in any action or proceeding commenced by any other party in any of such courts, (B) agrees that jurisdiction and venue is proper in such courts, (C) waives personal service of the summons and complaint, or other process or papers issued therein and (D) agrees that such service of the summons and complaint may be made by registered mail, return receipt requested, addressed to the applicable party, at the address set forth in Section 11.4 of the Credit Agreement. Each party hereto hereby 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 action or proceeding arising out of or relating to this Mortgage in any court referred to above. Each of the parties hereto 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. 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 ACTION OR 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 PARTY HERETO HAS BEEN INDUCED TO ENTER INTO THIS MORTGAGE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. The Grantor hereby appoints CT Corporation System, with its address at 111 Eighth Avenue, 13th Floor, New York, NY 10011, as its agent for service of process in any matter related to this Mortgage or the other Loan Documents and shall provide written evidence of acceptance of such appointment by such agent on or promptly following the Closing Date.

SECTION 5.13. General Indemnity.

(a) Indemnity. The Grantor shall indemnify, protect, defend and hold harmless each Secured Party from, against and in respect of, and shall pay on an After-tax Basis, any and all Expenses of any kind or nature whatsoever that may be imposed on, incurred by or asserted against any Secured Party, relating to, resulting from, or arising out of or in connection with each Engine, or Part, including, without limitation, with respect thereto, (x) the manufacture, design, purchase, acceptance, non-acceptance or rejection, ownership, registration, re-registration, deregistration, delivery, non-delivery, lease, sublease, assignment, possession,

use or non-use, operation, maintenance, testing, repair, overhaul, condition, alteration, modification, addition, improvement, storage, airworthiness, replacement, repair, sale, substitution, return, abandonment, redelivery or other disposition of each Engine, or Part, (y) death or property damage of passengers, shippers or others and (z) environmental control, noise or pollution.

(b) Exceptions. Notwithstanding anything contained in the foregoing clause (a), the Grantor shall not be required to indemnify, protect, defend and hold harmless any Secured Party pursuant to this Section 5.13 in respect of any Expense of such Secured Party:

(i) Except to the extent attributable to acts or events occurring prior thereto, acts or events (other than acts or events related to the performance or failure to perform by the Grantor of its obligations pursuant to the terms of the Loan Documents) that occur after the Mortgage Termination Date or, with respect to any Collateral, after the Security Trustee is otherwise required to release the applicable Collateral from the Lien of this Mortgage pursuant to Section 5.01 of this Mortgage;

(ii) To the extent attributable to the offer, sale, assignment, transfer, participation or other disposition (whether voluntary or involuntary) by or on behalf of such Secured Party (other than out-of-pocket expenses as a result of or in lieu of exercising remedies during the occurrence and continuance of, an Event of Default) of any Loan, all or any part of such Secured Party's interest in the Loan Documents or any interest in the Collateral or any similar security;

(iii) To the extent attributable to the gross negligence or willful misconduct of any Secured Party or attributable to negligence by such Secured Party in conducting any inspection of the Collateral;

(iv) To the extent attributable to the incorrectness or breach of any representation or warranty of any Secured Party contained in or made pursuant to any Loan Document or any agreement relating hereto or thereto;

(v) To the extent attributable to the failure by any Secured Party to perform or observe any agreement, covenant or condition on its part to be performed or observed in any Loan Document or any agreement relating hereto or thereto;

(vi) To the extent attributable to the offer or sale by any Secured Party of any interest in any Collateral or any Loan in violation of applicable federal, state or foreign securities laws (other than any violation thereof caused by the acts or omissions of the Grantor);

(vii) To the extent attributable to a Lender Lien or an Security Trustee Lien; or

(viii) To the extent attributable to a Secured Party's failure to act commercially reasonable in connection with the entering into of any settlement for a claim which such Secured Party is otherwise entitled to indemnification pursuant to Section 5.13(a).

(c) Separate Agreement. This Mortgage constitutes a separate agreement with respect to each Secured Party and is enforceable directly by each such Secured Party. Nothing in this Section 5.13 shall limit any Secured Party's rights under any other provision of any Loan Document.

(d) Notice. If a claim for any Expense that a Secured Party shall be indemnified against under this Section 5.13 is made, such Secured Party shall give prompt written notice thereof to the Grantor. Notwithstanding the foregoing, the failure of any Secured Party to notify the Grantor as provided in this Section 5.13 shall not release the Grantor from any of its obligations to indemnify such Secured Party hereunder, except to the extent that such failure results in an additional Expense to the Grantor (in which event the Grantor shall not be responsible for such additional Expense) or materially impairs the Grantor's ability to contest such claim.

(e) Notice of Proceedings; Defense of Claims; Limitations.

(i) In case any action, suit or proceeding shall be brought against any Secured Party for which the Grantor is responsible under this Section 5.13, such Secured Party shall notify the Grantor of the commencement thereof and the Grantor may, at its expense, participate in and to the extent that it shall wish (subject to the provisions of the following paragraph), assume and, subject to clause (ii) below, control the defense thereof and settle or compromise the same.

(ii) The Grantor or its insurer(s) shall have the right, at its or their expense, to investigate or, if the Grantor or its insurer(s) shall agree in writing not to dispute liability to the Secured Party giving notice of such action, suit or proceeding under this Section 5.13 for indemnification hereunder or under any insurance policies pursuant to which coverage is sought, control the defense of, any action, suit or proceeding, relating to any Expense for which indemnification is sought pursuant to this Section 5.13, and each Secured Party shall cooperate with the Grantor or its insurer(s) with respect thereto; provided, that the Grantor shall not be entitled to control the defense of any such action, suit, proceeding or compromise any such Expense (i) during the continuance of any Event of Default, (ii) if such proceedings would entail a risk of the sale, forfeiture or loss of an Engine or (iii) if such proceedings would likely, in the reasonable opinion of the Secured Party, involve the imposition of material risk of criminal liability or any material civil liability on such Secured Party. In connection with any such action, suit or proceeding being controlled by the Grantor or its insurers, such Secured Party shall have the right to participate therein, at its sole cost and expense, with counsel reasonably satisfactory to the Grantor; provided, that such Secured Party's participation does not, in the reasonable opinion of the independent counsel appointed by the Grantor or its insurers to conduct such proceedings, interfere with the defense of such case.

(iii) In no event shall any Secured Party enter into a settlement or other compromise with respect to any Expense without the prior written consent of the Grantor, unless such Secured Party waives its right to be indemnified with respect to such Expense under this Section 5.13.

(iv) In the case of any Expense indemnified by the Grantor hereunder which is covered by a policy of insurance maintained by the Grantor pursuant to this Mortgage, at the Grantor's expense, each Secured Party agrees to cooperate with the insurers in the exercise of their rights to investigate, defend or compromise such Expense as may be required to retain the benefits of such insurance with respect to such Expense.

(v) Nothing contained in this Section 5.13 shall be deemed to require a Secured Party to contest any Expense or to assume responsibility for or control of any judicial proceeding with respect thereto.

(f) Information. The Grantor will provide the relevant Secured Party with such information not within the control of such Secured Party, as is in the Grantor's control or is reasonably available to the Grantor, which such Secured Party may reasonably request and will otherwise cooperate with such Secured Party so as to enable such Secured Party to fulfill its obligations under this Section 5.13. The Secured Party shall supply the Grantor with such information not within the control of the Grantor, as is in such Secured Party's control or is reasonably available to such Secured Party, which the Grantor may reasonably request to control or participate in any proceeding to the extent permitted by Section 5.13.

(g) Effect of Other Indemnities; Subrogation; Further Assurances. Upon the payment in full by the Grantor of any indemnity provided for under this Mortgage, the Grantor, without any further action and to the full extent permitted by Requirement of Law, will be subrogated to all rights and remedies of the Person indemnified (other than with respect to any of such Secured Party's insurance policies) in respect of the matter as to which such indemnity was paid.

SECTION 5.14. Air Carrier Certification; Citizenship.

The Grantor certifies, represents and warrants that (i) the Grantor is a Certificated Air Carrier and (ii) that it is a Citizen of the United States.

IN WITNESS WHEREOF, the parties hereto have caused this Mortgage to be duly executed by their respective officers thereof duly authorized as of the day and year first above written.

MESA AIRLINES, INC.,
as Grantor

By: /s/ Brian S. Gillman
Name: Brian S. Gillman
Title: Executive Vice President, General Counsel and Corporate Secretary

OBSIDIAN AGENCY SERVICES, INC.,
as Security Trustee

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: President

[Signature Page to FAA Mortgage and Security Agreement]

Schedule I
to Mortgage and Security Agreement

DEFINITIONS

Unless otherwise specified herein, all capitalized terms used in this Schedule I shall have the meanings set forth in the Credit Agreement

"Acquisition Rights" is defined in Section 2.01 of the Mortgage.

"Act" means part A of subtitle VII of title 49, United States Code.

"Additional Insureds" is defined in Section D of Annex A to the Mortgage.

"Administrative Agent" is defined in the preamble to the Mortgage.

"After-tax Basis" means, with respect to any payment to be received or accrued by any Person, the amount of such payment adjusted, if necessary, so that such payment, after taking into account all Taxes payable to any Taxing Authority as a result of the receipt or accrual of such payments and any savings in Taxes with respect to the indemnified Taxes or other liability in respect of which such payment is due, shall be equal to the payment to be received or accrued.

"Agreed Value" is defined in Section B.1. of Annex A to the Mortgage.

"Aircraft Protocol" means the official English language text of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements and revisions thereto, as in effect in the United States.

"Applicable Date" means, in the case of any Engine, the date on which such Engine is subjected to the Lien of the Mortgage by the execution and delivery of a Mortgage Supplement.

"Cape Town Convention" shall mean the official English language text of the Convention on International Interests in Mobile Equipment, adopted on November 16, 2001 at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements and revisions thereto, as in effect in the United States.

"Cape Town Treaty" shall mean, collectively, (a) the Cape Town Convention, (b) the Aircraft Protocol, and (c) all rules and regulations (including but not limited to the Regulations and Procedures for the International Registry) adopted pursuant thereto and all amendments, supplements and revisions thereto.

"Cash Collateral" is defined in Section 2.01 of the Mortgage.

"Certificated Air Carrier" means a Person holding an air carrier operating certificate issued pursuant to 49 United States Code Section 44705, for aircraft capable of carrying ten or more individuals or 6,000 pounds or more of cargo.

"Citizen of the United States" is defined in Section 40102(a)(15) of the Act and in the FAA Regulations.

"Collateral" is defined in Section 2.01 of the Mortgage.

"CRAF" means the Civil Reserve Air Fleet Program established pursuant to 10 U.S.C. Section 9511-13 or any similar substitute program.

"Credit Agreement" is defined in the first "Whereas" clause of the Mortgage.

"Engine" means (a) each of the engines identified by Manufacturer, model and Manufacturer's serial number in the initial Mortgage Supplement or any subsequent Mortgage Supplement, in any case whether or not from time to time installed on any airframe or aircraft, and (b) any and all Parts incorporated or installed in or attached or appurtenant to such engine, and any and all Parts removed from such engine, unless the Lien of the Mortgage shall not apply to such Parts in accordance with Section 3.04 of the Mortgage, but excluding any such engine that has subsequently been released from the Lien of this Mortgage pursuant to Section 5.01.

"Engine Collateral" is defined in Section 2.01 of the Mortgage.

"Engine Documents" means, with respect to any Engine, all technical data, manuals and log books, and all inspection, modification and overhaul records and other service, repair, maintenance and technical records that are required by the FAA, to be maintained with respect to such Engine, and such term shall include all additions, renewals, revisions and replacements of any such materials from time to time made, or required to be made, by the FAA (or other Aviation Authority) regulations, and in each case in whatever form and by whatever means or medium (including, without limitation, microfiche, microfilm, paper or computer disk) such materials may be maintained or retained by or on behalf of the Grantor; provided that such term shall not include manuals and data relating to engines generally of the same type as the Engine as opposed to the Engine specifically.

"Event of Loss" means, with respect to any Engine, as applicable, any of the following circumstances, conditions or events with respect to such property, for any reason whatsoever:

(a) the destruction of such property, damage to such property beyond economic repair or rendition of such property permanently unfit for normal use by the Grantor;

(b) the actual or constructive total loss of such property or any damage to such property, or requisition of title or use of such property, which results in an insurance settlement with respect to such property on the basis of a total loss or constructive or compromised total loss;

(c) any theft, hijacking or disappearance of such property for a period of 180 consecutive days or more;

(d) any seizure, condemnation, confiscation, taking or requisition (including loss of title) of such property by any Governmental Authority or purported Governmental Authority for a period exceeding 180 consecutive days; or

(e) the return of any Engine to the Manufacturer or seller thereof or either of their agents pursuant to any warranty settlement or patent indemnity settlement.

"Expenses" means, solely with respect to Section 5.13 of the Mortgage, any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs or expenses (including reasonable fees and disbursements of legal counsel) that may be imposed on or asserted against a Secured Party.

"FAA Filed Documents" means, with respect to any Engine, the Mortgage and the Mortgage Supplement executed by the Grantor with respect to such Engine.

"FAA Regulations" means the Federal Aviation Regulations issued or promulgated pursuant to the Act from time to time.

"Financing Statements" means, with respect to any Engine, collectively, UCC-1 financing statements covering such Engine and the related Collateral by the Grantor, as debtor, showing the Security Trustee as secured party, for filing in Nevada and each other jurisdiction that, in the opinion of the Security Trustee, is necessary to perfect its Lien on such Engine and the related Collateral.

"Grantor" is defined in the preamble to the Mortgage.

"Inspecting Parties" is defined in Section 3.03 of the Mortgage.

"International Interest" shall mean an "international interest" as defined in the Cape Town Treaty.

"International Registry" shall mean the "International Registry" as defined in the Cape Town Treaty.

"Lender" and "Lenders" are defined in the first "Whereas" clause of the Mortgage.

"Lender Liens" means, solely with respect to Section 5.13 of the Mortgage, any Lien attributable to any Lender with respect to any Engine, any interest therein, or any other portion of the Collateral, arising as a result of (i) claims against such Lender not related to its interest in such Collateral or the Loan Documents (including the

administration of the Loans), (ii) acts of such Lender not permitted by, or failure of such Lender to take any action required by, the Loan Documents, (iii) Taxes against such Person or any of its Affiliates not required to be indemnified under the Section 5.13 of the Mortgage or the other Loan Documents, or (iv) claims against such Person arising out of any transfer by such Person of its interest in the any Collateral, any Loan and its interests in the Loan Documents.

"Mandatory Modification" is defined in Section 3.04(d) of the Mortgage.

"Manufacturer" shall mean, with respect to any Engine or Part, the manufacturer thereof.

"Mortgage" means the Mortgage and Security Agreement, dated as of December 14, 2016, between the Grantor and the Security Trustee.

"Mortgage Supplement" means a Mortgage Supplement, substantially in the form of Exhibit A to the Mortgage, with appropriate modifications to reflect the purpose for which it is being used.

"Mortgage Termination Date" shall mean the date on which all of the Secured Obligations shall have been paid in full in cash and the Commitments terminated.

"Obsolete Part" is defined in Section 3.04(d) of the Mortgage.

"Optional Modification" is defined in section 3.04(d) of the Mortgage.

"Parts" means all appliances, parts, components, instruments, appurtenances, accessories, furnishings, seats and other equipment of whatever nature (other than (a) Engines or engines and (b) any appliance, part, component, instrument, appurtenance, accessory, furnishing, seat or other equipment that would qualify as a Removable Part and is leased by the Grantor from a third party or is subject to a security interest granted to a third party), that may from time to time be installed or incorporated in or attached or appurtenant to any Engine or removed therefrom unless the Lien of the Mortgage shall not be applicable to such Parts in accordance with Section 3.04 of the Mortgage.

"Pledged Agreement" means any contract, agreement or instrument included in the Collateral.

"Removable Part" is defined in Section 3.04(d) of the Mortgage.

"Requisition, Disposition and Insurance Proceeds" is defined in Section 2.01 of the Mortgage.

"Secured Obligations" means collectively, (a) the Delayed Draw Obligations and (b) the Engine Acquisition Obligations.

"Secured Parties" is defined in the first "Whereas" clause of the Mortgage.

"Security Trustee" is defined in the preamble to the Mortgage.

"Security Trustee Liens" means any Lien attributable to the Security Trustee with respect to an Engine or any interest therein, or any other portion of the Collateral, arising as a result of (a) claims against the Security Trustee in its individual capacity not related to its interest in an Engine or the administration of the Collateral pursuant to the Loan Documents, (b) acts of the Security Trustee not permitted by, or failure of the Security Trustee to take any action required by, the Loan Documents, (c) Taxes against the Security Trustee or any of its Affiliates not required to be indemnified by Section 5.13 of the Mortgage or the other Loan Documents, and (d) claims against the Security Trustee arising out of the transfer by the Security Trustee of all or any portion of its interest in the Collateral and the Loan Documents, other than a transfer permitted by the terms of the Loan Documents or pursuant to the exercise of remedies set forth in Article IV of the Mortgage.

"Taxing Authority" means any federal, state or local government or other taxing authority in the United States, any foreign government or any political subdivision or taxing authority thereof, any international taxing authority or any territory or possession of the United States or any taxing authority thereof.

"Title Rights" is defined in Section 2.01 of the Mortgage.

"United States" or "U.S." means the United States of America; provided that for geographic purposes, "United States" means, in aggregate, the 50 states and the District of Columbia of the United States of America.

"U.S. Government" means the federal government of the United States, or any instrumentality or agency thereof the obligations of which are guaranteed by the full faith and credit of the federal government of the United States.

"Warranty Rights" is defined in Section 2.01 of the Mortgage.

ANNEX A

INSURANCE

Capitalized terms used but not defined herein shall have the respective meanings set forth or incorporated by reference in Schedule I to the Mortgage or, if not defined in such Schedule I, in the Credit Agreement.

A. Bodily Injury Liability and Property Damage Liability Insurance.

1. Except as provided in paragraph 2 of this Section A or Section 3.06(c) of the Mortgage, the Grantor will at all times carry and maintain, or cause to be carried and maintained, at no expense to any Additional Insured, on a non-discriminatory basis, comprehensive airline liability insurance, including passenger legal liability, bodily injury liability, property damage liability and contractual liability (exclusive of manufacturer's product liability insurance and including, without limitation, aircraft liability war risk and allied perils insurance, if and to the extent the same is maintained by the Grantor with respect to other similar types of engines owned or leased and operated by Grantor on the same routes) with respect to each Engine (a) in an amount per occurrence not less than the amount of comprehensive airline legal liability insurance from time to time applicable to engines owned or leased and operated by Grantor of the same type and operating on similar routes as the applicable Engine, (b) of the type and covering the same risks as from time to time applicable to engines operated or used by the Grantor of the same type which comprise the Grantor's fleet and (c) which is maintained in effect with insurers or reinsurers of recognized responsibility.

2. During any period that an Engine is on the ground and not in operation, the Grantor may carry or cause to be carried as to such non-operating property, in lieu of the insurance required by paragraph 1 above, insurance otherwise conforming to the provisions of said paragraph 1 except that (a) the amounts of coverage shall not be required to exceed the amounts of bodily injury liability and property damage liability insurance from time to time applicable to engines owned or leased by the Grantor of the same or similar type as the Engine and which are on the ground and not in operation and (b) the scope of the risks covered and the type of insurance shall be the same as from time to time shall be applicable to engines owned or leased by the Grantor of the same or similar type and which are on the ground and not in operation.

B. Insurance Against Loss or Damage to Engines.

1. Except as provided in paragraph 2 of this Section B or Section 3.06(c) of the Mortgage, Grantor shall at all times carry and maintain or cause to be carried and maintained, at no expense to any Additional Insured, in effect with insurers or reinsurers of recognized responsibility all-risk hull insurance covering the Engines and all-risk hull insurance covering Engines and Parts while temporarily removed from an airframe and not replaced by similar components (including, without limitation, hull war risk and allied perils insurance, if and to the extent the same is maintained by Grantor with respect to other engines owned or leased, and operated by Grantor on the same routes); provided, that the foregoing insurance shall at all times while the Engine is subject to the Mortgage be for an amount not less than 110% of the outstanding balance of the Loan relating to such Engine (the "Agreed Value").

All losses will be adjusted by Grantor with the insurers; provided, however, that Grantor shall not agree to any such adjustment without the consent of the Security Trustee (such consent not to be unreasonably withheld or delayed).

Any policies of insurance carried in accordance with this Section B.1 covering an Engine and any policies taken out in substitution or replacement for any such policies shall provide that insurance proceeds under such policies shall be payable directly to the Security Trustee if (A) such insurance proceeds are in respect of an Event of Loss or (B) the insurer has received a notice from the Security Trustee directing that such insurance proceeds are required to be so paid to the Security Trustee for application pursuant to the terms of the Credit Agreement. The Security Trustee shall be entitled to notify an insurer that such insurance proceeds shall be paid directly to the Security Trustee as provided in the immediately preceding sentence only if an Event of Default has occurred and is continuing.

2. During any period that an Engine is on the ground and not in operation, the Grantor may carry, or cause to be carried, in lieu of the insurance required by paragraph 1 above, insurance otherwise conforming with the provisions of said paragraph 1 except that the scope of the risks and the type of insurance shall be the same as from time to time applicable to engines, as the case may be, owned or leased and operated by the Grantor of the same type similarly on the ground and not in operation, provided that the Grantor shall maintain, or cause to be maintained, insurance against risk of loss or damage to such Engine in an amount at least equal to the Agreed Value thereof during such period that such Engine is on the ground and not in operation.

C. Reports, Etc. The Grantor will furnish, or cause to be furnished, to the Security Trustee on or before the Applicable Date with respect to each Engine and annually on or before the renewal dates of the Grantor's relevant insurance policies, a report, signed by a recognized independent firm of insurance brokers selected by the Grantor, which brokers may be regularly retained by the Grantor (the "Insurance Broker"), describing in reasonable detail the commercial hull and liability insurance then carried and maintained with respect to the applicable Engines and stating the opinion of such firm that, to its knowledge, such commercial insurance complies with the terms of this Annex A. To the extent such agreement is reasonably obtainable, the Grantor will cause such Insurance Broker to agree to advise the Security Trustee in writing of any default in the payment of premium and of any other act or omission on the part of the Grantor of which it has actual knowledge and which will invalidate or render unenforceable, in whole or in part, any commercial insurance as required by the terms hereof and to advise Security Trustee at least thirty (30) days (seven (7) days in the case of war risk and allied perils insurance and ten (10) days in the case of nonpayment of premium) prior to the cancellation, lapse or material adverse change of any insurance maintained pursuant to this Annex A, provided that, if the notice period set forth above is not reasonably obtainable, the Insurance Broker shall provide for such shorter or longer period as may be obtainable in the international insurance market. In the event that the Grantor shall fail to maintain, or cause to be maintained, insurance as herein provided, Security Trustee may, at its sole option, provide such insurance and, in such event, the Grantor shall, upon demand, reimburse Security Trustee for the cost thereof.

D. Terms of Insurance Policies. Any policies carried in accordance with Sections A and B hereof covering the Engines, and any policies taken out in substitution or replacement for any such policies, as applicable, (1) in the case of Section A, shall name the Security Trustee and each other Secured Party (collectively, the "Additional Insureds") as additional insureds, as their interests may appear, (2) shall name the Security Trustee as loss payee to the extent provided in Section B.1, (3) shall provide that if the insurers cancel such insurance for any reason whatsoever, or the same is allowed to lapse for nonpayment of premium or if any material change is made in the insurance which adversely affects the interest of any Additional Insured, such cancellation, lapse, or change shall not be effective as to the Additional Insureds for thirty (30) days (or ten (10) days in the case of nonpayment of premium) after sending to (but, in the case of war risk and allied perils coverage, seven (7) days after sending to) the Additional Insureds of written notice by such insurers of such cancellation or change (or, in the case of war risk and allied perils insurance underwritten by the FAA, seven days after publication in the Federal Register); provided, however, that if, in respect of the war risk and allied perils coverage, such policies shall provide for such shorter period as may be available in the international insurance market, (4) shall provide that in respect of the Additional Insureds' respective interests in such policies the insurance shall not be invalidated by any action or inaction of the Grantor and shall insure the respective interests of the Additional Insureds regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Grantor, (5) shall be primary without any right of contribution from any other insurance which is carried by any Additional Insured, (6) shall expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if a separate policy covered each insured, (7) shall waive any right of subrogation of the insurers against the Additional Insureds to the same extent Grantor has agreed in the Loan Documents to indemnify the Additional Insureds and shall waive any right of the insurers to setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any Additional Insured, (8) shall provide that losses (other than for total loss of an Engine) shall be adjusted with the Grantor (or, if an Event of Default shall have occurred which is continuing, with the consent of the Security Trustee), (9) shall provide that the Additional Insureds are not liable for any insurance premiums, (10) shall be effective with respect to both domestic and international operations, (11) shall provide that for any loss not constituting an Event of Loss (i) except as specified in clause (ii) below, all proceeds of any loss shall be paid to the Grantor or its order and (ii) notwithstanding anything to the contrary contained in the preceding clause (i), if the Security Trustee is entitled to notify the insurer that such proceeds of loss are to be paid to the Security Trustee pursuant to Section B.1, and the insurers have been so notified thereof by the Security Trustee, all proceeds of loss shall be paid to the Security Trustee for application in accordance with the Credit Agreement and (12) if war risk coverage is maintained, shall contain a 50/50 clause in accordance with Provisional Claims Settlement Clause AVS 103 (or its equivalent).

F. Insurers of Recognized Responsibility. For the purposes of this Annex A, "insurers of recognized responsibility" shall include independent recognized commercial insurance companies and any captive and/or industry-managed insurance company, in each case of recognized responsibility; provided that if the primary insurers are not insurers of recognized

responsibility but the relevant insurance policies are reinsured with insurers of recognized responsibility, the obligation of Grantor hereunder to maintain such insurance with insurers of recognized responsibility shall be deemed satisfied if such insurance shall contain a customary "cut-through" endorsement and shall provide that any payment by the reinsurers shall be made notwithstanding any bankruptcy, insolvency or liquidation of the original insurer and/or that the original insurer has made no payment under the original policies.

G. Salvage Rights; Other. All salvage rights to each Engine shall remain with the Grantor's insurers at all times, and any insurance policies of the Security Trustee insuring any Engine shall provide for a release to the Grantor of any and all salvage rights in and to any Engine. Neither the Security Trustee nor any Secured Party may, directly or indirectly, obtain insurance for its own account with respect to any Engine if such insurance would limit or otherwise adversely affect the coverage or amounts payable under, or increase the premiums for, any insurance required to be maintained pursuant to the Mortgage or any other insurance maintained with respect to any Engine.

EXHIBIT A
TO
MORTGAGE

MORTGAGE SUPPLEMENT NO.

THIS MORTGAGE SUPPLEMENT NO. dated (this "Mortgage Supplement") made by MESA AIRLINES, INC., a Nevada corporation (together with its permitted successors and assigns, the "Grantor"), in favor of OBSIDIAN AGENCY SERVICES, INC., a California corporation as Security Trustee (together with its successors and permitted assigns, the "Security Trustee").

W I T N E S S E T H:

WHEREAS, the Mortgage and Security Agreement, dated as of December 14, 2016 (herein called the "Mortgage"; capitalized terms used herein but not defined shall have the meaning ascribed to them in the Mortgage), between the Grantor and the Security Trustee, provides for the execution and delivery of supplements thereto substantially in the form hereof, which shall particularly describe certain collateral, and shall specifically mortgage the same to the Security Trustee;

WHEREAS, the Mortgage was entered into between the Grantor and the Security Trustee in order to secure the Secured Obligations under that certain Credit Agreement, dated as of December 14, 2016, among the Grantor, as borrower, the lenders from time to time party thereto (together with their respective successors and assigns and any other additional lenders that become party to the Credit Agreement, each a "Lender" and collectively, the "Lenders"), the Security Trustee and CORTLAND CAPITAL MARKET SERVICES LLC, as administrative agent (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement"); and

WHEREAS, the Grantor wishes to subject the and Engines described in Exhibit 1 hereto to the security interest created by the Mortgage by execution and delivery of this Mortgage Supplement, and a counterpart of the Mortgage [is attached hereto and made a part hereof and this Mortgage Supplement, together with such counterpart of the Mortgage, is being filed for recordation on the date hereof with the FAA, as one document][has been recorded pursuant to the Act by the FAA at Oklahoma City, Oklahoma, on [ ] and assigned Conveyance No. [ ]];

NOW, THEREFORE, this Mortgage Supplement Witnesseth, that to secure the payment and performance of the Secured Obligations from time to time outstanding and to secure the performance and observance by the Grantor of all the agreements, covenants and provisions contained in the Loan Documents for the benefit of the Secured Parties, the Grantor 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, its successors and assigns, for the security and benefit of the Secured Parties, a security interest in all right, title and interest of the Grantor in, to and under the Engines as further described on Exhibit 1 hereto, in each case together with any and all Parts

of whatever nature, which are from time to time included within the definition of “Engines”, including all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to each such Engine (other than additions, improvements, accessions and accumulations which constitute appliances, parts, instruments, appurtenances, accessories, furnishings or other equipment excluded from the definition of Parts) and all Engine Documents relating to each such Engine.

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Security Trustee, its successors and assigns, for the uses and purposes and subject to the terms and provisions set forth in the Mortgage.

This Mortgage Supplement shall be construed as a supplemental Mortgage and shall form a part thereof, and the Mortgage is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Grantor has caused this Mortgage Supplement to be duly executed by one of its officers, thereunto duly authorized, on the day and year first above written.

MESA AIRLINES, INC., as Grantor

By: _____
Name:
Title:

EXHIBIT 1
TO
MORTGAGE SUPPLEMENT NO. [ ]

THE ENGINES:

Manufacturer	Manufacturer's Model	Serial Number

Exhibit 10.15.2

MORTGAGE SUPPLEMENT NO. 1

THIS MORTGAGE SUPPLEMENT NO. 1 dated December 14, 2016 (this "Mortgage Supplement") made by MESA AIRLINES, INC., a Nevada corporation (together with its permitted successors and assigns, the "Grantor"), in favor of OBSIDIAN AGENCY SERVICES, INC., a California corporation as Security Trustee (together with its successors and permitted assigns, the "Security Trustee").

W I T N E S S E T H:

WHEREAS, the Mortgage and Security Agreement, dated as of December 14, 2016 (herein called the "Mortgage"; capitalized terms used herein but not defined shall have the meaning ascribed to them in the Mortgage), between the Grantor and the Security Trustee, provides for the execution and delivery of supplements thereto substantially in the form hereof, which shall particularly describe certain collateral, and shall specifically mortgage the same to the Security Trustee;

WHEREAS, the Mortgage was entered into between the Grantor and the Security Trustee in order to secure the Secured Obligations under that certain Credit Agreement, dated as of December 14, 2016, among the Grantor, as borrower, the lenders from time to time party thereto (together with their respective successors and assigns and any other additional lenders that become party to the Credit Agreement, each a "Lender" and collectively, the "Lenders"), the Security Trustee and CORTLAND CAPITAL MARKET SERVICES LLC, as administrative agent (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement"); and

WHEREAS, the Grantor wishes to subject the and Engines described in Exhibit 1 hereto to the security interest created by the Mortgage by execution and delivery of this Mortgage Supplement, and a counterpart of the Mortgage is attached hereto and made a part hereof and this Mortgage Supplement, together with such counterpart of the Mortgage, is being filed for recordation on the date hereof with the FAA, as one document;

NOW, THEREFORE, this Mortgage Supplement Witnesseth, that to secure the payment and performance of the Secured Obligations from time to time outstanding and to secure the performance and observance by the Grantor of all the agreements, covenants and provisions contained in the Loan Documents for the benefit of the Secured Parties, the Grantor 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, its successors and assigns, for the security and benefit of the Secured Parties, a security interest in all right, title and interest of the Grantor in, to and under the Engines as further described on Exhibit 1 hereto, in each case together with any and all Parts of whatever nature, which are from time to time included within the definition of "Engines", including all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to each such Engine (other than additions, improvements, accessions and accumulations which constitute appliances, parts, instruments, appurtenances, accessories, furnishings or other equipment excluded from the definition of Parts) and all Engine Documents relating to each such Engine.

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Security Trustee, its successors and assigns, for the uses and purposes and subject to the terms and provisions set forth in the Mortgage.

This Mortgage Supplement shall be construed as a supplemental Mortgage and shall form a part thereof, and the Mortgage is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Grantor has caused this Mortgage Supplement to be duly executed by one of its officers, thereunto duly authorized, on the day and year first above written.

MESA AIRLINES, INC., as Grantor

By: /s/ Brian S. Gillman
Name: Brian S. Gillman
Title: Executive Vice President, General Counsel and Corporate Secretary

[Signature Page to Mortgage Supplement No.]

THE ENGINES:

Manufacturer	Manufacturer's Model	Serial Number
General Electric Company	CF34-8C5	194745
General Electric Company	CF34-8C5	194450
General Electric Company	CF34-8C5	965557
General Electric Company	CF34-8C5	965251
General Electric Company	CF34-8C5	195600
General Electric Company	CF34-8C5	195601
General Electric Company	CF34-8C5	195604
General Electric Company	CF34-8C5	195609
General Electric Company	CF34-8C5	195616
General Electric Company	CF34-8C5	195617

Exhibit 10.15.3

EXECUTION VERSION

MORTGAGE SUPPLEMENT NO. 2

THIS MORTGAGE SUPPLEMENT NO. 2 dated February 2, 2017 (this "Mortgage Supplement") made by MESA AIRLINES, INC., a Nevada corporation (together with its permitted successors and assigns, the "Grantor"), in favor of OBSIDIAN AGENCY SERVICES, INC., a California corporation as Security Trustee (together with its successors and permitted assigns, the "Security Trustee").

W I T N E S S E T H:

WHEREAS, the Mortgage and Security Agreement, dated as of December 14, 2016, as supplemented by Mortgage Supplement No. 1, dated as of December 14, 2016 (herein called the "Mortgage"; capitalized terms used herein but not defined shall have the meaning ascribed to them in the Mortgage), between the Grantor and the Security Trustee, provides for the execution and delivery of supplements thereto substantially in the form hereof, which shall particularly describe certain collateral, and shall specifically mortgage the same to the Security Trustee;

WHEREAS, the Mortgage was entered into between the Grantor and the Security Trustee in order to secure the Secured Obligations under that certain Credit and Security Agreement, dated as of December 14, 2016, among MESA AIRLINES, INC., a Nevada corporation, as borrower, the lenders from time to time party thereto (together with their respective successors and assigns and any other additional lenders that become party to the Credit Agreement, each a "Lender" and collectively, the "Lenders"), the Security Trustee and CORTLAND CAPITAL MARKET SERVICES LLC, as administrative agent (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement"); and

WHEREAS, the Grantor wishes to subject the Engines described in Exhibit 1 hereto to the security interest created by the Mortgage by execution and delivery of this Mortgage Supplement, and a counterpart of the Mortgage has been recorded pursuant to the Act by the FAA at Oklahoma City, Oklahoma, on January 5, 2017 and assigned Conveyance No. NJ009095;

NOW, THEREFORE, this Mortgage Supplement Witnesseth, that to secure the payment and performance of the Secured Obligations from time to time outstanding and to secure the performance and observance by the Borrower and the Guarantors of all the agreements, covenants and provisions contained in the Loan Documents for the benefit of the Secured Parties, the Grantor 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, its successors and assigns, for the security and benefit of the Secured Parties, a security interest in all right, title and interest of the Grantor in, to and under the Engines as further described on Exhibit 1 hereto, in each case together with any and all Parts of whatever nature, which are from time to time included within the definition of "Engines", including all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to each such Engine (other than additions, improvements, accessions and accumulations which constitute appliances, parts, instruments, appurtenances, accessories, furnishings or other equipment excluded from the definition of Parts) and all Engine Documents relating to each such Engine.

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Security Trustee, its successors and assigns, for the uses and purposes and subject to the terms and provisions set forth in the Mortgage.

This Mortgage Supplement shall be construed as a supplemental Mortgage and shall form a part thereof, and the Mortgage is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Grantor has caused this Mortgage Supplement to be duly executed by one of its officers, thereunto duly authorized, on the day and year first above written.

MESA AIRLINES, INC., as Grantor

By: /s/ Brian S. Gillman
Name: Brian S. Gillman
Title: Executive Vice President, General Counsel and Corporate Secretary

[Signature Page to Mortgage Supplement No. 2]

EXHIBIT 1
TO
MORTGAGE SUPPLEMENT NO. 2

THE ENGINES:

Manufacturer	Manufacturer's Model	Serial Number
General Electric Company	CF34-8C5	195628
General Electric Company	CF34-8C5	195629
General Electric Company	CF34-8C5	195630
General Electric Company	CF34-8C5	195631
General Electric Company	CF34-8C5	195636

Each of which is a jet propulsion aircraft engine with at least 1750 lbs of thrust or its equivalent.

Exhibit 10.15.4

EXECUTION VERSION

MORTGAGE SUPPLEMENT NO. 3

THIS MORTGAGE SUPPLEMENT NO. 3 dated July 5, 2017 (this "Mortgage Supplement") made by MESA AIRLINES, INC., a Nevada corporation (together with its permitted successors and assigns, the "Grantor"), in favor of OBSIDIAN AGENCY SERVICES, INC., a California corporation as Security Trustee (together with its successors and permitted assigns, the "Security Trustee").

W I T N E S S E T H:

WHEREAS, the Mortgage and Security Agreement, dated as of December 14, 2016, as supplemented by Mortgage Supplement No. 1, dated as of December 14, 2016, and Mortgage Supplement No. 2, dated as of February 2, 2017 (herein called the "Mortgage"; capitalized terms used herein but not defined shall have the meaning ascribed to them in the Mortgage), between the Grantor and the Security Trustee, provides for the execution and delivery of supplements thereto substantially in the form hereof, which shall particularly describe certain collateral, and shall specifically mortgage the same to the Security Trustee;

WHEREAS, the Mortgage was entered into between the Grantor and the Security Trustee in order to secure the Secured Obligations under that certain Credit Agreement, dated as of December 14, 2016, among, *inter alios*, the Grantor, as borrower, and the Security Trustee (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement"); and

WHEREAS, the Grantor wishes to subject the Engines described in Exhibit 1 hereto to the security interest created by the Mortgage by execution and delivery of this Mortgage Supplement, and a counterpart of the Mortgage has been recorded pursuant to the Act by the FAA at Oklahoma City, Oklahoma, on January 5, 2017 and assigned Conveyance No. NJ009095;

NOW, THEREFORE, this Mortgage Supplement Witnesseth, that to secure the payment and performance of the Secured Obligations from time to time outstanding and to secure the performance and observance by the Grantor of all the agreements, covenants and provisions contained in the Loan Documents for the benefit of the Secured Parties, the Grantor 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, its successors and assigns, for the security and benefit of the Secured Parties, a security interest in all right, title and interest of the Grantor in, to and under the Engines as further described on Exhibit 1 hereto, in each case together with any and all Parts of whatever nature, which are from time to time included within the definition of "Engines", including all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to each such Engine (other than additions, improvements, accessions and accumulations which constitute appliances, parts, instruments, appurtenances, accessories, furnishings or other equipment excluded from the definition of Parts) and all Engine Documents relating to each such Engine.

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Security Trustee, its successors and assigns, for the uses and purposes and subject to the terms and provisions set forth in the Mortgage.

This Mortgage Supplement shall be construed as a supplemental Mortgage and shall form a part thereof, and the Mortgage is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Grantor has caused this Mortgage Supplement to be duly executed by one of its officers, thereunto duly authorized, on the day and year first above written.

MESA AIRLINES, INC., as Grantor

By: /s/ Brian S. Gillman
Name: Brian S. Gillman
Title: Executive Vice President, General Counsel and Corporate Secretary

[Signature Page to Mortgage Supplement No. 3]

EXHIBIT 1
TO
MORTGAGE SUPPLEMENT NO. 3

THE ENGINES:

Manufacturer	Manufacturer's Model	Serial Number
General Electric Company	CF34-8C5	195661
General Electric Company	CF34-8C5	195662

Each of which is a jet propulsion aircraft engine with at least 1750 lbs of thrust or its equivalent.

Exhibit 10.15.5

EXECUTION VERSION

MORTGAGE SUPPLEMENT NO. 4

THIS MORTGAGE SUPPLEMENT NO. 4 dated September 29, 2017 (this "Mortgage Supplement") made by MESA AIRLINES, INC., a Nevada corporation (together with its permitted successors and assigns, the "Grantor"), in favor of OBSIDIAN AGENCY SERVICES, INC., a California corporation as Security Trustee (together with its successors and permitted assigns, the "Security Trustee").

W I T N E S S E T H:

WHEREAS, the Mortgage and Security Agreement, dated as of December 14, 2016, as supplemented by Mortgage Supplement No. 1, dated as of December 14, 2016, Mortgage Supplement No. 2, dated as of February 2, 2017 and Mortgage Supplement No. 3, dated as of July 5, 2017 (herein called the "Mortgage"; capitalized terms used herein but not defined shall have the meaning ascribed to them in the Mortgage), between the Grantor and the Security Trustee, provides for the execution and delivery of supplements thereto substantially in the form hereof, which shall particularly describe certain collateral, and shall specifically mortgage the same to the Security Trustee;

WHEREAS, the Mortgage was entered into between the Grantor and the Security Trustee in order to secure the Secured Obligations under that certain Credit Agreement, dated as of December 14, 2016, among, *inter alios*, the Grantor, as borrower, and the Security Trustee (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement"); and

WHEREAS, the Grantor wishes to subject the Engines described in Exhibit 1 hereto to the security interest created by the Mortgage by execution and delivery of this Mortgage Supplement, and a counterpart of the Mortgage has been recorded pursuant to the Act by the FAA at Oklahoma City, Oklahoma, on January 5, 2017 and assigned Conveyance No. NJ009095;

NOW, THEREFORE, this Mortgage Supplement Witnesseth, that to secure the payment and performance of the Secured Obligations from time to time outstanding and to secure the performance and observance by the Grantor of all the agreements, covenants and provisions contained in the Loan Documents for the benefit of the Secured Parties, the Grantor 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, its successors and assigns, for the security and benefit of the Secured Parties, a security interest in all right, title and interest of the Grantor in, to and under the Engines as further described on Exhibit 1 hereto, in each case together with any and all Parts of whatever nature, which are from time to time included within the definition of "Engines", including all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to each such Engine (other than additions, improvements, accessions and accumulations which constitute appliances, parts, instruments, appurtenances, accessories, furnishings or other equipment excluded from the definition of Parts) and all Engine Documents relating to each such Engine.

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Security Trustee, its successors and assigns, for the uses and purposes and subject to the terms and provisions set forth in the Mortgage.

This Mortgage Supplement shall be construed as a supplemental Mortgage and shall form a part thereof, and the Mortgage is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Grantor has caused this Mortgage Supplement to be duly executed by one of its officers, thereunto duly authorized, on the day and year first above written.

MESA AIRLINES, INC., as Grantor

By: /s/ Brian S. Gillman
Name: Brian S. Gillman
Title: Executive Vice President, General Counsel and Corporate Secretary

[Signature Page to Mortgage Supplement No. 4]

EXHIBIT 1
TO
MORTGAGE SUPPLEMENT NO. 4

THE ENGINES:

Manufacturer	Manufacturer's Model	Serial Number
General Electric Company	CF34-8C5	195663
General Electric Company	CF34-8C5	195672
General Electric Company	CF34-8C5	195673

Each of which is a jet propulsion aircraft engine with at least 1750 lbs of thrust or its equivalent.

Exhibit 10.15.6

EXECUTION VERSION

MORTGAGE SUPPLEMENT NO. 5

THIS MORTGAGE SUPPLEMENT NO. 5 dated March 1, 2018 (this "Mortgage Supplement") made by MESA AIRLINES, INC., a Nevada corporation (together with its permitted successors and assigns, the "Grantor"), in favor of OBSIDIAN AGENCY SERVICES, INC., a California corporation as Security Trustee (together with its successors and permitted assigns, the "Security Trustee").

W I T N E S S E T H:

WHEREAS, the Mortgage and Security Agreement, dated as of December 14, 2016, as supplemented by Mortgage Supplement No. 1, dated as of December 14, 2016, Mortgage Supplement No. 2, dated as of February 2, 2017, Mortgage Supplement No. 3, dated as of July 5, 2017, and Mortgage Supplement No. 4, dated as of September 29, 2017 (herein called the "Mortgage"; capitalized terms used herein but not defined shall have the meaning ascribed to them in the Mortgage), between the Grantor and the Security Trustee, provides for the execution and delivery of supplements thereto substantially in the form hereof, which shall particularly describe certain collateral, and shall specifically mortgage the same to the Security Trustee;

WHEREAS, the Mortgage was entered into between the Grantor and the Security Trustee in order to secure the Secured Obligations under that certain Credit Agreement, dated as of December 14, 2016, among, *inter alios*, the Grantor, as borrower, and the Security Trustee (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement"); and

WHEREAS, the Grantor wishes to subject the Engine described in Exhibit 1 hereto to the security interest created by the Mortgage by execution and delivery of this Mortgage Supplement, and a counterpart of the Mortgage has been recorded pursuant to the Act by the FAA at Oklahoma City, Oklahoma, on January 5, 2017 and assigned Conveyance No. NJ009095;

NOW, THEREFORE, this Mortgage Supplement Witnesseth, that to secure the payment and performance of the Secured Obligations from time to time outstanding and to secure the performance and observance by the Grantor of all the agreements, covenants and provisions contained in the Loan Documents for the benefit of the Secured Parties, the Grantor 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, its successors and assigns, for the security and benefit of the Secured Parties, a security interest in all right, title and interest of the Grantor in, to and under the Engine as further described on Exhibit 1 hereto, in each case together with any and all Parts of whatever nature, which are from time to time included within the definition of "Engines", including all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to each such Engine (other than additions, improvements, accessions and accumulations which constitute appliances, parts, instruments, appurtenances, accessories, furnishings or other equipment excluded from the definition of Parts) and all Engine Documents relating to each such Engine.

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Security Trustee, its successors and assigns, for the uses and purposes and subject to the terms and provisions set forth in the Mortgage.

This Mortgage Supplement shall be construed as a supplemental Mortgage and shall form a part thereof, and the Mortgage is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Grantor has caused this Mortgage Supplement to be duly executed by one of its officers, thereunto duly authorized, on the day and year first above written.

MESA AIRLINES, INC., as Grantor

By: /s/ Brian S. Gillman
Name: Brian S. Gillman
Title: EVP & General Counsel

[Signature Page to Mortgage Supplement No. 5]

EXHIBIT 1
TO
MORTGAGE SUPPLEMENT NO. 5

THE ENGINE:

Manufacturer	Manufacturer's Model	Serial Number
General Electric Company	CF34-8E5A1	193119

is a jet propulsion aircraft engine with at least 1750 lbs of thrust or its equivalent.

CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$8,500,000.00	05-21-2015	09-21-2020	1075270-100	82		2542	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Corporation: **Mesa Airlines, Inc.**
410 N 44th St
Phoenix, AZ 85008

Lender: **MidFirst Bank**
Location: Commercial – Arizona
11001 N Rockwell Ave
Oklahoma City, OK 73162

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE CORPORATION'S EXISTENCE. The complete and correct name of the Corporation is Mesa Airlines, Inc. ("Corporation"). The Corporation is a corporation for profit which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Nevada. The Corporation is duly authorized to transact business in all other states in which the Corporation is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Corporation is doing business. Specifically, the Corporation is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Corporation has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Corporation maintains an office at 410 N 44th St, Phoenix, AZ 85008. Unless the Corporation has designated otherwise in writing, the principal office is the office at which the Corporation keeps its books and records. The Corporation will notify Lender prior to any change in the location of the Corporation's state of organization or any change in the Corporation's name. The Corporation shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Corporation and the Corporation's business activities.

RESOLUTIONS ADOPTED. At a meeting of the Directors of the Corporation, or if the Corporation is a close corporation having no Board of Directors then at a meeting of the Corporation's shareholders, duly called and held on **May 21, 2015**, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICER. The following named person is an officer of Mesa Airlines, Inc.:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Michael Lotz	**President**	**Y**	**X /s/ Michael Lotz**

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Corporation. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Corporation:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, or such terms as may be agreed upon between the Corporation and Lender, such sum or sums of money as in his or her judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Corporation's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Corporation's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Corporation or in which the Corporation now or hereafter may have an interest, including without limitation all of the Corporation's real property and all of the Corporation's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Corporation to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Corporation or in which the Corporation may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Corporation's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements**, including agreements requiring disputes with Lender to be submitted to binding arbitration for final resolution and waiving the right to a trial by jury**, as the officer may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

ASSUMED BUSINESS NAMES. The Corporation has filed or recorded all documents or filings required by law relating to all assumed business names used by the Corporation. Excluding the name of the Corporation, the following is a complete list of all assumed business names under which the Corporation does business: **None.**

NOTICES TO LENDER. The Corporation will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Corporation's name; (B) change in the Corporation's assumed business name(s); (C) change in the management of the Corporation; (D) change in the authorized signer(s); (E) change in the Corporation's principal office address; (F) change in the Corporation's state of organization; (G) conversion of the Corporation to a new or different type of business entity; or (H) change in any other aspect of the Corporation that directly or indirectly relates to any agreements between the Corporation and Lender. No change in the Corporation's name or state of organization will take effect until after Lender has received notice.

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officer named above is duly elected, appointed, or employed by or for the

Corporation, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

NO CORPORATE SEAL. The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and I personally and on behalf of the Corporation certify that all statements and representations made in this Resolution are true and correct. This Corporate Resolution to Borrow / Grant Collateral is dated May 21, 2015.

CERTIFIED TO AND ATTESTED BY:

x /s/ Michael Lotz
Michael Lotz, President of Mesa Airlines, Inc.

NOTE: If the officer signing this Resolution is designated by the foregoing document as one of the officers authorized to act on the Corporation's behalf, it is advisable to have this Resolution signed by at least one non-authorized officer of the Corporation.

CORPORATE RESOLUTION TO GRANT COLLATERAL / GUARANTEE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$8,500,000.00	05-21-2015	09-21-2020	1075270-100	82		2542	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: **Mesa Airlines, Inc.**
410 N 44th St
Phoenix, AZ 85008

Lender: **MidFirst Bank**
Location: Commercial – Arizona
11001 N Rockwell Ave
Oklahoma City, OK 73162

Corporation: **Mesa Air Group, Inc.**
410 N 44th St
Phoenix, AZ 85008

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE CORPORATION'S EXISTENCE. The complete and correct name of the Corporation is Mesa Air Group, Inc. ("Corporation"). The Corporation is a corporation for profit which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Nevada. The Corporation is duly authorized to transact business in all other states in which the Corporation is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Corporation is doing business. Specifically, the Corporation is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Corporation has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Corporation maintains an office at 410 N 44th St, Phoenix, AZ 85008. Unless the Corporation has designated otherwise in writing, the principal office is the office at which the Corporation keeps its books and records. The Corporation will notify Lender prior to any change in the location of the Corporation's state of organization or any change in the Corporation's name. The Corporation shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Corporation and the Corporation's business activities.

RESOLUTIONS ADOPTED. At a meeting of the Directors of the Corporation, or if the Corporation is a close corporation having no Board of Directors then at a meeting of the Corporation's shareholders, duly called and held on **May 21, 2015**, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICER. The following named person is an officer of Mesa Air Group, Inc.:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Michael Lotz	**President**	**Y**	**X /s/ Michael Lotz**

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Corporation. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Corporation:

Guaranty. To guarantee or act as surety for loans or other financial accommodations to Borrower from Lender on such guarantee or surety terms as may be agreed upon between the officer of the Corporation and Lender and in such sum or sums of money as in his or her judgment should be guaranteed or assured, without limit (the "Guaranty").

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Corporation or in which the Corporation now or hereafter may have an interest, including without limitation all of the Corporation's real property and all of the Corporation's personal property (tangible or intangible), as security for the Guaranty, and as a security for the payment of any loans, any promissory notes, or any other or further indebtedness of Mesa Airlines, Inc. to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered. The provisions of this Resolution authorizing or relating to the pledge, mortgage, transfer, endorsement, hypothecation, granting of a security interest in, or in any way encumbering, the assets of the Corporation shall include, without limitation, doing so in order to lend collateral security for the indebtedness, now or hereafter existing, and of any nature whatsoever, of Mesa Airlines, Inc. to Lender. The Corporation has considered the value to itself of lending collateral in support of such indebtedness, and the Corporation represents to Lender that the Corporation is benefited by doing so.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

Further Acts. To do and perform such other acts and things and to execute and deliver such other documents and agreements, **including agreements requiring disputes with Lender to be submitted to binding arbitration for final resolution and waiving the right to a trial by jury**, as the officer may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

ASSUMED BUSINESS NAMES. The Corporation has filed or recorded all documents or filings required by law relating to all assumed business names used by the Corporation. Excluding the name of the Corporation, the following is a complete list of all assumed business names under which the Corporation does business: **None**.

NOTICES TO LENDER. The Corporation will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Corporation's name; (B) change in the Corporation's assumed business name(s); (C) change in the management of the Corporation; (D) change in the authorized signer(s); (E) change in the Corporation's principal office address; (F) change in the Corporation's state of organization; (G) conversion of the Corporation to a new or different type of business entity; or (H) change in any other aspect of the Corporation that directly or indirectly relates to any agreements between the Corporation and Lender. No change in the Corporation's name or state of organization will take effect until after Lender has received notice.

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officer named above is duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

NO CORPORATE SEAL. The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and I personally and on behalf of the Corporation certify that all statements and representations made in this Resolution are true and correct. This Corporate Resolution to Borrow / Grant Collateral is dated May 21, 2015.

CERTIFIED TO AND ATTESTED BY:

x /s/ Michael Lotz
Michael Lotz, President of Mesa Airlines, Inc.

NOTE: If the officer signing this Resolution is designated by the foregoing document as one of the officers authorized to act on the Corporation's behalf, it is advisable to have this Resolution signed by at least one non-authorized officer of the Corporation.

LIMITED LIABILITY COMPANY RESOLUTION TO GRANT COLLATERAL / GUARANTEE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$8,500,000.00	05-21-2015	09-21-2020	1075270-100	82		2542	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: **Mesa Airlines, Inc.**
410 N 44th St
Phoenix, AZ 85008

Lender: **MidFirst Bank**
Location: Commercial –Arizona
11001 N Rockwell Ave
Oklahoma City, OK 73162

Corporation: **Mesa Air Group, Airline Inventory Management, L.L.C.**
410 N 44th St
Phoenix, AZ 85008

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE COMPANY'S EXISTENCE. The complete and correct name of the Company is Mesa Air Group Airline Inventory Management, L.L.C. ("Company"). The Company is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Arizona. The Company is duly authorized to transact business in all other states in which the Company is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Company is doing business. Specifically, the Company is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Company has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Company maintains an office at 410 N 44th St, Phoenix, AZ 85008. Unless the Company has designated otherwise in writing, the principal office is the office at which the Company keeps its books and records. The Company will notify Lender prior to any change in the location of the Company's state of organization or any change in the Company's name. The Company shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Company and the Company's business activities.

RESOLUTIONS ADOPTED. At a meeting of the members of the Company, duly called and held on **May 21, 2015**, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted,

MEMBER. The following named entity is a member of Mesa Air Group Airline Inventory Management, L.L.C.:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Mesa Airlines, Inc.	**Member**	**Y**	

ACTIONS AUTHORIZED. The authorized entity listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Company. Specifically, but without limitation, the authorized entity is authorized, empowered, and directed to do the following for and on behalf of the Company:

Guaranty. To guarantee or act as surety for loans or other financial accommodations to Borrower from Lender on such guarantee or surety terms as may be agreed upon between the member of the Company and Lender and in such sum or sums of money as in its judgment should be guaranteed or assured, without limit (the "Guaranty").

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Company or in which the Company now or hereafter may have an interest, including without limitation all of the Company's real property and all of the Company's personal property (tangible or intangible), as security for the Guaranty, and as a security for the payment of any loans, any promissory notes, or any other or further indebtedness of Mesa Airlines, Inc., to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered. The provisions of this Resolution authorizing or relating to the pledge, mortgage, transfer, endorsement, hypothecation, granting of a security interest in, or in any way encumbering, the assets of the Company shall include, without limitation, doing so in order to lend collateral security for the indebtedness, now or hereafter existing, and of any nature whatsoever, of Mesa Airlines, Inc. to Lender. The Company has considered the value to itself of lending collateral in support of such indebtedness, and the Company represents to Lender that the Company is benefited by doing so.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

Further Acts. To do and perform such other acts and things and to execute and deliver such other documents and agreements, **including agreements requiring disputes with Lender to be submitted to binding arbitration for final resolution and waiving the right to a trial by jury**, as the member may in its discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

ASSUMED BUSINESS NAMES. The Company has filed or recorded all documents or filings required by law relating to all assumed business names used by the Company. Excluding the name of the Company, the following is a complete list of all assumed business names under which the Company does business: **None**.

NOTICES TO LENDER. The Company will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Company's name; (B) change in the Company's assumed business name(s); (C) change in

the management or in the Members of the Company; (D) change in the authorized signer(s); (E) change in the Company's principal office address; (F) change in the Company's state of organization; (G) conversion of the Company to a new or different type of business entity; or (H) change in any other aspect of the Company that directly or indirectly relates to any agreements between the Company and Lender. No change in the Company's name or state of organization will take effect until after Lender has received notice.

ORGANIZATIONAL DOCUMENTS. The undersigned states that there does not exist, at the time of this loan closing, an operating agreement, partnership agreement or any other agreement of any form governing this limited liability company other than the Articles of Organization filed with the State of Arizona ("legal organizational documents"). The undersigned also understands and agrees that at such time when legal organizational documents are prepared or Articles of Organization are amended or modified that undersigned will deliver said documents to Lender. Further, if anything in the legal organizational documents is inconsistent with the loan documents as executed, or otherwise would render said documents unenforceable, Borrower and Company will take immediate steps to amend the documents as necessary, otherwise an event of default will be created.

CERTIFICATION CONCERNING MEMBERS AND RESOLUTIONS. The member named above is duly elected, appointed, or employed by or for the Company, as the case may be, and occupies the position set opposite its respective name. This Resolution now stands of record on the books of the Company, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Company's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is its genuine signature.

I have read all the provisions of this Resolution, and I personally and on behalf of the Company certify that all statements and representations made in this Resolution are true and correct. This Limited Liability Company Resolution to Grant Collateral / Guarantee is dated May 21, 2015.

CERTIFIED TO AND ATTESTED BY:

MESA AIRLINES, INC., Member of Mesa Air Group Airline Inventory Management, L.L.C.

By **/s/ Michael Lotz**
Michael Lotz, President of Mesa Airlines, Inc.

NOTE: If the officer signing this Resolution is designated by the foregoing document as one of the officers authorized to act on the Corporation's behalf, it is advisable to have this Resolution signed by at least one non-authorized officer of the Corporation.

RESOLUTION OF CORPORATE LLC MEMBER

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$8,500,000.00	05-21-2015	09-21-2020	1075270-100	82		2542	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Corporation: **Mesa Airlines, Inc.**
410 N 44th St
Phoenix, AZ 85008

Lender: **MidFirst Bank**
Location: Commercial – Arizona
11001 N Rockwell Ave
Oklahoma City, OK 73162

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

ORGANIZATION. The Corporation is a corporation for profit which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Nevada. The Corporation is duly authorized to transact business in all other states in which the Corporation is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Corporation is doing business. Specifically, the Corporation is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Corporation has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Corporation maintains an office at 410 N 44th St, Phoenix, AZ 85008. Unless the Corporation has designated otherwise in writing, the principal office is the office at which the Corporation keeps its books and records including its records concerning the Collateral. The Corporation will notify Lender prior to any change in the location of the Corporation's state of organization or any change in the Corporation's name. The Corporation shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Corporation and the Corporation's business activities.

RELATIONSHIP TO GRANTOR AND GUARANTOR. The Corporation is a Member in **Mesa Air Group Airline Inventory Management, L.L.C.. Mesa Air Group Airline Inventory Management, L.L.C.** has agreed to guaranty, and has agreed to grant collateral for a loan or loans and other financial accommodations from Lender, including those which may be described on any exhibit or schedule attached to this Resolution. The Corporation has considered the value of **Mesa Air Group Airline Inventory Management, L.L.C.** guarantying such loans or financial accommodations and granting the collateral.

AUTHORIZATION TO BE A MEMBER. The Corporation is authorized to be and become a Member in the Limited Liability Company named Mesa **Air Group Airline Inventory Management, L.L.C**., whose office is at 410 N 44th St, Phoenix, AZ 85008.

RESOLUTIONS ADOPTED. At a meeting of the Directors of the Corporation, or if the Corporation is a close corporation having no Board of Directors then at a meeting of the Corporation's shareholders, duly called and held on **May 21, 2015**, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICER. The following named person is an officer of Mesa Airlines, Inc.;

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Michael Lotz	**President**	**Y**	**X /s/ Michael Lotz**

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Corporation. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Corporation:

Execute Documents. As Member of Mesa Air Group Airline Inventory Management, L.L.C., to execute and deliver to Lender the form of Limited Liability Company Resolution and other loan documents submitted by Lender, confirming the nature and existence of Mesa Air Group Airline Inventory Management, L.L.C., including the Corporation's participation in Mesa Air Group Airline Inventory Management, L.L.C. as a Member, and evidencing the terms on which Mesa Air Group Airline Inventory Management, L.L.C. will guarantee or act as surety for loans or other financial accommodations from Lender to Mesa Airlines, Inc..

Authorize Officers. To authorize other officers or employees of the Corporation, from time to time, to act in his or her stead or as his or her successors on behalf of the Corporation as Member in Mesa Air Group Airline Inventory Management, L.L.C..

Further Acts. To do and perform such other acts and things and to execute and deliver such other documents and agreements, **including agreements requiring disputes with Lender to be submitted to binding arbitration for final resolution and waiving the right to a trial by jury**, as the officer may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

NOTICES TO LENDER. The Corporation will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Corporation's name; (B) change in the Corporation's assumed business name(s); (C) change in the management of the Corporation; (D) change in the authorized signer(s); (E) change in the Corporation's principal office address; (F) change in the Corporation's state of organization; (G) conversion of the Corporation to a new or different type of business entity; or (H) change in any other aspect of the Corporation that directly or indirectly relates to any agreements between the Corporation and Lender. No change in the Corporation's name or state of organization will take effect until after Lender has received notice.

PARTICIPATION AUTHORIZED. The Corporation's participation in Mesa Air Group Airline Inventory Management, L.L.C. as a Member and the execution, delivery, and performance of the documents described herein have been duly authorized by all necessary action by the Corporation and do not conflict with, result in a violation of, or constitute a default under (A) any provision of its articles of incorporation, bylaws, or any agreement or other instrument binding upon the Corporation or (B) any law, governmental regulation, court decree, or order applicable to the Corporation.

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officer named above is duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

NO CORPORATE SEAL. The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and I personally and on behalf of the Corporation certify that all statements and representations made in this Resolution are true and correct. This Resolution of Corporate LLC Member is dated May 21, 2015.

CERTIFIED TO AND ATTESTED BY:

X /s/ Michael Lotz
Michael Lotz, President of Mesa Airlines, Inc.

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$8,500,000.00	05-21-2015	09-21-2020	1075270-100	82		2542	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: **Mesa Airlines, Inc.**
410 N 44th St
Phoenix, AZ 85008

Lender: **MidFirst Bank**
Location: Commercial –Arizona
11001 N Rockwell Ave
Oklahoma City, OK 73162

THIS BUSINESS LOAN AGREEMENT dated May 21, 2015, is made and executed between Mesa Airlines, Inc. ("Borrower") and MidFirst Bank ("Lender") on the following terms and conditions. Borrower has received prior commercial loans from Lender or has applied to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement. Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at ail times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of May 21, 2015, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until September 21, 2020.

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) Security Agreements granting to Lender security interests in the Collateral; (3) financing statements and all other documents perfecting Lender's Security Interests; (4) evidence of insurance as required below; (5) guaranties; (6) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any Indebtedness exists:

Organization. Borrower is a corporation for profit which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Nevada. Borrower is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains an office at 410 N 44th St, Phoenix, AZ 85008. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-govemmental authority or court applicable to Borrower and Borrower's business activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: **None**.

Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of (a) Borrower's articles of incorporation or organization, or bylaws, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of

Borrower's collateral free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such collateral. All of Borrower's collateral is titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Hazardous Substances. Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) During the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral. (2) Borrower has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral; or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the Collateral, whether by foreclosure or otherwise.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

Financial Statements. Furnish Lender with the following:

Annual Statements. Borrower will provide to Lender, on an annual basis, an audited balance sheet and statement of income and expenses, due within 120 days of the year end, beginning September 30, 2015 on Mesa Air Group, Inc. and Subsidiaries.

Interim Statements. Borrower will provide to Lender, on a quarterly basis, a company prepared balance sheet and statement of income and expenses, due within 45 days of each quarter end, beginning March 31, 2015 on Mesa Air Group, Inc. and Subsidiaries.

All financial reports required to be provided under this Agreement shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Borrower as being true and correct.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Additional Requirements. Borrower will provide to Lender, on an annual basis, Maintenance Reports, due within 45 days of each year end, beginning September 30, 2015. Maintenance Reports shall include times and cycles of each engine on an annual basis, along with a copy of the last maintenance inspection (per GE's recommended maintenance program), to include short and long term storage.

Insurance. Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least three (3) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide Lender with such lender's loss payable or other endorsements as Lender may require.

Insurance Reports. Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including without limitation the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will

have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any Collateral. The cost of such appraisal shall be paid by Borrower.

Guaranties. Prior to disbursement of any Loan proceeds, furnish executed guaranties of the Loans in favor of Lender, executed by the guarantors named below, on Lender's forms, and in the amounts and under the conditions set forth in those guaranties.

Names of Guarantors	Amounts
Mesa Air Group, Inc.	**Unlimited**
Mesa Air Group Airline Inventory Management, L.L.C.	**Unlimited**

Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Loan Proceeds. Use all Loan proceeds solely for Borrower's business operations, unless specifically consented to the contrary by Lender in writing.

Taxes, Charges and Liens. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

Performance. Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

Operations. Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

Environmental Studies. Promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive, at or affecting any property or any facility owned, leased or used by Borrower.

Compliance with Governmental Requirements. Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection. Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Environmental Compliance and Reports. Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentality concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note or at the highest rate authorized by law, from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. If Lender is required by law to give Borrower notice before or after Lender makes an expenditure, Borrower agrees that notice sent by regular mail at least five (5) days before the expenditure is made or notice delivered two (2) days before the expenditure is made is sufficient, and that notice within sixty (60) days after the expenditure is made is reasonable.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Liens. (1) Sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Lender's collateral.

Continuity of Operations. (1) Engage in any material business activities substantially different than those in which Borrower is presently engaged, or (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, unless Borrower is the surviving entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business.

Guaranties. (1) Incur any obligation as surety or guarantor other than in the ordinary course of business.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) them occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender; or (E) Lender in good faith deems itself insecure, even though no Event of Default shall have occurred.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Loan.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Any guarantor or Grantor defaults under that certain Credit and Security Agreement, dated June 16, 2014 (as amended, modified or restated, the "**Third Party Credit Agreements**"), among Mesa Air Group, Inc., as borrower, the lenders named therein, and Obsidian Agency Services, Inc., as administrative agent (together with its successors in interest, "**Agent**").

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Change in Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

Insecurity. Lender in good faith believes itself insecure.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, In equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. All prior and contemporaneous representations and discussions concerning such matters either are included in this document or do not constitute an aspect of the agreement of the parties. Except as may be specifically set forth in this Agreement, no conditions precedent or subsequent, of any kind whatsoever, exist with respect to Borrower's obligations under this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Arbitration. Borrower and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Agreement or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the financial services rules of J.A.M.S. or its successor in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the Collateral, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Agreement shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

Attorneys' Fees; Expenses. Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Oklahoma.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. To the extent permitted by applicable law, any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. To the extent permitted by applicable law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in making the Loan, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the making of the Loan and delivery to Lender of the Related Documents, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

Third Party Credit Agreement. Grantor shall immediately provide copies of any notices or demands Grantor or its affiliates or parent receives from Agent under the Third Party Credit Agreement. Grantor shall promptly notify Lender of any default or event which after notice or cure period will become a default under the Third Party Credit Agreement. Grantor acknowledges that Lender has no opportunity to learn of any defaults under the Third Party Credit Agreement apart from Grantor's obligations under this provision.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

Borrower. The word "Borrower" means Mesa Airlines, Inc. and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means MidFirst Bank, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

Note. The word "Note" means the Note dated May 21, 2015 and executed by Mesa Airlines, Inc. in the principal amount of $8,500,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Permitted Liens. The words "Permitted Liens" mean (1) liens and security interests securing Indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.

Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED MAY 21, 2015.

BORROWER:

MESA AIRLINES, INC.

By: /s/ Michael Lotz
Michael Lotz, President of Mesa Airlines, Inc.

LENDER:

MIDFIRST BANK

By: /s/ Ryan Helm
Ryan Helm, First Vice President

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$8,500,000.00	05-21-2015	09-21-2020	1075270-100	82		2542	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: **Mesa Airlines, Inc.**
410 N 44th St
Phoenix, AZ 85008

Lender: **MidFirst Bank**
Location: Commercial – Arizona
11001 N Rockwell Ave
Oklahoma City, OK 73162

Principal Amount: $8,500,000.00 **Date of Note: May 21, 2015**

PROMISE TO PAY. Mesa Airlines, Inc. ("Borrower") promises to pay to MidFirst Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Eight Million Five Hundred Thousand & 00/100 Dollars ($8,500,000.00), together with interest on the unpaid principal balance from May 21, 2015, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 5.163% per annum based on a year of 360 days, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this loan in 59 principal payments of $141,666.67 each and one final principal and interest payment of $142,296.31. Borrower's first principal payment is due October 21, 2015, and all subsequent principal payments are due on the same day of each month after that. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning June 21, 2015, with all subsequent interest payments to be due on the same day of each month after that. Borrower's final payment due September 21, 2020, will be for all principal and all accrued interest not yet paid. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any escrow or reserve account payments as required under any mortgage, deed of trust, or other security instrument or security agreement securing this Note; then to any late charges; and then to any unpaid collection costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

ADVANCING TERM LOAN. This Note evidences an advancing term loan, which allows advances until September 21, 2015. Any sums advanced and repaid may not be re-borrowed or re-advanced. Borrower may only request two advances under this Note. The first advance may be made at the closing of the Loan evidenced by this Note. The initial advance may not exceed the lesser of (1) $8,500,000.00, and (2) 80% of the appraised value (based on an appraisal acceptable to Lender) of the two General Electric aircraft engines with model number: GE CF34-8B1, and with serial numbers: GE-E965504 and GE-E965201. The second advance may be made anytime between the closing of the Loan and September 21, 2015. The second advance may not exceed the lesser of (1) the difference between $8,500,000.00 and the initial advance amount, and (2) 80% of the appraised value (based on an appraisal acceptable to Lender) of the General Electric aircraft engine with model number: GE CF34-8B1, and with serial number: GE- E965250, or another aircraft engine acceptable to Lender. Advances under this Note may be requested either orally or in writing by Borrower or any an Authorized person. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions or directions by telephone or otherwise to Lender are to be directed to lender's office shown above. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs. Advance Requests must be submitted by 2:00 PM, Central time. The following person or persons are authorized, except as provided in this paragraph, to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: Michael Lotz, President of Mesa Airlines, Inc.

ADDITIONAL REPAYMENT TERMS. It is understood and agreed that the monthly payments of principal and interest due following the advancing period, shall be calculated based on the total amount advanced (outstanding balance).

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT PENALTY. Upon prepayment of this Note, Lender is entitled to the following prepayment penalty: Any prepayment by me shall include a prepayment premium equal to (i) five percent (5%) of the unpaid principal balance if prepaid in full during the first Loan year, (ii) four percent (4%) of the unpaid principal balance if prepaid in full during the second Loan year, (iii) three percent (3%) of the unpaid principal balance if prepaid in full during the third Loan year, (iv) two percent (2%) of the unpaid principal balance if prepaid in full during the fourth Loan year, and (v) and one percent (1%) of the unpaid principal balance if prepaid in full during the fifth Loan year. There shall be no prepayment penalty for the remaining term of the loan.

Any partial prepayment by me shall include a prepayment premium equal to (i) five percent (5%) of the amount prepaid during the first Loan year, (ii) four percent (4%) of the amount prepaid during the second Loan year, (iii) three percent (3%) of the amount prepaid during the third Loan year, (iv) two percent (2%) of the amount prepaid during the fourth Loan year, and (v) one percent (1%) of the amount prepaid during the fifth Loan year. There shall be no prepayment penalty for the remaining term of the loan. Except for the foregoing, Borrower may pay all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. **All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: MidFirst Bank, P O Box 258832 Oklahoma City, OK 73125-8832.**

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased by adding an additional 6.000 percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default. After maturity, or after this Note would have matured had there been no default, the Default Rate Margin

will continue to apply to the final interest rate described in this Note. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Any guarantor or Grantor defaults under that certain Credit and Security Agreement, dated June 16, 2014 (as amended, modified or restated, the "**Third Party Credit Agreement**"), among Mesa Air Group, Inc., as borrower, the lenders named therein, and Obsidian Agency Services, Inc., as administrative agent (together with its successors in interest, "**Agent**").

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Change In Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including without limitation all attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Oklahoma.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of $10.00 if Borrower makes a payment on Borrower's loan and the check or other payment order including any preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: aircraft described in an Aircraft Security Agreement dated May 21, 2015.

ARBITRATION. Borrower and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Note or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the financial services rules of J.A.M.S. or its successor in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any collateral securing this Note shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any collateral securing this Note, including any claim to rescind, reform, or otherwise modify any agreement relating to the collateral securing this Note, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Note shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would

otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: MidFirst Bank P O Box 258832 Oklahoma City, OK 73125-8832.

THIRD PARTY CREDIT AGREEMENT. Grantor shall immediately provide copies of any notices or demands Grantor or its affiliates or parent receives from Agent under the Third Party Credit Agreement. Grantor shall promptly notify Lender of any default or event which after notice or cure period will become a default under the Third Party Credit Agreement. Grantor acknowledges that Lender has no opportunity to learn of any defaults under the Third Party Credit Agreement apart from Grantor's obligations under this provision.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

MESA AIRLINES, INC.
By: /s/ Michael Lotz
Michael Lotz, President of Mesa Airlines, Inc.

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION
FAA AIRCRAFT REGISTRY
P.O. Box 25504
Oklahoma City, Oklahoma 73125

AIRCRAFT ENGINE SECURITY AGREEMENT

NAME & ADDRESS OF DEBTOR/BORROWER:

Mesa Airlines, Inc.
410 N 44th St
Phoenix, AZ 85008

NAME & ADDRESS OF SECURED PARTY/ASSIGNEE/LENDER:

MidFirst Bank
Location: Commercial – Arizona
11001 N Rockwell Ave
Oklahoma City, OK 73162

NAME OF SECURED PARTY'S ASSIGNOR/GRANTOR:

Mesa Airlines, Inc.
410 N 44th St
Phoenix, AZ 85008

ABOVE SPACE
FOR FAA USE ONLY

THIS AIRCRAFT ENGINE SECURITY AGREEMENT dated May _____, 2015, is made and executed between Mesa Airlines, Inc. ("Grantor") and MidFirst Bank ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a continuing security interest in the Collateral to secure the Indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL. The word "Collateral" means the following:

(A) The engines and all avionics, including without limitation the following specifically described engines or avionics or both:

Two (2) General Electric Company model CF34-8C5B1 aircraft engines bearing manufacturer's serial numbers GE-E965504 (described on the International Registry Manufacturer's List as GE model CF34-8C1, with free text engine serial number 965504 (and which serial number may also be described on the International Registry Manufacturer's List if and when the manufacturer makes such serial number available on the International Registry Manufacturer's List)) and GE-E965201 (described on the International Registry Manufacturer's List as GE model CF34-8C1 serial number 965201), each with any and all tools, parts, appliances, components, accessories, additions, accessions, replacements, substitutions, attachments or equipment installed on, appurtenant to, or delivered with or in respect of such engines, and any proceeds and products thereof (each an "**Engine**" and collectively the "**Engines**").

(B) All log books, manuals, flight records, maintenance records, inspection reports, airworthiness certificates, and other historical records or information relating to the Engines, including without limitation the following: all records.

(C) All attachments, accessions, parts, and additions to and all replacements of and substitutions for any property described above.

(D) All rents, accounts, chattel paper, general intangibles, and monies, arising out of or related to use, rental, sale, lease, or other disposition of any of the property described in this Collateral section.

(E) All proceeds (including insurance proceeds) from the sale or other disposition of any of the property described in this Collateral section.

(F) All Associated Rights (as defined in the Cape Town Convention).

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

DURATION. This Agreement shall remain in full force and effect until such time as the Indebtedness secured hereby, including principal, interest, costs, expenses, attorneys' fees and other fees and charges, shall have been paid in full, together with all additional sums that Lender may pay or advance on

Grantor's behalf and interest thereon as provided in this Agreement.

REPRESENTATIONS AND WARRANTIES CONCERNING COLLATERAL. Grantor represents, warrants and covenants to Lender at all times while this Agreement is in effect as follows:

Engines. The Engines are either jet propulsion or turbine or piston technology and, in the case of jet propulsion aircraft engines, have at least 1750 lb. of thrust or its equivalent and, in the case of turbine-powered or piston-powered aircraft engines, have at least 550 rated take-off shaft horsepower or its equivalent.

Title. Grantor warrants that Grantor is the lawful owner of the Collateral and holds good and marketable title to the Collateral, free and clear of all Encumbrances except the lien of this Agreement. Grantor qualifies in all respects as a citizen of the United States as defined in the Act. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons. The Collateral is not and will not be registered under the laws of any foreign country, and Grantor is and will remain a citizen of the United States as defined in the Federal Aviation Act of 1958, as amended. Grantor shall promptly consent, or cause its agent to, consent to the registration of the International Interest created hereby with the International Registry. Grantor is an approved registry user under the Registry Procedures with full rights and privileges to access the International Registry.

Authority; Binding Effect. Grantor has the full right, power and authority to enter into this Agreement and to grant a security interest in the Collateral to Lender. This Agreement is binding upon Grantor as well as Grantor's successors and assigns, and is legally enforceable in accordance with its terms. The foregoing representations and warranties, and all other representations and warranties contained in this Agreement are and shall be continuing in nature and shall remain in full force and effect until such time as this Agreement is terminated or cancelled as provided herein.

Engines and Log Books. Grantor will keep accurate and complete logs, manuals, books, and records relating to the Collateral, and will provide Lender with copies of such reports and information relating to the Collateral as Lender may reasonably require from time to time.

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. In particular, Grantor will perform, or will cause to be performed, upon Lender's request, each and all of the following:

(1) Record, register and file this Agreement, together with such notices, financing statements or other documents or instruments as Lender may request from time to time to carry out fully the intent of this Agreement, with the FAA in Oklahoma City, Oklahoma, United States of America and other governmental agencies, either concurrent with the delivery and acceptance of the Collateral or promptly after the execution and delivery of this Agreement.

(2) Furnish to Lender evidence of every such recording, registering, and filing.

(3) Execute and deliver or perform any and all acts and things which may be reasonably requested by Lender with respect to complying with or remaining subject to the Applicable Laws.

(4) At or prior to the time of the making of the loan, Grantor will cause the International Interest to be validly registered with the International Registry and to be searchable at the International Registry. Grantor, at its own expense, shall cause the registration of the International Interest with the International Registry to remain valid and in effect at all times. With respect to any Engine for which the manufacturer, model or serial number has not been made available on the International Registry's pre-populated manufacturer's list, Grantor agrees (a) to cause the registration with respect to such Engine to be made manually (also known as, by "free text" method) on the International Registry, (b) to contact, and/or cause the International Registry to contact, the manufacturer and request that such Engine be made available on the International Registry's pre-populated manufacturer's list, and (c) once such Engine is indeed made available on the international Registry's pre-populated manufacturer's list, to cause the registration(s) to be made with respect to the Engine on the International Registry's pre- populated manufacturer's list.

Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interests granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management of the Corporation Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

Removal of the Collateral. Except for routine use, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Inspection of Collateral. At any reasonable time, on demand by Lender, Grantor shall cause the Collateral (including the logs, books, manuals, and records comprising the Collateral) to be exhibited to Lender (or persons designated by Lender) for purposes of inspection and copying.

Maintenance, Repairs, Inspections, and Licenses. Grantor, at its expense, shall do, or cause to be done, in a timely manner with respect to the Collateral each and all of the following:

(1) Grantor shall maintain and keep the Collateral in as good condition and repair as it is on the date of this Agreement, ordinary wear and tear excepted.

(2) Grantor shall maintain and keep the Engines in good order and repair and in airworthy condition in accordance with the requirements of each of the manufacturers' manuals and mandatory service bulletins and each of the manufacturers' non-mandatory service bulletins which relate to airworthiness.

(3) Grantor shall replace any and all parts, appliances, instruments or accessories which may be worn out, lost, destroyed or otherwise rendered unfit for use.

(4) Grantor shall cause to be performed, on all parts of the Engines, all applicable mandatory Airworthiness Directives, Federal Aviation Regulations, Special Federal Aviation Regulations, and manufacturers' service bulletins relating to airworthiness, the compliance date of which shall occur while this Agreement is in effect.

(5) Grantor shall be responsible for all required inspections of the Engines and licensing or re-licensing of the Engines in accordance with all applicable FAA and other governmental requirements. Grantor shall at all times cause any aircraft on which the Engines are installed or to be used to have on board and In a conspicuous location a current Certificate of Airworthiness issued by the FAA.

(6) All inspections, maintenance, modifications, repairs, and overhauls of the Engines (including those performed on any components, appliances, accessories, instruments, or equipment) shall be performed by personnel authorized by the FAA to perform such services.

(7) If any Engine, component, appliance, accessory, instrument, equipment or part of any Engine shall reach such a condition as to require overhaul, repair or replacement, for any cause whatever, in order to comply with the standards for maintenance and other provisions set forth in this Agreement, Grantor may:

(a) Install on or in the Engine such items of substantially the same type in temporary replacement of those then installed on the Engine, pending overhaul or repair of the unsatisfactory item; provided, however, that such replacement items must be in such a condition as to be permissible for use upon the Engine in accordance with the standards for maintenance and other provisions set forth in this Agreement; provided further, however, that Grantor at all times must retain unencumbered title to any and all items temporarily removed; or

(b) Install on or in the Engine such items of substantially the same type and value in permanent replacement of those then installed on the Engine; provided, however, that such replacement items must be in such condition as to be permissible for use upon the Engine in accordance with the standards for maintenance and other provisions set forth in this Agreement; provided further, however, that Grantor must first comply with each of the requirements below.

(8) In the event Grantor shall be required or permitted to install upon any Engine, components, appliances, accessories, instruments, equipment or parts in permanent replacement of those then installed on such Engine, Grantor may do so provided that, in addition to any other requirements of this Agreement:

(a) Lender is not divested of its security interest in and lien upon any item removed from the Engine and that no such removed item shall be or become subject to the lien or claim of any person, unless and until such item is replaced by an item of the type and condition required by this Agreement, title to which, upon its being installed or attached to the Engine, is validly vested in Grantor, free and clear of all liens and claims, of every kind or nature, of all persons other than Lender;

(b) Grantor's title to every substituted item shall immediately be and become subject to the security interests and liens of Lender and each of the provisions of this Agreement, and each such item shall remain so encumbered and so subject unless it is, in turn, replaced by a substitute item in the manner permitted in this Agreement; and

(c) If an item is removed from the Engine and replaced in accordance with the requirements of this Agreement, and if the substituted item satisfies the requirements of this Agreement, including the terms and conditions above, then the item which is removed shall thereupon be free and clear of the security interests and liens of Lender.

(9) In the event that any component, appliance, accessory, instrument, equipment or part is installed upon the Engine, and is not in substitution for or in replacement of an existing item, such additional item shall be considered as an accession to the Engine.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon the Note, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances and regulations of the FAA and all other governmental authorities applicable to the use, operation, maintenance, overhauling or condition of the Collateral. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized. Without limiting the foregoing, Grantor agrees that at no time during the effectiveness of this Agreement shall the Collateral be operated in, located in, or relocated to, any jurisdiction, unless the Cape Town Convention or Geneva Convention (together with necessary enacting rules and regulations) or some comparable treaty, rules and regulations satisfactory to Lender shall be in effect in such jurisdiction and any notices, financing statements, documents, or instruments necessary or required, in the opinion of Lender, to be filed in such jurisdiction shall have been filed and file stamped copies thereof shall have been furnished to Lender. Notwithstanding the foregoing, at no time shall the Collateral be operated in or over any area which may expose Lender to any penalty, fine, sanction or other liability, whether civil or criminal, under any applicable law, rule, treaty or convention; nor may the Collateral be used in any manner which is or may be declared to be illegal and which may thereby render the Collateral liable to confiscation, seizure, detention or destruction.

Records Maintenance. Grantor shall maintain records relating to the Engines in accordance with FAA rules and regulations and from time to time make such records available for inspection by Lender and its duly authorized agents.

Maintenance of Casualty Insurance. Grantor shall procure and maintain at all times all risks insurance on the Collateral, including without limitation fire, theft, liability and hull insurance, and such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor shall further provide and maintain, at its sole cost and expense, comprehensive public liability insurance, naming both Grantor and Lender as parties insured, protecting against claims for bodily injury, death and/or property damage arising out of the use, ownership, possession, operation and

condition of the Engines, and further containing a broad form contractual liability endorsement covering Grantor's obligations to indemnify Lender as provided under this Agreement. Such policies of insurance must also contain a provision, in form and substance acceptable to Lender, prohibiting cancellation or the alteration of such insurance without at least three (3) days prior written notice to Lender of such intended cancellation or alteration. Such insurance policies also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Grantor agrees to provide Lender with originals or certified copies of such policies of insurance. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender. In connection with all policies covering assets in which Lender holds or is offered a security interest for the indebtedness, Grantor will provide Lender with such lender's loss payable or other endorsements as Lender may require. Grantor shall not use or permit the Collateral to be used in any manner or for any purpose excepted from or contrary to the requirements of any insurance policy or policies required to be carried and maintained under this Agreement or for any purpose excepted or exempted from or contrary to the insurance policies, nor shall Grantor do any other act or permit anything to be done which could reasonably be expected to invalidate or limit any such insurance policy or policies.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the Indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the Indebtedness.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Prior Encumbrances. To the extent applicable, Grantor shall fully and timely perform any and all of Grantor's obligations under any prior Encumbrances affecting the Collateral. Without limiting the foregoing, Grantor shall not commit or permit to exist any breach of or default under any such prior Encumbrances. Grantor shall further promptly notify Lender in writing upon the occurrence of any event or circumstances that would, or that might, result in a breach of or default under any such prior Encumbrance. Grantor shall further not modify or extend any of the terms of any prior Encumbrance or any indebtedness secured thereby, or request or obtain any additional loans or other extensions of credit from any third party creditor or creditors whenever such additional loan advances or other extensions of credit may be directly or indirectly secured, whether by cross-collateralization or otherwise, by the Collateral, or any part or parts thereof, with possible preference and priority over the lien of this Agreement.

Notice of Encumbrances and Events of Default. Grantor shall immediately notify Lender in writing upon the filing of any attachment, lien, judicial process, or claim relating to the Collateral. Grantor additionally agrees to immediately notify Lender in writing upon the occurrence of any Event of Default, or event that with the passage of time, failure to cure, or giving of notice, may result in an Event of Default under any of Grantor's obligations that may be secured by any presently existing or future Encumbrance, or that may result in an Encumbrance affecting the Collateral, or should the Collateral be seized or attached or levied upon, or threatened by seizure or attachment or levy, by any person other than Lender.

PROHIBITIONS REGARDING COLLATERAL. Grantor represents, warrants and covenants to Lender while this Agreement remains in effect as follows:

Transactions Involving Collateral. Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber, lease or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, lease or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests and lease interests even if junior in right to the security interests granted under this Agreement, in the event Grantor desires to lease any Engine for use by a party other than Grantor, Grantor agrees that such lease shall be made the subject of a lease agreement entered into with the respective lessee(s), which shall be collaterally assigned to Lender under a collateral assignment of lease agreement and lessee consent (the "Lease Instruments"), all under written instruments in form and substance as may then be satisfactory to Lender (and subject to Lender's opportunity to review and comment in advance of their execution; and the form of which collateral assignment of lease agreement and lessee consent the Lender may provide, in Lender's sole discretion) and in a form that is recordable with the FAA and which supports the registration of International Interests pertaining thereto to be registered on the International Registry (including, without limitation, an International Interest pertaining to the lease agreement (with the right to discharge same transferred to Lender) and assignments of International Interests pertaining to the collateral assignment of lease agreement in favor of Lender); and, furthermore, Grantor agrees to cause such Lease Instruments to be filed with the FAA for recordation, to deliver to Lender (at Lender's request) an original counterpart of such Lease for Lender to possess, to make any filings or registrations under local law (including, without limitation, any filings of financing statements under the Uniform Commercial Code), and to deliver all other documents or take all other actions reasonably requested by Lender to perfect the collateral assignment of the lease as it pertains to such Engine in favor of Lender under all Applicable Laws. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender, and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

No Removal of Parts. Except as permitted or required in the section of this Agreement titled "Maintenance, Repairs, Inspections, and Licenses," Grantor shall not remove or permit the removal of any parts, accessories, avionics or equipment from an Engine without replacing the same with comparable parts, accessories, avionics and equipment acceptable to Lender and the Engine's manufacturer and insurer.

Future Encumbrances. Grantor shall not, without the prior written consent of Lender, grant any Encumbrance that may affect the Collateral, or any part or parts thereof, nor shall Grantor permit or consent to any Encumbrance attaching to or being filed against the Collateral, or any part or parts thereof, in favor of anyone other than Lender. Grantor shall further promptly pay when due all statements and charges of airport authorities, mechanics, laborers, materialmen, suppliers and others incurred in connection with the use, operation, storage, maintenance and repair of the Engines so that no Encumbrance may attach to or be filed against the Engines or other Collateral. Grantor additionally agrees to obtain, upon request by Lender, and in form and substance as may then be satisfactory to Lender, appropriate waivers and/or subordinations of any Encumbrances that may affect the Collateral at any time.

GRANTOR'S RIGHT TO POSSESSION. Until default, Grantor shall have the possession and beneficial use of the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note or at the highest rate authorized by law, from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default. If Lender is required by law to give Grantor notice before or after Lender makes an expenditure, Grantor agrees that notice sent by regular mail at least five (5) days before the expenditure is made or notice delivered two (2) days before the expenditure is made is sufficient, and that notice within sixty (60) days after the expenditure is made is reasonable.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Any guarantor or Grantor defaults under that certain Credit and Security Agreement, dated June 16, 2014 (as amended, modified or restated, the "**Third Party Credit Agreement**"), among Mesa Air Group, Inc., as borrower, the lenders named therein, and Obsidian Agency Services, Inc., as administrative agent (together with its successors in interest, "**Agent**").

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the Oklahoma Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise dispose of the Collateral. Unless the Collateral in whole or in part is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or of the time after which any private sale or other disposition is to be made. Notwithstanding any other provision of this Agreement, any requirement of notice for this purpose shall be met if notice is provided at least ten (10) days before sale or other disposition or action. Lender shall be entitled to, and Grantor shall be liable for, all reasonable costs and expenditures incurred in realizing on Lender's security interest, including without limitation, all court costs, fees for sale, selling costs and reasonable attorneys' fees as set forth in the Note or in this Agreement. All such costs shall be secured by the security interest in the Collateral covered by this Agreement.

Appoint Receiver. In any action by Lender for the foreclosure of this Agreement, whether by judicial foreclosure or power of sale, Lender shall be entitled to the appointment of a receiver upon any failure of Grantor to comply with any term, obligation, covenant, or condition contained in this Agreement, the Note, or any Related Documents.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time, and the Cape Town Convention, including Articles 8, 9, 10, 12 and 13 of the Cape Town Convention and Articles IX and XIII of the Aircraft Protocol. Grantor acknowledges and agrees that, notwithstanding Lender's exercise of any such rights and remedies, Grantor shall be liable for all amounts due hereunder and under the Note and Related Documents. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

INDEMNIFICATION OF LENDER. Grantor agrees to indemnify, to defend and to save and hold Lender harmless from any and all claims, suits, obligations, damages, losses, costs and expenses (including, without limitation, Lender's attorneys' fees), demands, liabilities, penalties, fines and forfeitures of any nature whatsoever that may be asserted against or incurred by Lender, its officers, directors, employees, and agents arising out of, relating to, or in any manner occasioned by this Agreement and the exercise of the rights and remedies granted Lender under this. The foregoing indemnity provisions shall survive the cancellation of this Agreement as to all matters arising or accruing prior to such cancellation and the foregoing indemnity shall survive in the event that Lender elects to exercise any of the remedies as provided under this Agreement following default hereunder.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. All prior and contemporaneous representations and discussions concerning such matters either are included in this document or do not constitute an aspect of the agreement of the parties. Except as may be specifically set forth in this Agreement, no conditions precedent or subsequent, of any kind whatsoever, exist with respect to Grantor's obligations under this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Arbitration. Grantor and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Agreement or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the financial services rules of J.A.M.S. or its successor in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the Collateral, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Agreement shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Oklahoma.

Notices. To the extent permitted by applicable law, any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. To the extent permitted by applicable law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

Third Party Credit Agreement. Grantor shall immediately provide copies of any notices or demands Grantor or its affiliates or parent receives from Agent under the Third Party Credit Agreement. Grantor shall promptly notify Lender of any default or event which after notice or cure period will become a default under the Third Party Credit Agreement. Grantor acknowledges that Lender has no opportunity to learn of any defaults under the Third Party Credit Agreement apart from Grantor's obligations under this provision.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the United States Code and Regulations thereunder dealing with or involving aircraft engines, commercial instruments relating to such aircraft engines, and in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Aircraft Engine Security Agreement, as this Aircraft Engine Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Aircraft Engine Security Agreement from time to time.

Aircraft Protocol. The words "Aircraft Protocol" mean the official English language text of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment adopted on November 16, 2001.

Applicable Laws. The words "Applicable Laws" mean all applicable laws, rules and regulations of the United States, including without limitation the Cape Town Convention and the Geneva Convention, and states, territories and political subdivisions thereof, of any foreign government or agency thereof, and of any other governmental body.

Borrower. The word "Borrower" means Mesa Airlines, Inc. and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Cape Town Convention. The words "Cape Town Convention" mean, collectively, the Aircraft Protocol and the Convention, in each case, as ratified and in effect in any applicable jurisdiction (including any modifications to the official English language text as a result of such ratification).

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Convention. The word "Convention" means the official English language text of the Convention on International Interests in Mobile Equipment, adopted on November 16, 2001.

Default. The word "Default" means the Default set forth in this Agreement in the section titled "Default".

Encumbrance. The word "Encumbrance" means any and all presently existing or future mortgages, liens, leases, privileges and other contractual and statutory security interests and rights, of every nature and kind, whether in admiralty, at law, or in equity, that now and/or in the future may affect the Collateral or any part or parts thereof.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

FAA. The word "FAA" means the United States Federal Aviation Administration, or any successor or replacement administration or governmental agency having the same or similar authority and responsibilities.

Geneva Convention. The words "Geneva Convention" mean the Convention on the International Recognition of Rights in Aircraft made at Geneva, Switzerland on June 19,1948, (effective September 17, 1953), together with the necessary enacting rules and regulations promulgated by any particular signatory country.

Grantor. The word "Grantor" means Mesa Airlines, Inc..

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means the indebtedness and all obligations, now or in the future, evidenced by the Note or Related Documents, including, without limitation, all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents.

International Interest. The words "International Interest" mean an "international interest" as defined in the Cape Town Convention.

International Registry. The words "International Registry" mean the "International Registry" as defined in the Cape Town Convention.

Lender. The word "Lender" means MidFirst Bank, its successors and assigns.

Note. The word “Note” means the Note dated May 11, 2015 and executed by Mesa Airlines, Inc. in the principal amount of $8,500,000.00, together with all renewals of, extensions of, modifications of, amendments of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Registry Procedures. The words “Registry Procedures” mean the official English language text of the International Registry Procedures issued by the Supervisory Authority (as defined in the Convention) pursuant to the Aircraft Protocol.

Related Documents. The words “Related Documents” mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents (including, without limitation, all renewals, extensions, modifications, amendments, refinancings, consolidations, substitutions thereto), whether now or hereafter existing, executed in connection with the Indebtedness.

[Signature page follows.]

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AIRCRAFT ENGINE SECURITY AGREEMENT AND GRANTOR AGREES TO ITS TERMS. THIS AIRCRAFT ENGINE SECURITY AGREEMENT IS DATED MAY ____, 2015.

GRANTOR:

MESA AIRLINES, INC.

By: /s/ Michael Lotz
Michael Lotz, President of Mesa Airlines, Inc.

MIDFIRST BANK

COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
				82		2542	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: **Mesa Airlines, Inc.**
410 N 44th St
Phoenix, AZ 85008

Lender: **MidFirst Bank**
Location: Commercial – Arizona
11001 N Rockwell Ave
Oklahoma City, OK 73162

Guarantor: **Mesa Air Group, Inc.**
410 N 44th St
Phoenix, AZ 85008

CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is unlimited and Guarantor's obligations are continuing.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, attorneys' fees, arising from any and all debts, liabilities and obligations of every nature or form, now existing or hereafter arising or acquired, that Borrower individually or collectively or interchangeably with others, owes or will owe Lender. "Indebtedness" includes, without limitation, loans, advances, debts, overdraft indebtedness, credit card indebtedness, lease obligations, liabilities and obligations under any interest rate protection agreements or foreign currency exchange agreements or commodity price protection agreements, other obligations, and liabilities of Borrower, and any present or future judgments against Borrower, future advances, loans or transactions that renew, extend, modify, refinance, consolidate or substitute these debts, liabilities and obligations whether: voluntarily or involuntarily incurred; due or to become due by their terms or acceleration; absolute or contingent; liquidated or unliquidated; determined or undetermined; direct or indirect; primary or secondary in nature or arising from a guaranty or surety; secured or unsecured; joint or several or joint and several; evidenced by a negotiable or non-negotiable instrument or writing; originated by Lender or another or others; barred or unenforceable against Borrower for any reason whatsoever; for any transactions that may be voidable for any reason (such as infancy, insanity, ultra vires or otherwise); and originated then reduced or extinguished and then afterwards increased or reinstated.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

CONTINUING GUARANTY. THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT, PERFORMANCE AND SATISFACTION OF THE INDEBTEDNESS OF BORROWER TO LENDER, NOW EXISTING OR HEREAFTER ARISING OR ACQUIRED, ON AN OPEN AND CONTINUING BASIS. ACCORDINGLY, ANY PAYMENTS MADE ON THE INDEBTEDNESS WILL NOT DISCHARGE OR DIMINISH GUARANTOR'S OBLIGATIONS AND LIABILITY UNDER THIS GUARANTY FOR ANY REMAINING AND SUCCEEDING INDEBTEDNESS EVEN WHEN ALL OR PART OF THE OUTSTANDING INDEBTEDNESS MAY BE A ZERO BALANCE FROM TIME TO TIME.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include the Indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation, "new Indebtedness" does not include all or part of the Indebtedness that is: incurred by Borrower prior to revocation; incurred under a commitment that became binding before revocation; any renewals, extensions, substitutions, and modifications of the Indebtedness. This Guaranty shall bind Guarantor's estate as to the Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. **It is anticipated that fluctuations may occur in the aggregate amount of the Indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of the Indebtedness, even to zero dollars ($0.00), shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the Indebtedness remains unpaid and even though the Indebtedness may from time to time be zero dollars ($0.00).**

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, **without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time**: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and

exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness (H) to assign or transfer this Guaranty in whole or in part; (I) to exercise or refrain from exercising any rights against Borrower or others, or otherwise act or refrain from acting; (J) to settle or compromise any Indebtedness; and (K) to subordinate the payment of all or any part of any Indebtedness of Borrower to Lender to the payment of any liabilities which may be due Lender or others.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Additional Requirements. 1. Guarantor and its Subsidiaries will provide to Lender, on an annual basis, an audited balance sheet and statement of income and expenses, due within 120 days of the year end, beginning September 30, 2015.

2. Guarantor and its Subsidiaries will provide to Lender, on a quarterly basis, a company prepared balance sheet and statement of income and expenses, due within 45 days of each quarter end, beginning March 31, 2015.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness; or (G) by any failure, neglect, or omission by Lender to perfect in any manner the collection of the Indebtedness or the security given therefor, including the failure or omission to seek a deficiency judgment against Borrower. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor

authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. All prior and contemporaneous representations and discussions concerning such matters either are included in this document or do not constitute an aspect of the agreement of the parties. Except as may be specifically set forth in this Guaranty, no conditions precedent or subsequent, of any kind whatsoever, exist with respect to Guarantor's obligations under this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. To the extent permitted by applicable law, any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. To the extent permitted by applicable law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Mesa Airlines, Inc. and includes all co-signers and co-makers signing the Note and all their successors and assigns.

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Mesa Air Group, Inc., and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means MidFirst Bank, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED MAY 21, 2015.

GUARANTOR:

MESA AIRGROUP, INC.

By: /s/ Michael Lotz
Michael Lotz, President of Mesa Airlines, Inc.

Signed, acknowledged, and delivered in the presence of:

X _____
Witness

MIDFIRST BANK

COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
				82		2542	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: **Mesa Airlines, Inc.**
410 N 44th St
Phoenix, AZ 85008

Lender: **MidFirst Bank**
Location: Commercial – Arizona
11001 N Rockwell Ave
Oklahoma City, OK 73162

Guarantor: **Mesa Air Group Airline Inventory Management, L.L.C.**
410 N 44th St
Phoenix, AZ 85008

CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is unlimited and Guarantor's obligations are continuing.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, attorneys' fees, arising from any and all debts, liabilities and obligations of every nature or form, now existing or hereafter arising or acquired, that Borrower individually or collectively or interchangeably with others, owes or will owe Lender. "Indebtedness" includes, without limitation, loans, advances, debts, overdraft indebtedness, credit card indebtedness, lease obligations, liabilities and obligations under any interest rate protection agreements or foreign currency exchange agreements or commodity price protection agreements, other obligations, and liabilities of Borrower, and any present or future judgments against Borrower, future advances, loans or transactions that renew, extend, modify, refinance, consolidate or substitute these debts, liabilities and obligations whether: voluntarily or involuntarily incurred; due or to become due by their terms or acceleration; absolute or contingent; liquidated or unliquidated; determined or undetermined; direct or indirect; primary or secondary in nature or arising from a guaranty or surety; secured or unsecured; joint or several or joint and several; evidenced by a negotiable or non-negotiable instrument or writing; originated by Lender or another or others; barred or unenforceable against Borrower for any reason whatsoever; for any transactions that may be voidable for any reason (such as infancy, insanity, ultra vires or otherwise); and originated then reduced or extinguished and then afterwards increased or reinstated.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

CONTINUING GUARANTY. THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT, PERFORMANCE AND SATISFACTION OF THE INDEBTEDNESS OF BORROWER TO LENDER, NOW EXISTING OR HEREAFTER ARISING OR ACQUIRED, ON AN OPEN AND CONTINUING BASIS. ACCORDINGLY, ANY PAYMENTS MADE ON THE INDEBTEDNESS WILL NOT DISCHARGE OR DIMINISH GUARANTOR'S OBLIGATIONS AND LIABILITY UNDER THIS GUARANTY FOR ANY REMAINING AND SUCCEEDING INDEBTEDNESS EVEN WHEN ALL OR PART OF THE OUTSTANDING INDEBTEDNESS MAY BE A ZERO BALANCE FROM TIME TO TIME.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include the Indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation, "new Indebtedness" does not include all or part of the Indebtedness that is: incurred by Borrower prior to revocation; incurred under a commitment that became binding before revocation; any renewals, extensions, substitutions, and modifications of the Indebtedness. This Guaranty shall bind Guarantor's estate as to the Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. **It is anticipated that fluctuations may occur in the aggregate amount of the Indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of the Indebtedness, even to zero dollars ($0.00), shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the Indebtedness remains unpaid and even though the Indebtedness may from time to time be zero dollars ($0.00).**

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and **without lessening Guarantor's liability under this Guaranty, from time to time**: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree

not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness (H) to assign or transfer this Guaranty in whole or in part; (I) to exercise or refrain from exercising any rights against Borrower or others, or otherwise act or refrain from acting; (J) to settle or compromise any Indebtedness; and (K) to subordinate the payment of all or any part of any Indebtedness of Borrower to Lender to the payment of any liabilities which may be due Lender or others.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness; or (G) by any failure, neglect, or omission by Lender to perfect in any manner the collection of the Indebtedness or the security given therefor, including the failure or omission to seek a deficiency judgment against Borrower. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time

to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. All prior and contemporaneous representations and discussions concerning such matters either are included in this document or do not constitute an aspect of the agreement of the parties. Except as may be specifically set forth in this Guaranty, no conditions precedent or subsequent, of any kind whatsoever, exist with respect to Guarantor's obligations under this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. To the extent permitted by applicable law, any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. To the extent permitted by applicable law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Mesa Airlines, Inc. and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Mesa Air Group Airline Inventory Management, L.L.C., and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means MidFirst Bank, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED MAY 21, 2015.

GUARANTOR:

MESA AIRGROUP AIRLINE INVENTORY MANAGEMENT, LLC

MESA AIRLINES, INC., Member of Mesa Air Group Airline Inventory Management, L.L.C.

By: /s/ Michael Lotz
Michael Lotz, President of Mesa Airlines, Inc.

Signed, acknowledged, and delivered in the presence of:

X _____
Witness

CUSTOMER INFORMATION PROFILE

Mesa Airlines, Inc.

CUSTOMER INFORMATION

Customer Name: Mesa Airlines, Inc.
Customer Type: Corporation
Street Address: 410 N 44th St
Phoenix, AZ 85008
Mailing Address:
Primary Phone Number:

IDENTIFICATION

Taxpayer ID: 85-0444800
☐ Taxpayer ID Applied For
Primary ID:
ID Number:
Issue Date:
Issued By:
Secondary ID:
ID Number:
Issue Date:
Issued By:

ACCOUNT INFORMATION

Branch Location: 252 Location: Commercial – Arizona
Bank Rep. Name: Owens, Geneva

Product Type	Loan Number	Opening Date
Commercial - All Business Assets	1075270-100	05-21-2015

RESULTS OF DOCUMENTARY VERIFICATION

☐ Customer's Identity has been verified using the above described identification documents
Verification Method:

☐ Unable to verify customer's identity
Explanation and resolution of discrepancies:

ADDITIONAL CIP INFORMATION

Email Address:_____

Is Customer already CIP Compliant?:_____

****

Instructions for Use of This Form by MidFirst Bank Employees or Representatives

Please complete this form using the following steps:

1) Verify that any pre-filled information is correct by comparing it to the required customer identification documents or IDs for the individual listed above
2) Make any necessary corrections and complete the missing information.
3) Have the individual read the disclosure below and initial on the line.
4) Sign and date the form in the verification section below

****

IMPORTANT NOTICE ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government to fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that allows us to identify you. We may also ask to see your driver's license or other identifying documents.

_____
Borrower Initials

VERIFICATION CONDUCTED BY

_____ _____
(Employee Name) (Date)

MidFirst Bank

CUSTOMER INFORMATION PROFILE

Mesa Air Group, Inc.

CUSTOMER INFORMATION

Customer Name: Mesa Air Group, Inc.
Customer Type: Corporation
Street Address: 410 N 44th St
Phoenix, AZ 85008
Mailing Address:
Primary Phone Number:

IDENTIFICATION

Taxpayer ID: 85-0302351
☐ Taxpayer ID Applied For
Primary ID:
ID Number:
Issue Date:
Issued By:
Secondary ID:
ID Number:
Issue Date:
Issued By:

ACCOUNT INFORMATION

Branch Location: 252 Location: Commercial – Arizona
Bank Rep. Name: Owens, Geneva

Product Type	Loan Number	Opening Date
Commercial - All Business Assets	1075270-100	05-21-2015

RESULTS OF DOCUMENTARY VERIFICATION

☐ Customer's Identity has been verified using the above described identification documents Verification Method:

☐ Unable to verify customer's identity
Explanation and resolution of discrepancies:

ADDITIONAL CIP INFORMATION

Email Address:_____
Is Customer already CIP Compliant?:_____

****

Instructions for Use of This Form by MidFirst Bank Employees or Representatives

Please complete this form using the following steps:
1) Verify that any pre-filled information is correct by comparing it to the required customer identification documents or IDs for the individual listed above
2) Make any necessary corrections and complete the missing information.
3) Have the individual read the disclosure below and initial on the line.
4) Sign and date the form in the verification section below

****

IMPORTANT NOTICE ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government to fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that allows us to identify you. We may also ask to see your driver's license or other identifying documents.

_____
Borrower Initials

VERIFICATION CONDUCTED BY

_____ _____
(Employee Name) (Date)

MidFirst Bank

CUSTOMER INFORMATION PROFILE

Mesa Air Group Airline Inventory Management, L.L.C.

CUSTOMER INFORMATION

Customer Name: Mesa Air Group Airline Inventory Management, L.L.C.

Customer Type: Limited Liability Company

Street Address: 410 N 44th St
Phoenix, AZ 85008

Mailing Address:

Primary Phone Number:

IDENTIFICATION

Taxpayer ID: 48-1292015

☐ Taxpayer ID Applied For

Primary ID:

ID Number:
Issue Date:
Issued By:

Secondary ID:

ID Number:
Issue Date:
Issued By:

ACCOUNT INFORMATION

Branch Location: 252 Location: Commercial – Arizona
Bank Rep. Name: Owens, Geneva

Product Type	Loan Number	Opening Date
Commercial - All Business Assets	1075270-100	05-21-2015

RESULTS OF DOCUMENTARY VERIFICATION

☐ Customer's Identity has been verified using the above described identification documents
Verification Method:

☐ Unable to verify customer's identity
Explanation and resolution of discrepancies:

ADDITIONAL CIP INFORMATION

Email Address:_____

Is Customer already CIP Compliant?:_____

****

Instructions for Use of This Form by MidFirst Bank Employees or Representatives

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1) Verify that any pre-filled information is correct by comparing it to the required customer identification documents or IDs for the individual listed above
2) Make any necessary corrections and complete the missing information.
3) Have the individual read the disclosure below and initial on the line.
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To help the government to fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that allows us to identify you. We may also ask to see your driver's license or other identifying documents.

_____
Borrower Initials

VERIFICATION CONDUCTED BY

_____ _____
(Employee Name) (Date)

MidFirst Bank

AGREEMENT TO PROVIDE INSURANCE

INSURANCE REQUIREMENTS. Grantor, Mesa Airlines, Inc. ("Grantor"), understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Grantor by Lender. These requirements are set forth in the security documents for the loan. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: **Two (2) General Electric Company model CF34-8C5B1 aircraft engines bearing manufacturer's serial numbers GE-E965504 (described on the International Registry Manufacturer's List as GE model CF34-8C1, with free text engine serial number 965504 (and which serial number may also be described on the International Registry Manufacturer's List if and when the manufacturer makes such serial number available on the International Registry Manufacturer's List)) and GE-E965201 (described on the International Registry Manufacturer's List as GE model CF34-8C1 serial number 965201), each with any and all tools, parts, appliances, components, accessories, additions, accessions, replacements, substitutions, attachments or equipment installed on, appurtenant to, or delivered with or in respect of such engines, and any proceeds and products thereof (each an "Engine" and collectively the "Engines").**
Type: All risks, including on ground and in flight coverages.
Amount: Full Insurable Value.
Basis: Replacement value**.**
Endorsements: Lender loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of 3 days prior written notice to Lender.
Deductibles: $1,000.00.
Latest Delivery Date: By the loan closing date.

INSURANCE COMPANY. Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

INSURANCE MAILING ADDRESS. All documents and other materials relating to insurance for this loan should be mailed, delivered or directed to the following address:

MidFirst Bank
11001 N Rockwell Ave
Oklahoma City, OK 73162

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, on the latest delivery date stated above, evidence of the required insurance as provided above, with an effective date of May 21, 2015, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO AN AMOUNT EQUAL TO THE LESSER OF (1) THE UNPAID BALANCE OF THE DEBT, EXCLUDING ANY UNEARNED FINANCE CHARGES, OR (2) THE VALUE OF THE COLLATERAL; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSUFWJCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED MAY 21, 2015.

GRANTOR:

MESA AIRLINES, INC.

By: **/s/Michael Lotz**
Michael Lotz, President of Mesa Airlines, Inc.

FOR LENDER USE ONLY
INSURANCE VERIFICATION

DATE: _____ PHONE _____
AGENT'S NAME: _____
AGENCY: _____
ADDRESS: _____
INSURANCE COMPANY: _____
POLICY NUMBER: _____
EFFECTIVE DATES: _____
_____
COMMENTS: _____
_____

MIDFIRST BANK

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$8,500,000.00	05-21-2015	09-21-2020	1075270-100	82		2542	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: **Mesa Airlines, Inc.**
410 N 44th St
Phoenix, AZ 85008

Lender: **MidFirst Bank**
Location: Commercial – Arizona
11001 N Rockwell Ave
Oklahoma City, OK 73162

LOAN TYPE. This is a Fixed Rate (5.163%) Nondisclosable Loan to a Corporation for $8,500,000.00 due on September 21, 2020.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

☐ **Personal, Family, or Household Purposes or Personal Investment.**

☒ **Business (Including Real Estate Investment).**

SPECIFIC PURPOSE. The specific purpose of this loan is: Reimbursement for purchase of 3 refurbished GE airplane engines.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of $8,500,000.00 as follows:

Other Disbursements:	$8,444,517.00
$5,509,157.00 Initial Advance	
$2,935,360.00 Undisbursed Funds for 3rd Engine Purchase	
Other Charges Financed:	$55,483.00
$42,500.00 Loan Origination Fee	
$83.00 UCC Filing Fee	
$5,150.00 Appraisal	
$7,500.00 Attorney Fees	
$50.00 UCC Termination	
$50.00 UCC Continuation	
$150.00 Documentation Preparation Fee	
Note Principal:	$8,500,000.00

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED MAY 21, 2015.

BORROWER:

MESA AIRLINES, INC.

By: **/s/ Michael Lotz**
Michael Lotz, President of Mesa Airlines, Inc.

MIDFIRST BANK

NOTICE OF FINAL AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$8,500,000.00	05-21-2015	09-21-2020	1075270-100	82		2542	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: **Mesa Airlines, Inc.**
410 N 44th St
Phoenix, AZ 85008

Lender: **MidFirst Bank**
Location: Commercial – Arizona
11001 N Rockwell Ave
Oklahoma City, OK 73162

BY SIGNING THIS DOCUMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, (B) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES, AND (C) THE WRITTEN LOAN AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.

As used in this Notice, the following terms have the following meanings:

Loan. The term "Loan" means the following described loan: a Fixed Rate (5.163%) Nondisclosable Loan to a Corporation for $8,500,000.00 due on September 21, 2020,

Loan Agreement. The term "Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, relating to the Loan, including without limitation the following:

LOAN DOCUMENTS

- Corporate Resolution: Mesa Airlines, Inc.
- LLC Resolution: Mesa Air Group Airline Inventory Management, L.L.C.
- Promissory Note
- OK Commercial Guaranty: Mesa Air Group, Inc.
- Aircraft Security Agreement: Two (2) General Electric Company model CF34-8C5B1 aircraft engines bearing manufacturer's serial numbers GE-E965504 (described on the International Registry Manufacturer's List as GE model CF34-8C1, with free text engine serial number 965504 (and which serial number may also be described on the International Registry Manufacturer's List if and when the manufacturer makes such serial number available on the International Registry Manufacturer's List)) and GE-E965201 (described on the International Registry Manufacturer's List as GE model CF34-8C1 serial number 965201), each with any and all tools, parts, appliances, components, accessories, additions, accessions, replacements, substitutions, attachments or equipment installed on, appurtenant to, or delivered with or in respect of such engines, and any proceeds and products thereof (each an "**Engine**" and collectively the "**Engines**")
- National UCC Instructions 04/20/11
- Agreement to Provide Insurance
- Notice of Final Agreement
- Corporate Resolution: Mesa Air Group, Inc.
- Resolution of Corporate LLC Member: Mesa Airlines, Inc.
- Business Loan Agreement
- OK Commercial Guaranty: Mesa Air Group Airline Inventory Management, L.L.C.
- FAA Entry Point Filing Form: Two (2) General Electric Company model CF34-8C5B1 aircraft engines bearing manufacturer's serial numbers GE-E965504 (described on the International Registry Manufacturer's List as GE model CF34-8C1, with free text engine serial number 965504 (and which serial number may also be described on the International Registry Manufacturer's List if and when the manufacturer makes such serial number available on the International Registry Manufacturer's List)) and GE-E965201 (described on the International Registry Manufacturer's List as GE model CF34-8C1 serial number 965201), each with any and all tools, parts, appliances, components, accessories, additions, accessions, replacements, substitutions, attachments or equipment installed on, appurtenant to, or delivered with or in respect of such engines, and any proceeds and products thereof (each an "**Engine**" and collectively the "**Engines**")
- NV National UCC Financing Statement (Rev. 04/20/11): Collateral owned by Mesa Airlines, Inc.
- National UCC Addendum Instructions 04/20/11
- Disbursement Request and Authorization

Parties. The term "Parties" means MidFirst Bank and any and all entities or individuals who are obligated to repay the loan or have pledged property as security for the Loan, including without limitation the following:

Borrower: **Mesa Airlines, Inc.**
Grantor(s): **Mesa Airlines, Inc.**
Guarantor 1: **Mesa Airlines, Inc.**
Guarantor 2: **Mesa Air Group Airline Inventory Management, L.L.C.**

Each Party who signs below, other than MidFirst Bank, acknowledges, represents, and warrants to MidFirst Bank that it has received, read and understood this Notice of Final Agreement. This Notice Is dated May 21, 2015.

BORROWER:

MESA AIRLINES, INC.

By: /s/ Michael Lotz
Michael Lotz, President of Mesa Airlines, Inc.

GUARANTOR:

MESA AIR GROUP, INC.

By: /s/ Michael Lotz
Michael Lotz, President of Mesa Air Group, Inc.

GUARANTOR

MESA AIR GROUP AIRLINE INVENTORY MANAGEMENT, L.L.C.

MESA AIRLINES, INC., Mesa Air Group Airline Inventory Management, L.L.C.

By: /s/ Michael Lotz
Michael Lotz, President of Mesa Airlines, Inc.

LENDER:

MIDFIRST BANK

X /s/ Ryan Helm
Ryan Helm, First Vice President

THREE GATEWAY - OFFICE LEASE

SUMMARY OF SELECTED MATTERS

LANDLORD:	DMB PROPERTY VENTURES LIMITED PARTNERSHIP	
TENANT:	MESA AIR GROUP, INC.	
The Premises:	Suite 700	
Area of the Premises:	Approximately 21,003 rentable square feet	
The Term:	Ten (10) years	
Commencement and Expiration Dates:	November 1, 1998 and October 31, 2008	
Tenant's Proportionate Share:	9.70%	
Expense Stop:	1998 Base Year	
Base Rent:	Years 1 - 3	$23.00 per rentable square foot per year $483,069.00 annually; $40,255.75 monthly;
	Years 4 - 7	$25.00 per rentable square foot per year $525,075.00 annually; $43,756.25 monthly;
	Years 8 - 10	$27.00 per rentable square foot per year $567,081.00 annually; $47,256.75 monthly

Tenant's address for pre-occupancy notices:

2325 East 30th Street
Farmington, New Mexico 87401
(505) 326-4485 fax

Landlord's address for payment of rent:

410 North 44th Street, Suite 250
Phoenix, Arizona 85008
(602) 244-0569 fax

Tenant Improvement Allowance:	$10.00 per usable square foot
Security Deposit:	N/A

Description of Tenant's Business on the Premises:

General Office

Name of Guarantors:	N/A

THIS SUMMARY IS FOR PURPOSES OF CONVENIENCE, AND IS NOT PART OF THE LEASE ITSELF

TABLE OF CONTENTS

EXHIBITS

THREE GATEWAY OFFICE LEASE

THIS LEASE is made this __ day of October, 1998, by and between DMB PROPERTY VENTURES LIMITED PARTNERSHIP, a Delaware limited partnership ("**Landlord**"), and MESA AIR GROUP, INC., a Nevada corporation ("**Tenant**").

Landlord hereby leases to Tenant and Tenant leases from Landlord for the term and upon the conditions and agreements set forth in this Lease a portion of the real property described on Exhibit "A", as illustrated by cross-hatching or otherwise on the plan attached as **Exhibit "B"**, consisting of 21,003 rentable square feet of space (the "**Premises**") known as Suite 700 in Three Gateway (the "**Building**") on the 7th floor. The address of the Building is 410 North 44th Street, Phoenix, Arizona 85008.

The rentable square footage of the Premises has been measured in accordance with the most recent standards established by the Building Owners and Managers Association (BOMA) for the measurement of rentable square footage of office space.

1. TERM AND POSSESSION

(a) Except as otherwise expressly provided in this Lease, the term of this Lease, and Tenant's obligation to pay rent, shall be for a period of one hundred twenty (120) months (the "**Lease Term**"), commencing on the Commencement Date. For purposes of this Lease, the **Commencement Date** shall be the earlier of (i) sixty (60) days after the issuance of a City of Phoenix building permit, provided Landlord's construction obligations under this Lease are substantially completed, or (ii) the date upon which Tenant begins its business operation in the Premises. Upon request of either party after the term has commenced, Landlord and Tenant shall jointly execute a memorandum confirming the Commencement Date. The Anticipated Commencement Date is November 1, 1998. Notwithstanding anything to the contrary contained herein, Landlord shall allow Tenant access to the Premises at least fourteen (14) days prior to the Commencement Date ("Early Access") in order to install Tenant's equipment, furnishings and trade fixtures, it being acknowledged that any occupancy of the Premises for such purposes shall not trigger the Commencement Date or the payment of rent. Tenant shall not be entitled to Early Access unless Tenant has complied with the Early Access Indemnity Agreement, the form of which is attached hereto as Exhibit "E".

(b) Upon the termination or expiration of this Lease or upon the termination of Tenant's right of possession, whether by lapse of time or otherwise, Tenant shall at once surrender possession of the Premises to Landlord and remove all of Tenant's property as provided in Article 10.

(c) Tenant shall have no right to hold over after the expiration of the term of this Lease without Landlord's consent. If, with Landlord's consent, Tenant holds over after the expiration of this Lease, Tenant shall become a tenant from month to month only, upon all of the terms of this Lease except that the amount of the Base Rent shall be increased to an amount equal to 125% of the Base Rental Rate in effect immediately prior to the expiration.

(d) OPTION TO EXPAND

Provided no Event of Default exists under this Lease after any applicable cure period has expired, Tenant shall have a single option ("**Expansion Option**") to expand the Premises into any available additional space in the Building, except any space that is subject to renewal by a current tenant, or any space that is subject to options, rights of first refusal or offer, or similar rights in effect at the time of Tenant's notice to Landlord, for a term coterminous with this Lease, on the terms set forth in this Article 1(d) and otherwise set forth in this Lease, except that the Tenant Improvement Allowance (as herein defined) shall be prorated based on the number of months remaining in the Lease Term. The

Expansion Option may be exercised with one hundred twenty (120) days prior written notice to Landlord. Tenant's obligation to pay rent on the expansion space shall commence on the earlier of (i) the date upon which an architect certifies to Tenant that Landlord's construction obligations under this Lease with respect to such expansion space are substantially complete or (ii) the date upon which Tenant begins its business operation in the expansion space. Tenant acknowledges that Landlord will require a minimum of one hundred twenty (120) days after lease documents are executed to substantially complete the tenant improvements in the expansion space.

(e) RIGHT OF FIRST OFFER

Provided no Event of Default exists under this Lease after any applicable cure period has expired, Tenant shall have a right of first offer to lease any contiguous available space in the Building during the initial Lease Term. If Landlord desires to offer for lease any such contiguous available space, Landlord shall so notify Tenant in writing, which notice (the "**First Offer Notice**") shall also include the new Base Rent amount for such space (calculated in accordance with this Article 1(e)). Tenant shall have five (5) business days following receipt of the First Offer Notice to notify Landlord of its intention to lease such space, which notice of intent from Tenant (the "**Notice of Intent**") shall be irrevocable. If Tenant gives such Notice of Intent, the terms of such lease with respect to the expansion space shall be the same terms and conditions as this Lease (including without limitation the same initial Lease Term expiration date and Extension Term), except that the Base Rent for such space shall be equal to the average prevailing Base Rent per rentable square foot in the Building. Notwithstanding anything to the contrary herein, if there is less than five (5) years remaining in the initial Lease Term, then the Tenant Improvement Allowance for such contiguous space shall be prorated based on the number of months remaining in the initial Lease Term. If Tenant fails to give the Notice of Intent within five (5) business days following receipt of Landlord's First Offer Notice, then the right set forth in this Article 1(0 shall automatically terminate and Landlord shall be free to market such space to potential tenants, with no further obligation to re-offer such space to Tenant.

(f) RIGHT OF FIRST REFUSAL

Provided no Event of Default exists under this Lease after any applicable cure period has expired, Tenant shall have a continuing right of first refusal (the "**Right of Refusal**") to lease any space on the 6th or the 8th floors of the Building which is available during the Lease Term (a "**Right of Refusal Space**"). Landlord shall offer any Right of Refusal Space to Tenant on the same terms and conditions as those proposed to and accepted by an interested third party (inclusive of a tenant improvement allowance, base year and rental rate) pro rated to reflect a coterminous lease. Tenant shall have two (2) business days after receipt of Landlord's written notice in which to exercise the Right of Refusal. If Tenant has not responded to Landlord within such 2-day period, then Tenant shall be deemed to have elected not to exercise the Right of Refusal. If Tenant elects not to exercise the Right of Refusal, then Landlord shall have one hundred eighty (180) days during which to execute a lease with any third party for the Right of Refusal Space at materially the same terms offered to Tenant without again offering such the Right of Refusal Space to Tenant. Notwithstanding anything to the contrary herein, if Tenant exercises its Right of First Refusal prior to June 30, 1999, the terms shall be on the same terms and conditions as set forth in this Lease.

The parties acknowledge and agree that if Tenant exercises any of the options set forth above, this Lease shall be amended, as of the date of the exercise of option to reflect the exercise of such option. Notwithstanding anything set forth herein to the contrary, if Tenant exercises the Right of First Refusal, Right of First Offer or Option to Expand during months 85 to 120 of the Lease Term, then Tenant also must exercise its Option to Extend by the Option Exercise Date as set forth in Article 1(g) hereof.

(g) OPTION TO EXTEND

Provided no Event of Default exists under this Lease after any applicable cure period has expired, Tenant shall have the option to extend the Lease Term for two (2) additional terms of sixty (60) months each (each such term to be referred to herein as an "Extension Term"). Tenant shall exercise each option by giving Landlord notice (the "Option Exercise Notice") of exercise no earlier than three hundred sixty-five (365) days and no later than one hundred eighty (180) days prior to the expiration date of the Initial Lease Term or the then-expiring Extension Term, as applicable (the "Option Exercise Date"). If Tenant elects to extend the Initial Lease Term or any Extension Term of this Lease, such Extension Term shall be upon and subject to all of the terms, covenants and conditions of this Lease, except:

The Base Rent per rentable square foot during each Extension Term shall be the greater of (a) the Base Rent per rentable square foot in effect immediately prior to the expiration of each Extension Term or (b) a rate equal to ninety-five percent (95%) of the average prevailing Base Rent per rentable square foot in the Building (on leases with a five (5) year term) for all new leases executed during the six (6) month period immediately preceding the Option Exercise Notice ("Comparable Leases"). If there were no leases executed in the Building during such six (6) month period, then Comparable Leases in the twelve (12) months prior to the date of the Option Exercise Notice will be used to determine the average prevailing Base Rent per rentable square foot in the Building. The average prevailing Base Rent shall be reduced by concessions then being offered or granted by Landlord to tenants in the Building, including free or deferred rents and moving allowances, and tenant improvement allowances for renewing Tenants only. Upon request by Tenant, not less than thirty (30) days prior to the Option Exercise Date, prior to the expiration of the Lease Term, Landlord shall give Tenant notice of the average prevailing Base Rent per rentable square foot. If Tenant fails to exercise its option to extend hereunder by the Option Exercise Date, then the option set forth in this Article 1(g) shall automatically terminate and Landlord shall be free to market the Premises to potential tenants.

Refurbishment Allowance. Landlord will provide a refurbishment allowance of $3.00 per usable square foot at the beginning of each Extension Term.

(h) OPTION TO TERMINATE.

Notwithstanding anything to the contrary in this Lease, Tenant shall have the option to terminate this Lease, effective as of the end of the sixtieth (6001) month of the Lease Term, on the terms set forth in this Article 1(h). To exercise such option, Tenant shall give notice to Landlord of such termination no later than the end of the forty-eighth (48111) month of the Lease Term, which notice shall be irrevocable. If such notice is given, Tenant shall pay to Landlord no later than thirty (30) days prior to the termination date, as consideration for exercise of this termination right, an amount equal to the unamortized amount of tenant improvement costs and that portion of the leasing commissions attributable to the second five (5) year period of the Lease Term, plus at a return of 12% per annum on such amounts. If Tenant fails to give timely notice to Landlord of such termination in accordance with this Article 1(h), Tenant shall be conclusively deemed to have forever waived such right to terminate this Lease.

2. RENT

(a) Base Rent. Tenant shall pay to Landlord during the term of this Lease at the office of Landlord or at such other place as Landlord may designate, without notice, demand, deduction or set-off, in equal monthly installments in advance on the first day of each calendar month, Base Annual Rent in the amount of:

Years 1 - 3	$23.00 per rentable square foot per year $483,069.00 annually; $40,255.75 monthly
Years 4 - 7	$25.00 per rentable square foot per year $525,075.00 annually; $43,756.25 monthly
Years 8 - 10	$27.00 per rentable square foot per year $567,081.00 annually; $47,256.75 monthly

In the event the Commencement Date does not occur on the first day of a calendar month, Tenant shall pay rent on the Commencement Date for the fractional month on a pro rata basis.

(b) Nature of Payments. All sums required to be paid by Tenant under this Lease, whether or not so designated, are rent.

(c) Late Charges and Interest. Any amount due from Tenant to Landlord which is not paid when due shall bear interest at three percent (3%) in excess of the prime rate as established from time to time by Bank One or its successor in interest (the "Default Rate") from the due date until paid, but the payment of such interest shall not excuse or cure any default by Tenant under this Lease. In addition, any rent or other payment not paid within ten (10) days of its due date shall be subject to five percent (5%) late charge representing the additional costs and burdens of special handling. Notwithstanding anything to the contrary contained herein, if payment of any monetary obligation payable hereunder is received late more than twice in any twelve (12) month period, then Tenant shall have ten (10) days after notice of nonpayment is received to cure such late payment before the late fee is assessed.

3. SECURITY DEPOSIT AND GUARANTIES

Concurrently with the execution of this Lease, Tenant shall guaranty their performance by posting a Letter of Credit in the form of Exhibit "F", in the amount of $400,000. The Letter of Credit shall be released at the end of the second (2nd) year of the Lease Term, provided that no Event of Default exists after any applicable cure period has expired, and no Event of Default has ever existed after any applicable cure period has expired under any provision of this Lease.

4. USE

(a) Tenant shall not use or occupy the Premises for any purpose other than general office purposes without Landlord's prior written consent. Tenant shall maintain, at all times, an average density no greater than one (1) person for each two hundred (200) rentable square feet of the Premises.

(b) Tenant shall:

(i) Not use or permit upon the Premises anything that would invalidate any policies of insurance now or hereafter carried on the Premises or that will increase the rate of insurance on the Premises or the Building;

(ii) Pay all additional insurance premiums which may be caused by any use which Tenant shall make of the Premises other than the permitted use described in 4(a) above;

(iii) Not in any manner deface or injure the Premises other than ordinary wear and tear and damage caused by a casualty or overload any floor of the Premises;

(iv) Not do anything or permit anything to be done upon the Premises in any way creating a nuisance, or unreasonably disturbing any other lessee in the Building or injuring the reputation of the Building, including, without limitation, the playing of music audible outside the Premises and the placement of signs in or displayed through any window or door;

(v) Intentionally omitted;

(vi) Not use the Premises for lodging or sleeping purposes;

(vii) Not commit or suffer to be committed any waste upon the Premises;

(viii) Not violate any recorded restriction or covenant affecting the Building, nor use the Premises for any purpose which would be in violation of any exclusive rights or use granted to other tenants in the Building. Landlord shall not grant exclusive rights which would prohibit Tenant from using the Premises for the purposes stated in Article 4(a) above.

(c) Tenant, at Tenant's expense, shall comply with all present and future federal, state and local laws, ordinances, orders, rules and regulations (collectively, "**Laws**"), and shall procure all permits, certificates, licenses and other authorizations required by applicable Law relating to Tenant's business or Tenant's use or occupancy of the Premises or Tenant's activities on the Premises. Tenant shall make all reports and filings required by applicable Laws. Tenant shall defend, indemnify and hold harmless Landlord and Landlord's present and future officers, directors, employees, partners and agents from and against all claims, demands, liabilities, fines, penalties, losses, costs and expenses, including but not limited to costs of compliance, remedial costs, and reasonable attorneys' fees, arising out of or relating to any failure to Tenant to comply with applicable Laws. Without limiting the foregoing, Tenant shall comply with all applicable Laws relating to environmental matters, and shall defend, indemnify and hold harmless Landlord and Landlord's present and future officers, directors, employees, partners and agents from and against all claims, demands, liabilities, fines, penalties, losses, costs and expenses, including but not limited to costs of compliance, remedial costs, clean-up costs and reasonable attorneys' fees, arising from or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release or threatened release into the environment, of any pollutant, contaminant or hazardous or toxic material, substance or matter from, on or at the Premises or the Building as a result of any act or omission on the part of Tenant. Tenant's indemnification obligations shall survive the expiration or termination of this Lease.

Landlord, at Landlord's expense, shall comply with all present and future federal, state and local laws, ordinances, orders, rules and regulations (collectively, "**Laws**") applicable to this Lease, and shall procure all permits, certificates, licenses an other authorizations required by applicable Laws relating to Landlord's business. Landlord shall make all reports and filings required by applicable all Laws. Landlord shall defend, indemnify and hold harmless Tenant and Tenant's present and future officers, directors, employees, partners and agents for, from and against all claims, demands, liabilities, fines, penalties, losses, costs and expenses, including but not limited to costs of compliance, remedial costs, and reasonable attorneys' fees, arising out of or relating to any failure of Landlord to comply with applicable Laws. Without limiting the foregoing, Landlord shall comply with all Laws relating to Hazardous Materials and shall defend, indemnify and hold harmless Tenant and Tenant's present and future officers, directors, employees, partners and agents for, from and against all claims, demands, liabilities, fines, penalties, losses, costs and expenses, including but not limited to costs of compliance, remedial costs, clean-up costs and reasonable attorneys' fees, arising from or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release or threatened release into the environment, of any Hazardous Materials from, on or at the Premises or the Building as a result of any act or omission on the part of Landlord. Landlord's indemnification obligations shall survive the expiration or termination of this Lease.

5. TAXES

(a) Tenant shall pay, prior to delinquency, all taxes assessed against or levied upon Tenant's fixtures, furnishings, equipment and other personal property located in or upon the Premises. Tenant shall cause the fixtures, furnishings, equipment and other personal property to be assessed and billed separately from the real property of which the Premises form a part. In the event any or all of Tenant's fixtures, furnishings, equipment and other personal property shall be assessed and taxed with the real property, Tenant shall pay to Landlord Tenant's share of the taxes within ten (10) days after delivery to Tenant by

Landlord of a statement in writing setting forth the amount of the taxes applicable to Tenant's personal property.

(b) Tenant shall, simultaneously with the payment of any sums required to be paid under this Lease as rent, additional rent or otherwise, reimburse Landlord for any sales, use, rental, transaction privilege or other excise tax imposed or levied on, or measured by, the amount paid.

6. PARKING AND COMMON USE AREAS

All parking areas, parking structures, access roads, driveways, pedestrian sidewalks and ramps, landscaped areas, drainage facilities, exterior lighting, signs, courtyards, corridors, elevators (if any), entryways, public restrooms, and other areas and improvements provided by Landlord for the general use in common of tenants, their officers, agents, employees, customers and other invitees (all of which are referred to as "**common facilities**") shall at all times be subject to the exclusive control and management of Landlord, and Landlord shall have the right from time to time to modify, enlarge or eliminate common facilities and to establish, modify and enforce reasonable rules and regulations with respect thereto. Without limiting the foregoing, Landlord may designate separate or combined parking areas for visitors, tenants and employees.

Landlord agrees at all time during the Lease Term to provide the following parking spaces to Tenant at their associated monthly costs:

thirteen (13)	covered reserved spaces in the parking structure adjacent to the Building free of charge for the Lease Term,
sixty-four (64)	covered unreserved spaces free of charge in years 1 — 3 of the Lease Term, and at $30.00 per space per month in years 4 — 10 of the Lease Term, and
twenty-nine (29)	uncovered unreserved spaces free of charge for the Lease Term.

Landlord shall determine the location of said spaces and may re-assign said spaces from time to time, as Landlord deems necessary.

If Tenant exercises its option(s) to expand hereunder, Landlord shall provide parking for any such expansion space at the following ratios and associated monthly rates:

covered reserved	.51 spaces per 1,000 usable square feet at $40.00 per space per month
covered unreserved	2.54 spaces per 1,000 usable square feet at $30.00 per space per month
uncovered unreserved	.81 spaces per 1,000 usable square feet at $20.00 per space per month.

7. OPERATING COSTS, REAL PROPERTY TAXES AND UTILITIES

(a) Tenant shall pay Tenant's pro rata share of all of the Building's operating cost, but only to the extent the Building's operating cost exceeds the, actual operating costs incurred in the calendar year 1998 (the "**Expense Stop**"). The Building's operating cost consists of those costs and expenses directly associated with managing, operating, maintaining and repairing the office building containing the Premises and the associated parking facilities, grounds and common facilities, including all electrical, heating, ventilating, air conditioning, plumbing and other building systems; exterior and interior water features; utilities; fire and extended coverage insurance; window cleaning; janitorial services; energy management costs; real property taxes and general and special assessments; assessments and other amounts legally payable to the property owner's association created under the restrictive covenants to which the Building is subject; wages, salaries and employee benefits of persons performing services in connection with the Building; parking lot and parking structure sweeping, sealing, patching, restriping, repair and maintenance; property management fees not to exceed five percent (5%) of gross revenues; public liability and property damage insurance; supplies, materials, tools, parts, and equipment; equipment rental charges; bookkeeping, accounting, legal and other professional charges and expenses;

fees for permits and licenses; administrative expenses; taxes other than real property taxes; service and maintenance contracts; signage; and landscaping.

Notwithstanding the foregoing, the Building's operating costs shall not include the following:

(i) Any costs or expenses for which Landlord is reimbursed .or indemnified (whether by an insurer, condemnor, tenant or otherwise);

(ii) Overhead and administrative costs of Landlord not directly incurred in the operation and maintenance of the Building;

(iii) Depreciation or amortization of the Building or its contents or components;

(iv) Capital expenditures, except those incurred for the reduction of operating costs;

(v) Expenses for the preparation of space or other work which Landlord performs for any tenant or prospective tenant of the Building;

(vi) Expenses for repairs or other work which is caused by fire, windstorm, casualty or any other insurable occurrence, except costs subject to Landlord's insurance deductible;

(vii) Expenses incurred in leasing or obtaining new tenants or retaining existing tenants, including leasing commissions, legal expenses, advertising or promotion;

(viii) Legal expenses incurred in enforcing the terms of any lease;

(ix) Interest, amortization or other costs, including legal fees, associated with any mortgage, loan or refinancing of the Building or any common areas;

(x) Expenses incurred for any necessary replacement of any item to the extent that it is covered under warranty;

(xi) The cost of any item or service which Tenant separately reimburses Landlord or pays to third parties, or that Landlord provides selectively to one or more tenants of the Building, other than Tenant, whether or not Landlord is reimbursed by such other tenant(s). This category shall include the actual cost of any special electrical, heating, ventilation or air conditioning required by any tenant that exceeds normal building standards or is required during times other than the business hours stated in this Lease;

(xii) Accounting and legal fees relating to the ownership, construction, leasing, sale or any litigation relating to the Building, or any common areas;

(xiii) Any interest or penalty incurred due to the late payment of any operating costs;

(xiv) The cost of correcting defects in the construction of the Building or any common areas; provided, however, that repairs resulting from ordinary wear and tear shall not be deemed to be defects;

(xv) The initial cost of tools and small equipment used in the operation and maintenance of the Building, and any common areas which exceeds the cost of $1,000 per year in the aggregate;

(xvi) The initial cost or the replacement cost of any permanent landscaping or the regular landscaping maintenance for any property other than the land upon which the Building is located, unless associated with fees or charges arising from or in connection with any governing association or the vested owners for the Building;

(xvii) The cost of correcting any applicable building or fire code violation(s) or any other applicable law relating to the Building, or any common areas, or the cost of any penalty or fine incurred for noncompliance with the same;

(xviii) Any costs incurred to test, survey, cleanup, contain, abate or remove any environmental or hazardous waste or materials, including asbestos containing materials from the Building or any common areas or to remedy any breach or violation of any environmental laws;

(xix) Any personal property taxes of the Landlord for equipment or items not used directly in the operation or maintenance of the Building, nor connected therewith;

(xx) All expenditures pertaining to administration of the Building or any common areas including payroll and payroll-related expenses associated with administrative and clerical personnel; general office expenditures; other administrative expenditures (including expenditures for travel, entertainment, dues, subscriptions, donations, data processing, errors and omissions insurance,

automobile allowances, political donations and professional fees of any kind) unless specifically enumerated as the Building's operating costs;

(xxi) Rentals and other related expenses, if any, incurred in leasing capital items;

(xxii) Any costs or expenses for sculpture, paintings, or other works of art, including, costs incurred with respect to the purchase, ownership or leasing of such works of art;

(xxiii) Contributions to operating costs reserves;

(xxiv) The cost of overtime or other expense to Landlord in performing work expressly provided in this Lease to be borne at Landlord's expense;

(xxv) All expenses directly resulting from the negligence or willful misconduct of the Landlord, its agents, servants or other employees;

(xxvi) All bad debt loss, rent loss, or reserve for bad debt or rent loss;

(xxvii) Any amount paid to an entity related to Landlord which exceeds the amount that would be paid for similar goods or services on an arms-length basis between unrelated parties;

(xxviii) Salaries of employees above the grade of building superintendent, building manager or property manager;

(xxix) The portion of employee expenses which reflects that portion of such employee's time which is not spent directly and solely in the operation of the property;

(xxx) Business interruption insurance and rental value insurance;

(xxxi) The operating expenses incurred by Landlord relative to retail stores, hotels and any specialty service in the Building or on the property, except to the extent that such uses share in the cost of operating expenses of the Building or property; and

(xxxii) Property management fees exceeding five (5%) of gross revenues, provided that the Expense Stop shall include property management fees calculated at the same rate as the year for which the Tenant is being assessed.

On the first day of each month Tenant shall pay a monthly advance charge on account of Tenant's pro rata share of the Building's operating cost in excess of the Expense Stop. The amount of the monthly charge shall be established by Landlord and may be adjusted from time to time by Landlord to reflect Landlord's estimate of current and anticipated cost. Within 120 days after the end of each fiscal year as established for the Building by Landlord, Landlord shall provide to Tenant a reasonably detailed summary of the actual operating costs showing Tenant's actual share and the amount by which Tenant has overpaid or underpaid. Any overpayment shall be credited to Tenant's account. Any deficiency shall be payable within ten (10) days after receipt of the statement. In the alternative, Landlord may, at its option during all or part of the Lease Term, bill Tenant for its pro rata share of operating cost in excess of the Expense Stop, in arrears, based on actual costs as they are incurred, in which case Tenant shall pay the invoice within ten (10) days after receipt.

(b) Tenant's Right to Audit. Tenant shall have the right, at its own cost and expense, to audit and/or inspect Landlord's records at the location of Landlord's financial records, not more that once in any Lease year, with respect to Operating Costs, Real Property Taxes and Utilities payable by Tenant under this Lease for any Lease year. Tenant shall give Landlord not less that thirty (30) days written notice of its intention to conduct any such audit. If such audit discloses that the amount paid by Tenant as operating costs for the Lease years under consideration has been overstated by more than three percent (3%), then, in addition to rebating to Tenant the overcharge, Landlord shall also reimburse Tenant for the reasonable costs incurred by Tenant in conducting the audit and/or inspection.

(c) Tenant's pro rata share of the Building's operating cost shall be that proportion that the rentable area of the Premises bears to the total rentable area of all rentable area in the Building. The operating cost for the fiscal year in which this Lease commences or terminates shall be apportioned so that Tenant shall not be responsible for costs that relate to periods prior to or subsequent to the term of

this Lease except any period of holding over. Rentable area shall be measured according to BOMA standards as approved July 31, 1980.

(d) Tenant shall be solely responsible for the cost of any heating, ventilation or air conditioning provided to the Premises at Tenant's request outside of normal business hours, measured at an hourly rate reasonably established by Landlord and billed to Tenant from time to time by Landlord. Normal business hours for the Building are from 7:00 a.m. to 6:00 p.m. on Monday through Friday, and 8:00 a.m. to 12:00 p.m. on Saturday, excluding holidays.

"Excess Consumption" means the consumption of electrical current, heat or cooling in excess of that which would be provided to the Premises other than during the foregoing business hours. If Tenant shall require water, heating, cooling, air or electric current which will result in Excess Consumption, Tenant shall first procure the consent of Landlord to the use thereof, and Landlord may cause separate meters to be installed to measure Excess Consumption or establish another basis for determining the amount of Excess Consumption. Tenant covenants and agrees to pay for the cost of the Excess Consumption based on Landlord's actual cost, plus any additional expense incurred in installing meters or keeping account of the Excess Consumption, at the same time as payment of the Base Rent is made. Tenant further agrees to pay Landlord the cost, if any, to upgrade existing mechanical, electrical, plumbing and air facilities, if required to provide Excess Consumption, upon receipt of a statement therefor. Excess Consumption costs will not be an Operating Cost for purposes of Article 7.

8. CONSTRUCTION, DELIVERY, AND CONDITION

(a) If delivery of possession of the Premises to Tenant is delayed beyond the anticipated Commencement Date because of a delay in the completion of construction of the Premises by Landlord or because of a failure of an existing tenant to surrender possession of the Premises to Landlord, then this Lease shall remain in full force and effect, Landlord shall not be liable to Tenant for any damage occasioned by delay, and the Commencement Date shall be changed to the date actual delivery of possession to Tenant is effected. Notwithstanding the foregoing, if delivery of possession is delayed more than sixty (60) days after the anticipated Commencement Date as set forth in Article 1(a), Tenant, by written notice to Landlord, may terminate this Lease prior to taking possession, and upon such termination any security deposit shall be refunded and both Landlord and Tenant shall be released of all further obligation.

(b) Landlord shall construct improvements in the Premises in accordance with the plans and specifications attached as or identified in **Exhibit "C"**. If no **Exhibit "C"** is attached, Tenant accepts the Premises AS IS. Landlord has no obligation to design or construct improvements or to make alterations in the Premises except as specifically set forth in **Exhibit "C"**. Tenant shall pay to Landlord upon the Delivery Date the amount by which the cost of the work performed by Landlord exceeds $10.00 per usable square foot (the "**Tenant Improvement Allowance**"), and shall pay, in addition, for any increases in costs resulting from changes in the approved plans and specifications made at Tenant's request, provided Tenant has approved in advance of such cost increases. The cost of the work performed shall include all aspects of the improvements, including but not limited to, all architectural (including space planning), engineering, and permit fees, corridor and directory signage, actual construction labor and materials, contractors general conditions, overhead and profit, and Landlord's prestocked materials. Tenant shall make said payment, if any, to Landlord within ten (10) business days after receipt of Landlord's invoice for said payment. Any changes in the approved plans and specifications shall be subject to approval by both Landlord and Tenant. Any defects in construction performed by Landlord shall automatically be waived unless specified in a written punchlist delivered to Landlord within ten (10) days after Tenant takes possession. Landlord shall promptly correct all defects set forth in the punchlist.

(c) Moving Allowance. If there remains any unused Tenant Improvement Allowance up to $20,000, Tenant may use such amount for relocation costs. Landlord will reimburse Tenant for its out-of-pocket relocation costs within thirty (30) days after the Commencement Date and copies of paid receipts provided to Landlord.

(d) 7th Floor Elevator Lobby and Common Corridors. On or before the Commencement Date, Landlord will, at its sole cost and expense, replace the 7th Floor elevator lobby and common corridor carpet and wallcovering with building standard finishes and repaint the painted portions of the 7th Floor elevator lobby and common corridor ceiling.

9. REPAIR AND MAINTENANCE

(a) Tenant shall maintain the interior of the Premises in good condition and repair except that Landlord shall provide normal janitorial service five nights per week. If Tenant does not perform necessary repairs and maintenance, Landlord may, but need not, make necessary repairs and replacements, and Tenant shall pay Landlord the cost upon demand.

(b) Subject to the provisions of Article 7, Landlord shall repair and maintain the common facilities, all building systems (electrical, heating, ventilation, air conditioning and plumbing), plate glass, and the roof, exterior and structural elements of the Building, and shall provide normal janitorial services. Landlord shall not be responsible to make any repairs or perform any maintenance unless written notice of the need for such repairs or maintenance is given by Tenant. In the event that any repair that is Landlord's obligation is not performed by Landlord as soon as possible but in all events within ten (10) days of written notice from Tenant, then Tenant may perform such repair at Landlord's cost and Landlord shall reimburse Tenant for such cost within thirty (30) days after receipt of a paid invoice from Tenant. Except in the case of a fire or casualty as provided in Article 13, there shall be no abatement of rent and no liability of Landlord by reason of any entry to the Premises, interruption of services or facilities, temporary closure of common facilities, or interference with Tenant's business arising from the making of any repairs or maintenance.

Landlord shall not be liable for damages or otherwise in the event of any failure or interruption of any utility or service supplied to the Premises or Building by a regulated utility or municipality and no such failure shall entitle Tenant to terminate this Lease. Tenant shall be entitled to a prorata abatement of rent resulting from an interruption of utility or service supplied to the Premises or Building that is within Landlord's control if and only if Tenant is unable to conduct its business in the Premises or any applicable portion thereof for a period of more than five (5) consecutive days after notice has been given to Landlord of such interruption; Tenant shall not be entitled to any abatement for interruption of utility or service resulting from force majeure events.

10. ALTERATIONS AND PERSONAL PROPERTY

Tenant shall not make or suffer to be made any alterations, additions or improvements to the Premises, which require a building permit, including signs, without the prior written consent of Landlord, which shall not unreasonably be withheld. Landlord may reasonably condition its consent upon provision of a payment bond, in amount and form reasonably satisfactory to Landlord, covering the work to be done by Tenant's contractor. Except at expressly provided herein, any alterations, additions or improvements to the Premises, including signs, but not including movable furniture and trade fixtures, shall upon installation become a part of the realty and belong to Landlord. Tenant shall not install any antenna, satellite dish or other fixture or equipment on the roof or in the common facilities, except as provided in Article 22 herein. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, they shall be made by Tenant at Tenant's sole cost and expense and any contractor or person selected by Tenant to perform the work must first be approved in writing by

Landlord, which approval shall not be unreasonably withheld. Tenant shall not permit any mechanic's or materialmen's lien to stand against the Premises for any labor or materials provided to the Premises by any contractor or other person hired or retained by Tenant. Tenant shall cause any such lien to be discharged (by bonding or otherwise) within ten (10) clays after demand by Landlord, and if it is not discharged within ten (10) days, Landlord may pay or otherwise discharge the lien and immediately recover all amounts so expended from Tenant as additional rent. Upon the expiration or sooner termination of the term of this Lease or of Tenant's right to possession, Tenant shall remove all of its movable furniture and trade fixtures, and, if requested by Landlord, at Tenant's sole cost and expense, forthwith remove any alterations, additions or improvements made by Tenant which are designated by Landlord to be removed at such time as they are approved by Landlord. Tenant shall, forthwith at its sole cost and expense, repair any damage to the Premises caused by such removal and restore the Premises to a condition reasonably comparable to their condition at the commencement of the Lease.

Notwithstanding any provision to the contrary in this Lease, Tenant will, at its sole cost and expense, remove the UPS system and phone switch upon the expiration or sooner termination of this Lease, and repair any damage to the Premises caused by such removal.

11. CERTAIN RIGHTS RESERVED BY LANDLORD

Landlord shall have the right:

(i) To change the Building's name or street address, provided that it is not changed to the name of any other airline company which conducts the same or substantially the same business as being conducted by Tenant from the Premises and Landlord reimburses Tenant for its reasonable actual out-of-pocket costs resulting from any such change;

(ii) Upon reasonable prior telephonic or personal notice to Tenant, except in the case of an emergency, to enter the Premises either personally or by designated representative at all reasonable times for the purpose of examining or inspecting the same, and showing the same to prospective purchasers; or during the last twelve (12) months of the Lease Term, to exhibit the Premises to prospective lessees. Landlord may not enter the System Dispatch Area, see Exhibit B, without being accompanied by a Tenant representative, except in the case of an emergency;

(iii) To grant to anyone the exclusive right to conduct any business or render any service in or to the Building, provided such exclusive right shall not operate to exclude Tenant from the use expressly permitted under Article 4.

12. DAMAGE TO PROPERTY; INJURY TO PERSONS; INSURANCE

(a) Tenant shall defend, indemnify and hold Landlord harmless from any and all claims arising from Tenant's use of the Premises or the conduct of its business or from any activity, work, or thing done, permitted or suffered by Tenant in the Premises except to the extent caused by Landlord, its agents, employees or contractors. Tenant shall further defend, indemnify and hold Landlord harmless from any and all claims arising from any breach or default in the performance of this Lease by Tenant, or arising from any act or negligence of Tenant, or of its agents or employees, and from all costs, attorneys' fees, expenses and liabilities incurred as a result of any such claim. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons, in, upon, or about the Premises from any cause, except to the extent caused by Landlord, its agents, employees or contractors, and Tenant hereby waives all claims in respect thereof against Landlord, unless caused by Landlord, its agents, employees or contractors. Landlord shall not be liable for loss of or damage to any property by theft or otherwise, or for any injury or damage to persons or property resulting from fire,

explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of any building or from the pipes, appliances or plumbing works therein, or from the roof, street or subsurface, or from any other place resulting from dampness or any other cause whatsoever unless Landlord was negligent. Landlord shall not be liable for interference with the natural light. Tenant shall give immediate notice to Landlord of any fire, accident or defect discovered with the Premises.

(b) Tenant shall maintain fire and extended coverage insurance throughout the term of this Lease in an amount equal to one hundred percent of the replacement value of Tenant's fixtures, equipment and other personal property located on the Premises together with such other commercially reasonable insurance as may be required by Landlord's lender or by any government agency. All proceeds of Tenant's policy of fire and extended coverage insurance shall be payable to Tenant, and all proceeds of policies of insurance procured by Landlord shall be payable to Landlord. Tenant hereby waives any right to recovery from Landlord and Landlord hereby waives any right of recovery from Tenant for any loss or damage (including consequential loss) resulting from any of the perils insured against in the standard form fire insurance policy with extended coverage endorsement. During the term of this Lease, the Tenant shall, at Tenant's expense, maintain general public liability insurance against claims for personal injury, death or property damage occurring in, upon or about the Premises or in the common areas. The limitation of liability of such insurance shall be not less than One Million Dollars in respect to injury or death of one person and to the limit of not less than One Million Dollars in respect to any one accident and to the limit of not less than Five Hundred Thousand Dollars in respect to property damage. All of Tenant's policies of liability insurance shall name Landlord as an additional insured, and all policies of insurance or copies thereof required to be carried by Tenant under this Article 12 shall be delivered to Landlord prior to the Commencement Date and thereafter at least thirty days prior to the expiration of the then current policies. Each policy shall contain an endorsement prohibiting cancellation or non-renewal without at least 30 days prior notice to Landlord.

13. FIRE AND CASUALTY

If the Premises are wholly or partially destroyed or damaged by fire or other casualty, Landlord shall restore the Premises with reasonable diligence; provided, however, that Landlord shall have no obligation to restore improvements not originally provided by Landlord or to replace any of Tenant's fixtures, furnishings, equipment or personal property. Tenant shall promptly replace and restore all of Tenant's fixtures, furnishings and equipment damaged or destroyed by the casualty. Landlord need not commence repairs until insurance proceeds are available. Proceeds of insurance payable with respect to a fire or other casualty shall be received and held by Landlord. In the event all of the Premises are destroyed or damaged by any fire or casualty and in Landlord's reasonable estimation restoration will require more than ninety days, then either Landlord or Tenant shall have the option to terminate this Lease by giving notice to the other. If a fire or casualty occurs within the last three years of the Lease Term (as extended by any renewal or extension options which have been exercised), or if any portion of the Building other than the Premises is damaged or destroyed by fire or casualty and restoration is expected to require in excess of 45 days, then Landlord may by written notice to Tenant terminate this Lease, provided that Landlord terminates the leases of all other similarly affected tenants. In any case, Landlord shall retain all insurance proceeds paid under Landlord's insurance policies and Tenant shall retain all insurance proceeds paid under Tenant's insurance policies. If this Lease is not terminated as provided above, this Lease shall continue in full force and effect, but rent shall abate until the restoration is substantially complete. The provisions of this Lease shall govern when this Lease shall be terminable as a result of a fire or casualty, and no other rule or statute on the subject shall apply.

14. CONDEMNATION

In the event any portion of the Building shall be appropriated or taken under the power of eminent domain, this Lease shall terminate and expire as of the date Tenant is required to vacate the Premises, or, if no portion of the Premises is taken, as of the date designated in a notice from Landlord establishing the date of closure of the Building, provided that Landlord terminates the leases of all other similarly affected tenants. If any portion of the common facilities, excluding the Building, is appropriated or taken under the power of eminent domain, this Lease shall not terminate. All awards or compensation for any taking of any part of the Premises or the Building or common facilities, whether payable to Landlord or Tenant, shall be the sole property of Landlord. Notwithstanding anything to the contrary in this Article, Tenant shall be entitled to receive any portion of an award of compensation relating to damage to or loss of trade fixtures or other personal property belonging to Tenant, and Landlord shall be under no obligation to restore or replace any of Tenant's furnishings, fixtures, equipment and personal property not included in the tenant improvements. For the purposes of this Article 14, a voluntary sale or conveyance in lieu of condemnation shall be deemed an appropriation or a taking under the power of eminent domain.

15. ASSIGNMENT AND SUBLETTING; SALE BY LANDLORD

(a) Tenant shall not, either voluntarily or by operation of law, assign, hypothecate or transfer this Lease, or sublet the Premises or any part thereof, or permit the Premises or any part thereof to be occupied by anyone other than Tenant or Tenant's employees, without the Landlord's prior written consent, which shall not be unreasonably withheld. Landlord shall be under no obligation to give or withhold consent until all information reasonably required by Landlord has been provided. No hypothecation, assignment, sublease or other transfer to which Landlord has consented shall be effective for any purpose until such time as fully executed documents of such transaction have been provided to Landlord, and, in the case of an assignment, the assignee has attorned directly to Landlord, and in the case of a sublease, the sublessee has acknowledged that the sublease is subject to all of the terms and conditions of this Lease. Any assignment, mortgage, transfer or subletting of this Lease which is not in compliance with the provisions of this Article 15 shall be voidable and shall, at the option of Landlord, terminate this Lease. The consent by Landlord to an assignment or subletting shall not relieve Tenant from obtaining the express written consent of Landlord to any further assignment or subletting or release Tenant from any liability or obligation, whether or not then accrued. Except as provided in this Article, this Lease shall be binding upon and inure to the benefit of the successors and assigns of the parties.

Affiliate. Landlord's consent shall not be required with respect to (i) any assignment resulting from a consolidation, merger or purchase of substantially all of Tenant's assets, (ii) any assignment or sublease to a person who wholly owns Tenant or who wholly owns the person who wholly owns Tenant (either of which shall be referred to as a "Parent"), or to a person who is wholly owned by Tenant or a Parent, or is wholly owned by a person who is wholly owned by Tenant or a Parent, or (iii) any firm which acquires, is acquired by, or merges with, Tenant. Tenant, however, shall notify Landlord of such assignment or sublease within ten (10) days of entering into the agreement with the Affiliate.

Recapture Right. Landlord shall have rights to recapture the Premises in the event of a sublease of the entire Premises, or to terminate the Lease in the event of an assignment by Tenant, which is not in compliance with the assignment and subletting provisions of the Lease.

(b) In the event of a sale or conveyance by Landlord of the Premises, Landlord shall be relieved of all future liability upon any of the covenants or conditions, express or implied, in favor of Tenant, and Tenant shall to look solely to Landlord's successor in interest provided Landlord's successor in interest assumes the Lease. This Lease shall not be affected by any sale, and Tenant shall attorn to the

successor in interest. If any security deposit has been made by Tenant, the successor in interest shall be obligated to return it in accordance with the terms hereof and Landlord shall be discharged from any further liability in reference thereto.

16. ESTOPPEL CERTIFICATE

(a) Either party shall at any time and from time to time upon not less then fifteen (15) days prior written notice from the other party execute, acknowledge and deliver to the requesting party a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any; (ii) acknowledging that there are not, to such parties knowledge, any uncured defaults on the part of the requesting party hereunder, or specifying such defaults if they are claimed; and (iii) certifying such other matters relating to this Lease as the requesting party may reasonably request. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

(b) Tenant's failure to deliver a statement within the time prescribed shall constitute a material default by Tenant under this Lease and shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one month's rental has been paid in advance.

17. LANDLORD'S REMEDIES

(a) Only the following shall constitute Events of Default by Tenant:

(i) Tenant's failure to pay rent or any other amount due under this Lease within ten (10) days after notice of nonpayment. Notwithstanding anything to the contrary contained herein, Landlord shall only give Tenant notice of non-payment and ten (10) days from receipt of such notice to cure such non-payment once in any twelve (12) month period before assessing any late fees and/or interest.

(ii) Tenant's failure to execute, acknowledge and return an estoppel certificate under Article 16 or a subordination agreement under Article 19, within fifteen (15) days after request.

(iii) Tenant's failure to comply with the insurance provisions under this Lease within fifteen (15) days after written notice.

(iv) Tenant's failure to perform any other obligation under this Lease within thirty (30) days after notice of nonperformance; provided, however, that if the breach is of such a nature that it cannot be cured within thirty (30) days, Tenant shall be deemed to have cured if cure is commenced promptly and diligently pursued to completion; and provided further, that in the event of a breach involving an imminent threat to health or safety, Landlord may in its notice of breach reduce the period for cure to such shorter period as may be reasonable under the circumstances.

(v) Tenant abandons the Premises except temporary absence excused by reason of fire, casualty, or other cause wholly beyond Tenant's control.

(b) Upon the occurrence of an Event of Default, Landlord, at any time thereafter without further notice or demand may exercise any one or more of the following remedies concurrently or in succession:

(i) Terminate Tenant's right to possession of the Premises by legal process or otherwise, with or without terminating this Lease, and retake exclusive possession of the Premises.

(ii) From time to time relet all or portions of the Premises, using reasonable effort to mitigate Landlord's damages. In connection with any reletting, Landlord may relet for a period extending beyond the term of this Lease and may make alterations or improvements to the Premises without releasing Tenant of any liability. Upon a reletting of all or substantially all of the Premises, Landlord shall be entitled to recover all of its then prospective damages for the balance of the Lease Term measured by the difference between amounts payable under this Lease and the anticipated net proceeds of reletting. In no event shall Tenant be entitled to receive any amount representing the excess of avails of reletting over amounts payable hereunder.

(iii) From time to time recover accrued and unpaid rent and damages arising from Tenant's breach of the Lease, regardless of whether the Lease has been terminated, together with applicable late charges and interest at the Default Rate.

(iv) Recover all attorneys' fees and other costs and expenses incurred by Landlord in connection with enforcing this Lease, recovering possession, reletting the Premises or collecting amounts owed.

(v) Perform the obligation on Tenant's behalf and recover from Tenant, upon demand, the entire amount expended by Landlord plus 10% for special handling, supervision, and overhead.

(vi) Pursue other remedies available at law or in equity.

(c) Upon a termination of Tenant's right to possession, whether or not this Lease is terminated, subtenancies and other rights of persons claiming under or through Tenant: (i) shall be terminated or (ii) Tenant's interest shall be assigned to Landlord. Landlord may separately elect termination or assignment with respect to each such subtenancy or other matter.

18. NOTICES

All notices, requests, authorizations, approvals, consents and other such communications shall be in writing and shall be delivered in person, by private express overnight delivery service (freight prepaid), by certified or registered mail, return receipt requested, or by facsimile transmission (confirmed by the recipient), addressed as follows:

To Landlord:
c/o DMB Associates, Inc.
410 North 44th Street, Suite 250
Phoenix, Arizona 85008
(602)244-0569 (fax)
(602)244-0500

To Tenant:
2325 East 30th Street
Farmington, New Mexico 87401
Attn: Gene Hansen
(505)326-4485 (fax)
(505)326-4478

Notices shall be deemed to be given or received on the date of actual receipt (or refusal of delivery) at the applicable above-stated address or at such other address as a party may direct from time to time, upon written notice to the other party at least ten (10) days prior to the proposed change of address. Actual notice shall be no substitute for written notice under any provision of this Lease.

19. SUBORDINATION

Landlord expressly reserves the right at any time to place liens and encumbrances on and against the Premises and the Building, superior in lien and effect to this Lease and the estate created hereby, and Tenant shall attorn to the purchaser of the Building under any trustee's, sheriffs or foreclosure sale. The subordination of this Lease shall be self-operative without the necessity of a written instrument. Tenant shall nevertheless execute within ten (10) days after request a subordination and attornment agreement on the form customarily used by the holder of the lien or encumbrance which subordinates this Lease to the lien or encumbrance, which provides that the holder will recognize Tenant's rights under this Lease, notwithstanding any foreclosure of the lien or encumbrance, and which requires Tenant to attorn to the purchaser as provided above.

Notwithstanding anything to the contrary contained in this 'Lease, any subordination of Tenant's leasehold interest pursuant to the terms of this Article 19 shall be conditioned upon Tenant's receipt of a written non-disturbance agreement from any ground lessor, mortgagee, trust deed holder, or other third party, to the effect that Tenant's rights hereunder shall not be disturbed so long as Tenant is not in default beyond any applicable cure period under this Lease.

20. GENERAL PROVISIONS

(a) This Lease and the obligations of one party hereto shall not be affected or impaired because the other party hereto is unable to fulfill any of its obligations or is delayed in doing so if such inability or delay is caused by reason of any strike, lockout, civil commotion, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any material, service or financing, Act of God or other cause beyond the control of the Landlord or Tenant.

(b) Tenant and its officers, agents, employees, and customers shall comply with the rules and regulations, as shown on Exhibit "D", established by Landlord and with such modifications and additions as Landlord may hereafter make for the Building; provided, however, that rules and regulations shall not materially abrogate any right or privilege expressly granted to Tenant. Any violation of the rules and regulations shall constitute a breach of this Lease, provided Landlord has given Tenant notice of such violation and the applicable cure period provided under Article 17 has expired.

(c) The article captions contained in this Lease are for convenience only and shall not be considered in the construction or interpretation of any provision.

(d) This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

(e) Submission of this instrument for examination shall not bind Landlord in any manner, and no Lease or obligations of Landlord shall arise until this instrument is signed and delivered by Landlord and Tenant.

(f) No rights to light or air over any property, whether belonging to Landlord or any other persons, are granted to Tenant by this Lease.

(g) No waiver by Landlord of any provision of this Lease or any breach by Tenant hereunder shall be deemed to be a waiver of any other provision hereof, or of any subsequent breach by Tenant of the same or any other provision. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act of Tenant, whether or not similar to the act so consented to or approved. No act or thing done by Landlord or Landlord's agent during the term of this Lease shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender shall be valid unless in writing and signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys to the Premises prior to the termination of this Lease, and the delivery of the keys to any employee shall not operate as a termination of the Lease or a surrender of the Premises.

(h) Time is of the essence of this Lease.

21. SIGNAGE

(a) Suite Entry and Lobby Directory. Landlord will provide, and deduct the cost from the Tenant Improvement Allowance, building standard suite signage for Tenant and its proportionate share of alphabetical listings on the main lobby directory.

(b) Exterior Sign. Tenant may install its name, at its expense, in one (1) location to be designated by Landlord on the existing monument sign at the exterior of the Building. Tenant's signs shall be and remain the property of Tenant and Tenant shall remove such signs at the expiration of the Lease or any extended terms thereof at Tenant's sole cost and expense, which shall include Landlord's cost to repair any material damage caused by such removal. Tenant shall be solely responsible for repairing any damage to its sign unless such damage is caused by Landlord or its employees or contractors. Tenant's sign shall comply with all governmental and quasi-governmental laws, rules, regulations, codes, ordinances, and the like respecting such signage, and shall conform to Landlord's standards for tenant signs on monument signs at the Building. All signs visible from outside the Premises shall be subject to the building standard sign criteria and shall conform with local ordinances and codes. Tenant's exterior signage rights shall not be transferable in the event of a sublease or assignment.

Notwithstanding anything to the contrary herein, if the area of the Premises is increased to at least 35,000 rentable square feet, Tenant shall have the right to erect a separate monument sign for its exclusive use at the exterior of the Building in a location, to be approved by Landlord and subject to the terms of this Article 21(b). Tenant's signage right for such separate monument sign shall be surrendered if the area of the Premises is reduced to less than 35,000 rentable square feet.

22. SATELLITE DISH

During the term of this Lease, Tenant, at its expense, but without payment of any rent or license fee to Landlord, shall have the right, subject to all applicable governmental regulations and Landlord's prior written approval, which shall not be unreasonably withheld or delayed, to place, maintain, repair and replace on the roof of the Building, in a location and manner of installation to be approved by Landlord, which approval shall not be unreasonably withheld, satellite or microwave dishes, in connection with Tenant's telecommunications and data transmissions network, and to connect the same to the Premises. Tenant shall indemnify and hold Landlord harmless for, from and against any and all costs, damages, liability, or expense (including court costs and reasonable attorney's fees) in connection with the installation, operation and removal of Tenant's satellite dish including, without limitation, any damage to the roof or other portions of the Building and any damage or injury to the person or property of tenants,

visitors or other third parties. Such satellite dish installed by Tenant shall remain Tenant's property and shall be removed at or prior to the end of the term of this Lease, at the sole expense of Tenant. If Tenant fails to do so within fifteen (15) days after the termination of this Lease, Landlord may, but shall not be obligated to, perform such removal and restoration at the sole expense of Tenant or Landlord may, at Landlord's option, deem any such satellite dish to be abandoned. Tenant's satellite dish shall not interfere with the proper functioning of any presently existing or any future telecommunications equipment on the roof that is owned or will be owned by others at the time of installation or modification (if applicable).

23. GENERATOR

Tenant shall have the right to install and maintain, at its sole cost and expense, a generator on the grounds of the property, in a location to be determined by Landlord, with no additional rental costs.

LANDLORD:

DMB PROPERTY VENTURES LIMITED PARTNERSHIP, a Delaware limited partnership

By: DMB G.P., an corporation

By: /s/ James C. Hoselton
James C. Hoselton
Its: Vice President

ADDRESS:

4201 N. 24th Street, Suite 120
Phoenix, Arizona

TENANT:

MESA AIR GROUP, INC.
A Nevada corporation

By: /s/ Michael J. Lotz

Its: President & COO

ADDRESS:

2325 East 30th Street
Farmington, New Mexico 87401

EXHIBIT "A"

Description of Real Property

Lot 5, PHOENIX GATEWAY AMENDED, according to Book 322 of Maps, Page 18, records of Maricopa County, Arizona.

EXHIBIT "B"

Premises

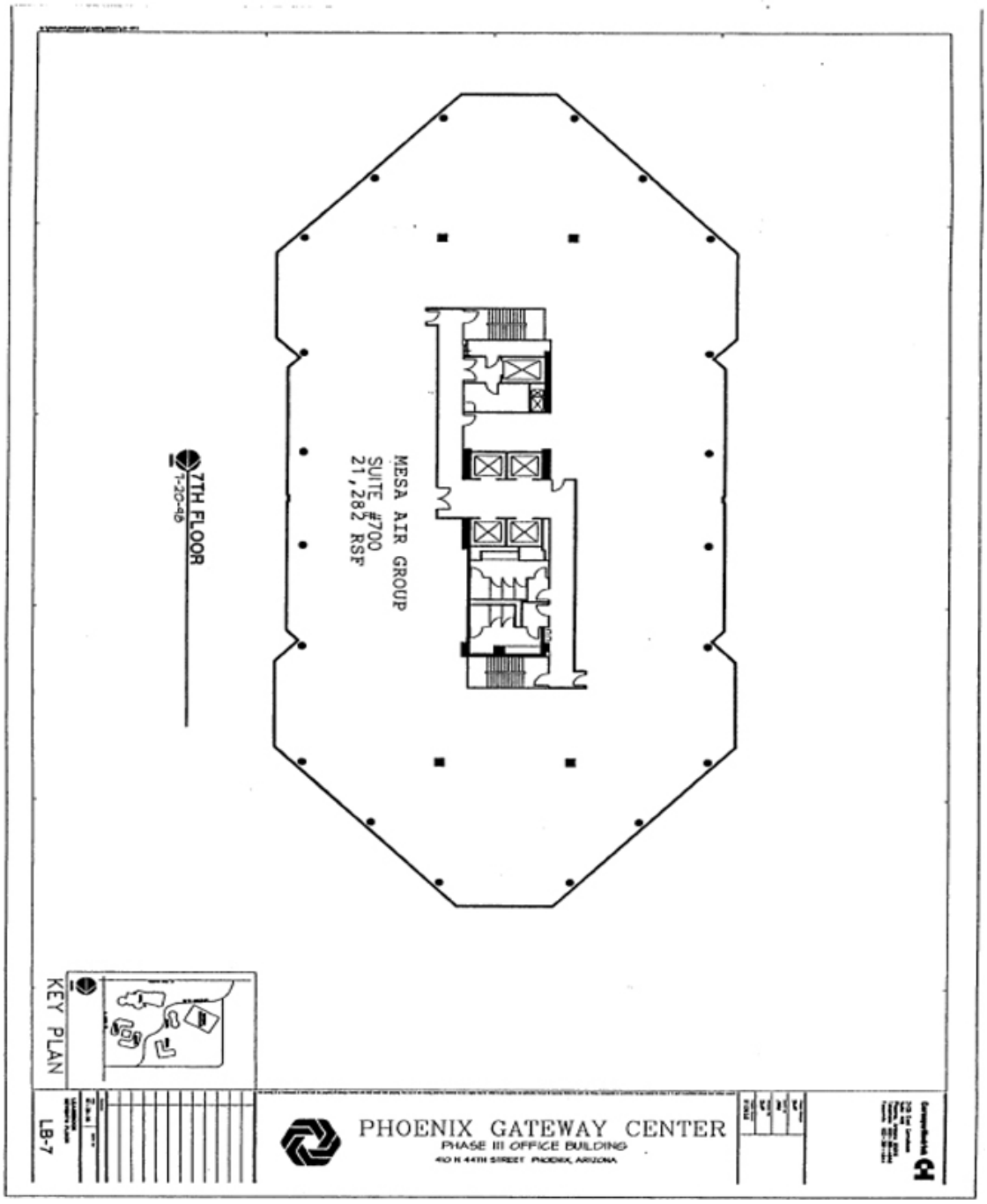


EXHIBIT "C"
Tenant Improvements

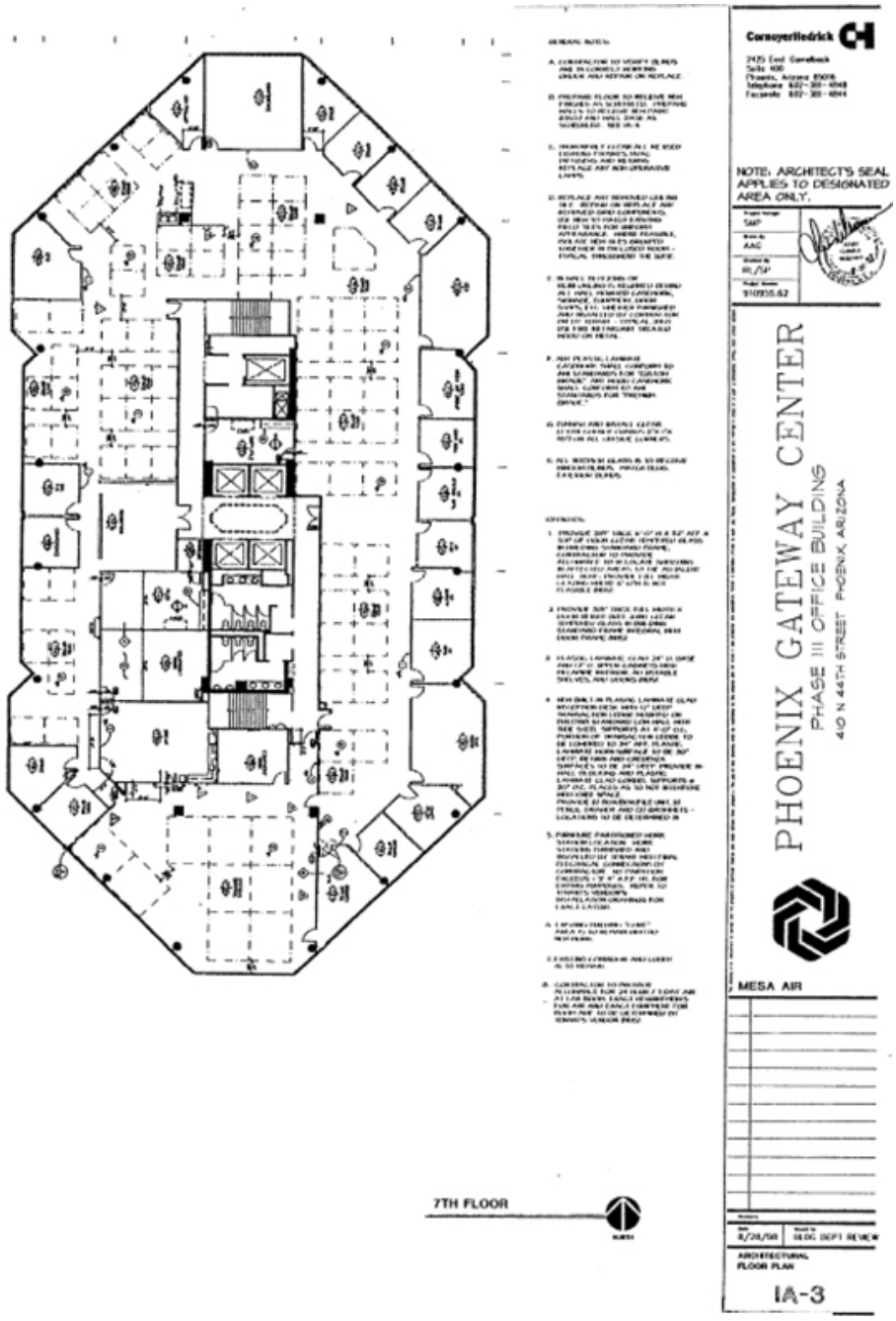


EXHIBIT "D"

BUILDING RULES AND REGULATIONS

1. No sign, placard, picture, advertisement, name or notice of any kind shall be inscribed, displayed, printed or affixed on or to any part of the outside or inside of the Building, the Premises or the surrounding area without the prior written consent of Landlord. If such consent is given by Landlord, Landlord may regulate the manner of display of the sign, placard, picture, advertisement, name or notice. Landlord shall have the right to remove any such item which has not been approved by Landlord or is being displayed in a non-approved manner without notice to and at the expense of Tenant. Without the written consent of Landlord, Tenant shall not use pictures of the Building in connection with or in promoting or advertising the business of Tenant, except as Tenant's address, without written permission from the Landlord.

2. The directory for the Building will be provided exclusively for the display of the name and location of the Tenants only. Landlord reserves the right to exclude any other names therefrom and to charge a reasonable fee for each name other than Tenant's name, placed upon such directory at the request of Tenant. All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant, unless otherwise arranged, by a person approved by Landlord.

3. The sidewalks, parking areas, halls, passageways, exits, entrances, elevators, toilets and stairways shall not be obstructed by Tenant, its customers, invitees, licensees and guests, and (except for toilets) shall not be used for any purpose other than for ingress to and egress from the Premises. Tenant shall not throw or allow anyone else to throw anything out of doors or down the passageways. Tenant shall not place anything or allow anything to be placed near any window or any glass door, partition or wall which may appear unsightly, in Landlords sole discretion.

4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from a violation of this rule shall be borne by the Tenant who, or whose agents, employees or invitees, shall have caused the same.

5. Tenant shall not lay linoleum, tile carpet or other similar floor coverings in any manner except as approved by Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by Tenant. All interior window coverings must by approved by Landlord and Tenant may not remove or replace existing blinds. Tenant shall not overload the floor of the Premises, shall not mark on or drive nails, drill or screw into the partitions, woodwork or plaster (except as may be incidental to the hanging of wall decorations) or in any way deface the Premises or any part thereof. Tenant shall not allow the installation of telephone wires or electrical wires or circuits, except with Landlords prior approval. The installation of telephones and other office equipment affixed to the Premises shall be installed at the expense of Tenant.

6. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on wood strips of such thickness as shall be necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant. There shall not be used in the Premises or the Building any hand trucks except those equipped with rubber tires and side guards, and should only be used in appropriate areas.

7. Tenant shall not employ any person or persons, other than the janitor of the Landlord, for the purpose of cleaning the Premises unless otherwise agreed to by Landlord. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall in no way be responsible to Tenant for any theft or loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant, by or as a result of the acts of the janitor, any other employee or contractor of Landlord, or any other person. Landlord's janitor service shall only include ordinary dusting, housekeeping and cleaning by the janitor assigned to such work and shall not include moving furniture or other special services. Window cleaning shall be done only by landlord at intervals it deems appropriate. Employees or agents of Landlord shall not be requested to perform any work or do anything outside of their regular duties unless under special instructions from Landlord.

8. No bicycles, skateboards or similar vehicles, animals or birds shall be brought in or kept in or about the Premises of the Building. No cooking shall be done or permitted by Tenant in the Premises, except preparation with the use of a microwave oven and the preparation of coffee, tea, hot chocolate and similar items for Tenant, its employees, clients and guests will be permitted with the approval of Landlord, which approval will not be unreasonably withheld.

9. Tenants shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent the same. Tenant shall not exhibit, sell, or offer to sell, use rent or exchange any item or service in or from the Premises unless ordinarily embraced within Tenant's use of the Premises specified in the Lease. Peddlers, solicitors and beggars shall be reported to the Landlord. No Tenant shall make or permit to be made any disturbing noises or disturb or interfere with occupants, or with those having business with such occupants of the Building, by the use of any musical instrument, radio phonograph, electronic device, or other devices.

10. Tenant shall not use or keep in the Building any noxious gas or combustible fluid or use any method of heating or air conditioning other than that supplied by Landlord, nor install or operate machinery, equipment or any mechanical or electrical device of a nature not directly related to Tenant's ordinary use of the Premises, by reason of safety, odors and/or vibrations, or interfere in any way with other Tenants or occupants conducting business in the Building. Tenant Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may be incidental to the use of the Premises for general office purposes. Tenant shall not conduct any auction or permit any fire sale or bankruptcy sale to be held on the Premises. Tenant shall not occupy or permit any portion of the Premises to be occupied as an office for a public stenographer or typist or for the manufacture or sale of liquor, narcotics or tobacco in any form as a medical office, barber shop, manicure shop or as an employment bureau, except with prior written consent of Landlord. The Premises shall not be used for lodging or sleeping or for illegal purposes.

11. All keys and access cards to the Building, offices and rooms shall be obtained from Landlord. All duplicate keys needed by Tenant shall be requested from Landlord, who shall provide such keys at reasonable charge. Tenant, upon termination of its tenancy, shall deliver to Landlord the keys and access cards to the Building, offices, and rooms which shall have been furnished. Tenant shall not alter or replace any lock or install any additional locks or any bolts on any door of the Premises without the written consent of Landlord.

12. Tenant assumes full responsibility for protecting, at all times, the Premises and all personal effects of Tenant, its employees, agents and invitees from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed and secured, and Landlord shall have no liability with respect thereto. Tenant shall see that the doors of the Premises are closed and securely locked before leaving the Building and that all water faucets, water apparatus, and electrical

items are shut off before Tenant or Tenant's employees leave the building. Tenant shall be responsible for any damage to the Building or to other Tenants caused by a failure to comply with this rule.

13. On Sundays and legal holidays, and on other days during certain hours for which the Building may be closed before or after Normal Business Hours, access to the Building may be controlled through the use of security personnel and/or security devises. Such personnel will have the right to demand of any and all persons seeking access to the Building proper identification to determine if they have the right of access to the Premises. Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of bomb threats, invasion, mob, riot, public excitement or other condition, Landlord reserves the right to prevent access to the Building during the continuance of the same, by closing the doors or otherwise, for the safety of all lessees and protection of the Building and property located therein. The foregoing notwithstanding, Landlord shall have no duty to provide security protection for the Building at any time or to monitor access thereto.

14. The halls, passages, exits, entrances, parking areas, elevators, stairways, toilets and roof are not the use of the general public and the Landlord shall in all cases retain the right to control the same and prevent access thereto by all persons whose presence in the judgement of the Landlord shall be prejudicial to the safety, character, reputation and interests of the Project to its Tenants. Landlord reserves the right to exclude or expel from the Building any person who, in the judgement of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.

15. Tenant shall not park in driveways or loading areas or in visitor spaces or reserved parking spaces of other Tenants. Landlord or it agents shall have the right to cause to be removed any car of Tenant, its employees, agents, contractors, customers and invitees that may be parked in unauthorized areas, and Tenant agrees to save and hold harmless Landlord, its agents and employees from any and all claims, losses, damages and demands, arising or asserted in connection with the removal of any such vehicle and for all expenses (including reasonable attorneys' fees and costs) incurred by Landlord in connection with such removal.

16. Tenant agrees that it shall comply with all fire regulations that may be issued from time to time by Landlord or the City of Phoenix Fire Department. Tenant shall not waste electricity or water and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning equipment. Tenant shall give prompt notice to Landlord, or its designee, of any injury to or defects in plumbing, electrical fixtures, heating apparatus and/or air conditioning equipment so that the same may be attended to properly.

17. The building has been designated a "non-smoking" building. Employees with a private office may smoke or permit smoking within those areas if other employees, neighboring tenants or members of the public are not affected. Smoking is strictly prohibited in conference and meeting rooms, classrooms, restrooms, waiting areas, hallways, stairways and elevators. Any individual who refuses to refrain from smoking in an enclosed public area may be issued a citation by the Phoenix Police Department and assessed a fine of up to $100.

18. Landlord reserves the right to rescind, alter, waive, modify, add to, and amend any rule or regulation at any time prescribed for the Building when, in Landlord's judgement, it is necessary, desirable or proper for the best interest of the Building or one or more of its Tenants.

19. If Tenant requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain and comply with, Landlord's instructions for their installation.

20. No equipment, materials, furniture, packages, supplies, merchandise or other property will be received in the Building or carried in the passenger elevators. The service level loading dock and freight elevator shall be used for those purposes.

21. Tenant shall not install any radio or television antenna, loudspeaker or other device on the roof or exterior walls of the Building. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.

22. Tenant shall store all its trash and garbage within its Leased Premises. Tenant shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Landlord.

23. By executing a copy of these Building Rules and Regulations, Tenant acknowledges and agrees that it has read and understands these Building Rules and Regulations and will fully comply with all of the terms and provisions contained herein.

EXHIBIT "E"
EARLY ACCESS INDEMNITY AGREEMENT

This Access Agreement (the "Agreement") is made and executed this ____ day of October, 1998, by and between DMB PROPERTY VENTURES L.P., a Delaware limited partnership ("Grantor"), and Mesa Air Group, Inc., a Nevada corporation ("Grantee").

R E C I T A L S:

A. Grantor owns a certain building known as Three Gateway, 410 North 441h Street, Phoenix, Arizona (the "Building").

B. Grantor intends to lease space (the "Premises") in the Building to Grantee pursuant to a lease agreement between the parties (the "Lease").

C. Grantee wishes access to the Premises at least fourteen (14) days prior to the commencement of the term of the Lease in order to install Grantee's equipment, furnishings and trade fixtures, and Grantor is willing to allow Grantee early access to the Premises for such purpose, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. Grant of Access. Grantor hereby grants to Grantee and its employees, agents, representatives, contractors, subcontractors, and invitees (the "Grantee's Related Parties") a right of access to and entry upon the Premises prior to the Commencement Date, solely for the purpose of installing Grantee's equipment, furnishings and trade fixtures (the "Work") and moving into and operating in the Premises or portions thereof, subject to the terms and conditions set forth below and in the Lease.

2. Obligations of Grantee. Grantee shall conduct the Work in a first-class workmanlike manner in accordance with all applicable laws, ordinances, rules and any other requirements of state, county or municipal authorities. Grantee shall not create, or cause to be created, any safety or other hazard or nuisance in the Premises, in the Building or in any common area associated with the Building.

3. Restoration Obligations. Subject to the terms of the Lease, Grantor may retain all or any portion of the improvements constructed in the Premises and Grantee shall forfeit all rights thereto without further action by Grantee; and subject to the terms of the Lease, to the extent that Grantor decides not to retain such improvements, Grantee shall promptly restore the Premises to its condition immediately prior to this Agreement.

4. Indemnification. Grantee shall indemnify and hold Grantor and its employees, agents, representatives, contractors, subcontractors, and invitees (the "Grantor's Related Parties") harmless for, from and against any and all damages, injuries, liabilities, losses, obligations, fines, costs, expenses, fees (including without limitation reasonable attorneys' fees), and any and all other sums of whatever nature and type resulting from any claims, mechanics' or materialmen's liens, encumbrances, demands, liens, assertions, charges, actions, suits or proceedings based upon, or arising out of the Work, except to the extent caused by the negligence or willful misconduct of Grantor or any of Grantor's Related Parties. The termination of this Agreement shall not affect or cancel the indemnification obligations of Grantee hereunder.

5. Insurance. Prior to exercising the rights granted hereunder, Grantee shall comply with the insurance requirements set forth in Article 12 of the Lease.

6. Termination. The rights and obligations hereunder are temporary and shall expire upon the Commencement Date of the Lease.

DMB PROPERTY VENTURES LIMITED PARTNERSHIP,
a Delaware limited partnership

By DMB Associates; Inc., an Arizona corporation

By /s/ James C. Hoselton
James C. Hoselton
Its Vice President

"Grantor"

MESA AIR GROUP, INC., a Nevada corporation

By /s/ Michael J. Lotz
Its President & COO

"Grantee"

EXHIBIT "F"
LETTER OF CREDIT

Norwest Bank El Paso, National Association
(Address)
El Paso, TX (Zip)

Date: October (Date), 1998

Beneficiary: DMB Property Ventures Limited Partnership
410 N. 44th St., Suite 250
Phoenix, AZ 85008

Applicant:
Mesa Air Group, Inc.
410 N. 44th St., Suite 700
Phoenix, AZ 85008

Letter of Credit Agreement

We open irrevocable standby letter of credit number _____ in the amount of 5400,000.00 (Four hundred thousand dollars and no cents)

In favor of yourselves

Expires October 31, 2000 at our counters

Available against drafts drawn at sight on Norwest Bank El Paso, National Association, El Paso, Texas bearing the clause "drawn under standby letter of credit number _____ of Norwest Bank El Paso, Texas, National Association" accompanied by the following documents:

1. Beneficiary's manually signed representation to (applicant's mane) and Norwest Bank El Paso. National Association. written on beneficiary's letterhead reading exactly as follows:

   "I am an authorized representative of (beneficiary's name) hereby certify an event of default under that certain lease dated _____ between _____ and (applicant's name)."

2. This original letter of credit.

Letter of credit may be presented at Norwest Bank Phoenix although payment will be made at the counters of Norwest Bank El Paso, National Association.

This credit is subject to the Uniform Customs and practice for Documentary Credits (1993 Revision) International Chamber of Commerce publication No. 500.

Unless otherwise stated, all documents are to be forwarded to us by mail, or hand delivered to our counters. Documents to be directed to: Norwest Bank El Paso, National Association, (Address), El Paso, Texas (Zip Code), Attn: International Product Services Division, Letters of Credit.

We hereby engage with drawers and/or bona fide holders that drafts drawn and negotiated in strict conformity with the terms of this credit will be duly honored upon presentation.

Norwest Bank El Paso, National Association

Authorized Signature

Authorized Signature

Exhibit 10.20.2

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("Amendment") is made and entered into as of this 9th day of March, 1999, by and between DMB PROPERTY VENTURES LIMITED PARTNERSHIP, a Delaware limited partnership ("Landlord"), and MESA AIR GROUP, INC., a Nevada corporation ("Tenant").

1. **RECITALS**:

1.1 DMB Property Ventures Limited Partnership, a Delaware limited partnership ("Landlord"), and Mesa Air Group, Inc., a Nevada corporation ("Tenant"), entered into a Lease Agreement dated October 16, 1998, wherein Landlord leased to Tenant, and Tenant leased from Landlord, Suite #700 in Three Gateway, located at 410 North 44th Street, Phoenix, Arizona (the "Premises"). The Lease Agreement, as amended, is hereinafter referred to as the "Lease".

1.2 By this First Amendment, the parties desire to further amend the Lease on the terms and conditions hereinafter set forth.

1.3 All capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

NOW, THEREFORE, the parties hereto, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, state, confirm and agree as follows:

2. **AGREEMENT**

2.1 The Commencement Date referenced in Article 1(a) of the Lease is hereby amended to read October 19, 1998.

2.2 Except as amended by this First Amendment, the Lease is hereby ratified and confirmed in its entirety.

LANDLORD:

DMB PROPERTY VENTURES LIMITED PARTNERSHIP, a Delaware limited Partnership

By: DMB G.P., an Arizona corporation

By: /s/ James C. Hoselton
James C. Hoselton
Its: Vice President

ADDRESS:

4201 N. 24th, Suite 120
Phoenix, Arizona 85016

TENANT:

MESA AIR GROUP, INC.
a Nevada corporation

By: /s/ Jonathan Ornstein
Jonathan Ornstein
Its: CEO

ADDRESS:

410 NORTH 44th Street #700
Phoenix, Arizona 85008
(602) 685-4000 Phone
(602) 685-4350 Fax

Exhibit 10.20.3

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE ("**Second Amendment**") is made and entered into as of this 8th day of November, 1999, by and between DMB PROPERTY VENTURES LIMITED PARTNERSHIP, a Delaware limited partnership ("**Landlord**"), and MESA AIR GROUP, INC., a Nevada corporation ("**Tenant**").

1. **Recitals**

1.1 Landlord and Tenant entered into a Lease Agreement Dated October 16, 1998, as amended by the First Amendment to Lease dated March 9, 1999, wherein Landlord leased to Tenant 21,003 rentable square feet of space known as Suite 700 on the 7th floor at 410 N. 44th Street, Phoenix, Arizona (the "Premises"). The Lease Agreement, as amended, is hereinafter referred to as the "Lease".

1.2 By this Second Amendment, the parties desire to further amend the Lease by adding 3,116 rentable square feet to the definition of the Premises, known as Suite 175 ("Suite 175") on the 1st floor, as further described on Exhibit "B-2" attached hereto, and by this reference incorporated herein, on the terms and conditions hereafter set forth.

1.3 Except as specifically defined in this Second Amendment, all capitalized terms shall have the same meaning as set forth in the Lease.

NOW, THEREFORE, the parties hereto, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, state, confirm, and agree as follows:

2. **Agreement**

2.1 The terms of this Second Amendment shall become effective on November 15, 1999.

2.2 The total rentable area of the Premises shall be increased by 3,116 rentable square feet. The total rentable area of the Premises is 24,119 rentable square feet.

2.3 The Base Rent referenced in Paragraph 2(a) of the Lease shall be amended to include the following:

Suite 175 – 3,116 rentable square feet		
11/15/99 - 10/18/01	**$68,552.04 annually**	**$5,712.67 monthly**
10/19/01 - 10/18/05	**$77,900.00 annually**	**$6,491.67 monthly**
10/19/05 - 10/18/08	**$84,132.00 annually**	**$7,011.00 monthly**

2.4 With respect to Suite 175, Tenant's Proportionate Share of Operating Costs, Real Property Taxes and Utilities referenced in Paragraph 7 of the Lease shall be as follows:

Tenant's Proportionate Share: **1.44%** of Building operating expenses.

2.5 With respect to Suite 175, the Expense Stop referenced in Paragraph 7 of the Lease shall be equivalent to the actual operating expenses incurred in the calendar year 1999.

2.6 Upon execution of this Second Amendment, Landlord will, at its sole cost and expense, shampoo the carpet, and repair and paint the holes in existing walls.

2.7 Article 6, Parking and Common Use Areas, of the Lease shall be amended to include the following:

"With respect to Suite 175, Landlord will provide the following parking spaces for Tenant's use:

Three (3) covered reserved spaces free of charge for the Lease Term, Six (6) covered unreserved spaces free of charge until October 18, 2001, and at $30.00 per space per month beginning October 19, 2001, and Three (3) uncovered, unreserved spaces free of charge for the Lease Term."

2.8 Option to Terminate. Notwithstanding anything to the contrary in this Lease, and provided Tenant is not then in default, Tenant shall have the option to terminate this Lease with respect to Suite 175 only, at any time, by providing Landlord with six (6) months prior written notice of its election to do so, which notice shall be irrevocable.

2.9 As amended herein, all of the terms and conditions of the Lease are hereby ratified and confirmed in their entirety.

IN WITNESS WHEREOF, the parties, have executed this Second Amendment as of the date first written above.

DMB PROPERTY VENTURES LIMITED PARTNERSHIP,
a Delaware limited partnership,

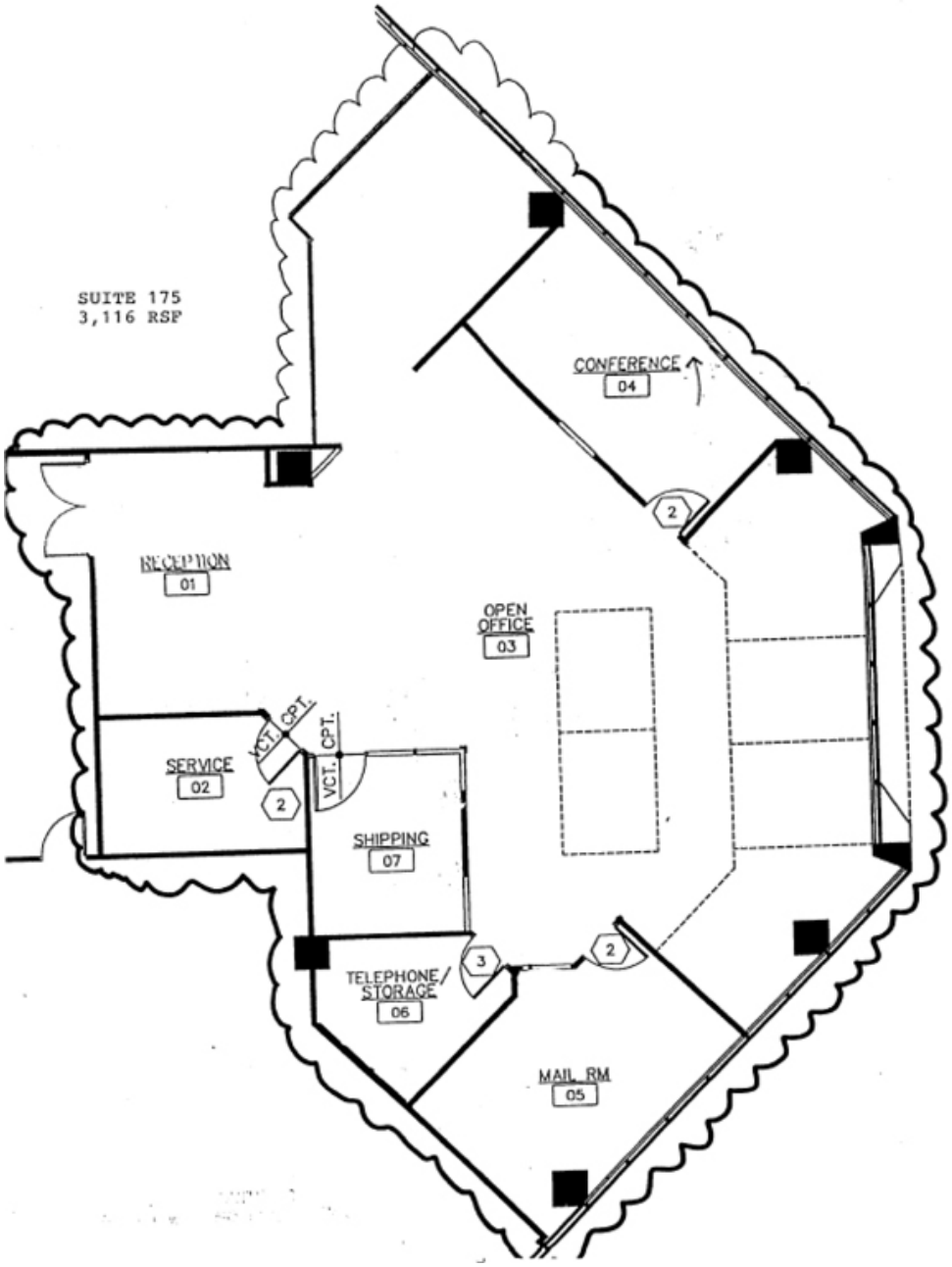
By DMB G.P., an Arizona corporation

By /s/ James C. Hoselton
James C. Hoselton
Its Vice President

MESA AIR GROUP, INC.
A Nevada corporation

By /s/ Jonathan Ornstein
Jonathan Ornstein
Its: CEO

EXHIBIT "B-2"
SUITE 175 PREMISES



LEASE AMENDMENT THREE **CMD 174B (8/98)**

(Expansion/Not Co-Terminous)

THIS LEASE AMENDMENT THREE ("Amendment") is made and entered into as of the 7th day of November, 2000, by and between **CMD Realty Investment Fund IV, L.P.**, an Illinois limited partnership ("Landlord") and **Mesa Air Group, Inc.**, a Nevada corporation ("Tenant").

A. Landlord and Tenant are the current parties to that certain lease ("Original Lease") dated October 16, 1998, for premises (the "Premises") in the building (the "Building") known as Three Gateway, located at 410 N. 44th Street, Phoenix, Arizona (the "Property," as may be further described below), which lease has heretofore been amended or assigned by documents described and dated as follows: First Amendment to Lease dated March 9, 1999 and Second amendment to Lease dated November 8, 1999 (collectively, and as amended herein, the "Lease").

B. Tenant has requested that additional space in the Property be added to the Premises, and Landlord is willing to grant the same, all on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the parties do hereby agree as follows:

1. Additional Premises; Early Termination. The space known as Suite 230 (the "Additional Premises"), the approximate location of which is shown on Exhibit A hereto, and which shall be deemed to contain 1,191 square feet of rentable area for purposes hereof, shall be added to and become a part of the Premises, commencing on November 15, 2000 ("Additional Premises Commencement Date"), and continuing through September 30, 2001 ("Additional Premises Expiration Date"), subject to the terms and conditions set forth hereinafter.

Either party shall have the option to terminate this Lease early, at any time after May 31, 2001, by providing the other party with at least thirty (30) days advance written notice of the effective early termination date ("Early Termination Date"), as though such date were the original expiration date set forth in this Lease (i.e., the earliest possible Early Termination Date would be June 1, 2001). Notwithstanding such early termination, Tenant shall timely pay all rentals and other charges under the Lease with respect to the Additional Premises, and shall comply with each and every term and provision hereof, accruing through the Early Termination Date (and all such obligations accruing through the Early Termination Date shall survive such termination, including, but not limited to, any rentals or other charges not yet determined or billed for such period with respect to the Additional Premises prior to the Early Termination Date). This early termination right is personal to Mesa Air Group, Inc. If Tenant shall sublease or assign the Lease with respect to all or any portion of the Premises, then immediately upon such sublease or assignment Tenant's termination right herein shall concurrently terminate and become null and void. Notwithstanding anything contained herein to the contrary, if Tenant leases additional space in the Property, whether pursuant to an expansion right contained in the Lease or otherwise, this option to terminate by Tenant shall thereupon be null and void. Tenant's option hereunder shall, at Landlord's election, terminate if Tenant is in violation of the Lease at the time Tenant seeks to exercise such option, or at any time thereafter and prior to the Early Termination Date. Tenant's exercise of such option shall not operate to cure any violation by Tenant of any of the terms or provisions in the Lease, nor to extinguish or impair any rights or remedies of Landlord arising by virtue of such violation.

2. Base Rent For Additional Premises. The base or minimum monthly rent for the Additional Premises shall be $2,481.25 per month.

3. Additional Rent; Tenant's Share. On the Additional Premises Commencement Date, all other rentals or other charges based or computed on the square footage of the Premises, including without limitation, real estate taxes, and operating or other expenses of the Property, shall be adjusted proportionately to reflect the Additional Premises rentable square footage, such that Tenant's share thereof shall be increased by 55/100 percent (0.55%) with respect to the Additional Premises, for a total of eleven and 69/100 percent (11.69%) with respect to the entire Premises including the Additional Premises, through the Additional Premises Expiration Date. The Expense Stop for the Additional Premises shall be the operating cost for the Building (as set forth in Section 7 of the Original Lease) for the calendar year 1998.

4. Consolidated or Separate Billings. The minimum or base rentals, real estate taxes, operating or other expenses of the Property, and all other rentals and charges respecting the Additional Premises are sometimes herein called the "Additional Premises Rent". Landlord may compute and bill the Additional Premises Rent (or components thereof) separately or treat the Additional Premises and Premises as one unit for computation and billing purposes.

5. Prorations. If the Additional Premises Commencement Date and/or Additional Premises Expiration Date occurs other than on the beginning or end, respectively, of the applicable payment period under the Lease, Tenant's obligations for base or minimum rentals, real estate taxes, operating or other expenses of the Property and other such charges shall be prorated on a per diem basis.

6. Other Terms; Certain Provisions Deleted. On the Additional Premises Commencement Date, the Additional Premises shall be added to the Premises under the Lease, and all terms and conditions then or thereafter in effect under the Lease shall apply to the Additional Premises, except as provided to the contrary herein. Notwithstanding the foregoing to the contrary, this Amendment is intended to supersede any rights of Tenant under the Lease to expand, reduce or relocate the Premises, extend the term or terminate the Lease early, and all such provisions are hereby deleted.

7. Condition of Additional Premises; Carpet Tenant has inspected the Additional Premises (and portions of the Building, Property, systems and equipment providing access to or serving the Additional Premises) or has had an opportunity to do so, and agrees to accept the same "AS IS" without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements, or regarding any other matter, except that Landlord shall, at Landlord's sole expense, install carpet in the open area of the Additional Premises (i.e., that area which is uncarpeted as of the date of this Amendment; the open area to be carpeted specifically does not include the existing offices) with carpet selected by Landlord from the Building inventory of carpet (the "Work"). With respect to the Work: (i) Landlord shall use diligent, good faith efforts to substantially complete any such improvements to an extent that Tenant can reasonably occupy the Additional Premises by the Additional Premises Commencement Date set forth in this Amendment, subject to the other provisions of this Amendment, (ii) Tenant shall also use diligent, good faith efforts to cooperate, and to cause its space planners, architects, contractors, agents and employees to cooperate diligently and in good faith, with Landlord and any space planners, architects, contractors or other parties designated by Landlord, such that any such improvements to the Additional Premises can be planned, permits can be obtained, and the work can be substantially completed by the Additional Premises Commencement Date set forth in this Amendment, and (iii) in the event of any dispute as to whether any such improvements have been substantially completed, Landlord may refer the matter to Landlord's independent architect, whose decision shall be final and binding on the parties.

8. Additional Premises Commencement Date Adjustments.

a. Additional Premises Commencement Date Adjustments and Confirmation. If the Additional Premises Commencement Date is advanced or postponed as provided below, the Additional Premises Expiration Date set forth above shall not be changed, unless Landlord so elects by notice to Tenant. In addition, if the Additional Premises Commencement Date, as so advanced or postponed herein, occurs other than on the first day of a calendar month, Landlord may further elect by notice to Tenant to: (i) extend the term with respect to the Additional Premises such that the Additional Premises Expiration Date is the last day of the calendar month in which it would otherwise occur, and/or (ii) adjust the dates for any fixed increases in the base rent for the Additional Premises such that they occur on the first day of the calendar month in which they would otherwise occur. Tenant shall execute a confirmation of the Additional Premises Commencement Date, Additional Premises Expiration Date and other dates as adjusted herein in such form as Landlord may reasonably request within ten (10) days after requested; any failure to respond within such time shall be deemed an acceptance of the matters as set forth in Landlord's confirmation. If Tenant disagrees with Landlord's adjustment of the Additional Premises Commencement Date, Additional Premises Expiration Date or other dates as adjusted herein, Tenant shall pay Additional Premises Rent and perform all other obligations commencing and ending on the date or dates determined by Landlord, subject to refund or credit when the matter is resolved.

b. Early Additional Premises Commencement Date. The Additional Premises Commencement Date, Additional Premises Rent and Tenant's other obligations respecting the Additional Premises shall be advanced to such earlier date as: (i) Landlord substantially completes any improvements to the Additional Premises required to be performed by Landlord under this Amendment to an extent that Tenant is able to occupy the Additional Premises, and Landlord delivers possession thereof, or (ii) Tenant, with Landlord's written permission, otherwise commences occupying the Additional Premises. If either such events occurs with respect to a portion of the Additional Premises, the Additional Premises Commencement Date, Additional Premises Rent and Tenant's other obligations shall be so advanced with respect to such portion (and fairly prorated based on the rentable square footage involved). During any period that Tenant shall be permitted to enter the Additional Premises prior to the Additional Premises Commencement Date other than to occupy the same (e.g., to perform alterations or improvements), Tenant shall comply with all terms and provisions of the Lease (including this Amendment), except those provisions requiring the payment of Additional Premises Rent. Landlord shall permit early entry, so long as the Additional Premises is legally available, Landlord has completed any work required of Landlord under this Amendment, and Tenant is in compliance with the other provisions of the Lease (including this Amendment), including the insurance requirements.

c. Additional Premises Commencement Date Delays. Subject to the other provisions of this Amendment, the Additional Premises Commencement Date, Additional Premises Rent and Tenant's other obligations respecting the Additional Premises shall be postponed to the extent Tenant is unable to reasonably occupy the Additional Premises because Landlord fails: (i) to substantially complete any improvements to the Additional Premises required to be performed by Landlord under this Amendment, or (ii) to deliver possession of the Additional Premises for any other reason, including holding over by prior occupants, except to the extent that Tenant, its space planners, architects, contractors, agents or employees in any way contribute to either such failures. If either such event occurs with respect to a portion of the Additional Premises, the Additional Premises Commencement Date, Additional Premises Rent and Tenant's other obligations shall be so postponed with respect to such portion (and fairly prorated based on the rentable square footage involved). Any such delay in the Additional Premises Commencement Date shall not subject Landlord to liability for loss or damage resulting therefrom, and Tenant's sole recourse with respect thereto shall be the postponement of Additional Premises Rent and other obligations described herein.

9. Suite 800. Landlord and Tenant are currently parties to those certain License to Occupy Office agreements dated June 17, 1999 and October 18, 1999, each of which is for a portion of Suite 800. Tenant agrees that such agreements shall be deemed to be terminated as of November 15, 2000 and agrees to vacate Suite 800 in its entirety no later than November 15, 2000. Tenant shall pay Landlord 200% of the amounts then applicable under the License to Occupy Office agreements prorated, on a per square foot basis to reflect the rentable square footage of Suite 800, and a per diem basis for each day Tenant shall retain possession of Suite 800 or any part thereof after November 15, 2000, together with all damages sustained by Landlord on account thereof. Tenant shall pay such amounts on demand, and in the absence of demand monthly in advance. The foregoing provisions, and Landlord's acceptance of any such amounts, shall not serve as permission for Tenant to hold-over (although Tenant shall remain a licensee-at-sufferance bound to comply with all provisions of the License to Occupy Office Space agreements Lease during any time Tenant retains possession thereof). Landlord shall have the right, at any time after November 15, 2000, to reenter and possess Suite 800 and remove all property and persons therefrom, and Landlord shall have such other remedies for holdover as may be available to Landlord under the Lease, the License to Occupy Office agreements or applicable laws.

10. Confidentiality. Tenant shall keep the content and all copies of this document and the Lease, all related documents or amendments now or hereafter entered, and all proposals, materials, information and matters relating thereto strictly confidential, and shall not disclose, disseminate or distribute any of the same, or permit the same to occur, except to the extent reasonably required for proper business purposes by Tenant's employees, attorneys, insurers, auditors, lenders, and permitted successors and assigns (and Tenant shall obligate any such parties to whom disclosure is permitted to honor the confidentiality provisions hereof), and except as may be required law or court proceedings.

11. Real Estate Brokers. Tenant represents and warrants that Tenant has not dealt with any broker, agent or finder in connection with this Amendment, and agrees to indemnify and hold Landlord, and its employees, agents and affiliates harmless from all damages, judgments, liabilities and expenses (including reasonable attorneys' fees) arising from any claims or demands of any broker, agent or finder with whom Tenant has dealt for any commission or fee alleged to be due in connection with this Amendment.

12. Limitation of Landlord's Liability. Tenant agrees to look solely to Landlord's interest in the Property for the enforcement of any judgment, award, order or other remedy under or in connection with the Lease or any related agreement, instrument or document or for any other matter whatsoever relating thereto or to the Property or Premises. Under no circumstances shall any present or future, direct or indirect, principals or investors, general or limited partners, officers, directors, shareholders, trustees, beneficiaries, participants, advisors, managers, employees, agents or affiliates of Landlord, or of any of the other foregoing parties, or any of their heirs, successors or assigns have any liability for any of the foregoing matters. In no event shall Landlord be liable to Tenant for any consequential damages. If Landlord shall convey or transfer the Property or any portion thereof in which the Premises are contained to another party, such party shall thereupon be and become landlord hereunder, shall be deemed to have fully assumed all of Landlord's obligations under this Lease accruing during such party's ownership, including the return of any security deposit, and Landlord shall be free of all such obligations accruing from and after the date of conveyance or transfer.

13. Offer. The submission and negotiation of this Amendment shall not be deemed an offer to enter into the same by Landlord. Tenant's execution of this Amendment constitutes a firm offer to enter into the same which may not be withdrawn for a period of forty-five (45) days after delivery to Landlord. During such period, Landlord may proceed in reliance thereon and permit Tenant to enter the Additional Premises, but such acts shall not be deemed an acceptance. Such acceptance shall be evidenced only by Landlord signing and delivering this Amendment to Tenant.

14. Whole Amendment; Full Force and Effect; Conflicts. This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. As amended herein, the Lease between the parties shall remain in full force and effect. As an inducement for Landlord to enter into this Amendment, Tenant hereby represents that Landlord is not in violation of the Lease, and that Landlord has fully performed all of its obligations under the Lease as of the date on which Tenant signs this Amendment. In case of any inconsistency between the provisions of the Lease and this Amendment, the latter provisions shall govern and control. This Amendment may be further modified only in writing signed by both parties.

15. Interpretation; Defined and Undefined Terms. This Amendment has been prepared from a generic form intended for use with a variety of underlying lease forms containing a variety of defined and undefined terms. This Amendment shall be interpreted in a reasonable manner in conjunction with the Lease. If an Exhibit is attached to this Amendment, the term "Lease" therein shall refer to this Amendment or the Lease as amended, and terms such as "Commencement Date" and "Lease Term" shall refer to analogous terms in this Amendment, all as the context expressly provides or reasonably implies. Unless expressly provided to the contrary herein: (a) any terms defined herein shall have the meanings ascribed herein when used as capitalized terms in other provisions hereof, (b) capitalized terms not otherwise defined herein shall have the meanings, if any, ascribed thereto in the Lease, and (c) non-capitalized undefined terms herein shall be interpreted broadly and reasonably to refer to terms contained in the Lease which have a similar meaning, and as such terms may be further defined therein. Notwithstanding the foregoing, the parties agree that terms such as "rentable area" and "rentable square feet" herein do not refer to similar such terms in the Lease, and include the so-called usable area, without deduction for columns or projections, multiplied by one or more load or conversion factors, to reflect a share of certain areas, which may include ground floor and elevator lobbies, corridors, mechanical, utility, janitorial, boiler and service rooms and closets, restrooms, and other common, public and service areas, as determined by Landlord in accordance with existing building records or other sound management practices.

16. Development or Complex (If Applicable). The parties further agree as follows:

a. Definition of Property. The term "Property" herein shall mean the Building, and any common areas or facilities, easements, corridors, lobbies, sidewalks, loading areas, driveways, landscaped areas, air rights, development rights, parking rights, skywalks, parking garages and lots, and any and all other rights, structures or facilities operated or maintained in connection with or for the benefit of the Building, and all parcels or tracts of land on which all or any portion of the Building or any of the other foregoing items are located. Landlord reserves the right to add land, buildings, easements or other interests to, or sell or eliminate the same from, the Property and grant interests and rights in the Property to other parties. If the Building shall now or hereafter be part of a development or complex of two or more buildings or structures collectively owned by Landlord or its affiliates, the Property shall, at Landlord's option also be deemed to include such other of those buildings or structures as Landlord shall from time to time designate, and shall as of the date hereof include such buildings and structures (and related facilities and parcels on which the same are located) as Landlord shall be currently using in determining Tenant's share of expenses and taxes.

b. Expense and Tax Allocations and Tenant's Share Adjustments. If the Property shall now or hereafter be part of or shall include a development or complex of two or more buildings or structures collectively owned by Landlord or its affiliates, Landlord may allocate expenses and taxes (or components thereof) within such complex or development, and between such buildings and structures and the parcels on which they are located, in accordance with sound accounting and management practices. In the alternative, Landlord shall have the right to determine, in accordance with sound accounting and

management practices, Tenant's share of expenses and taxes (or components thereof) based on such items for all or any such buildings and structures, and any common areas or facilities, easements, corridors, lobbies, sidewalks, loading areas, driveways, landscaped areas, air rights, development rights, parking rights, skywalks, parking garages and lots, and any and all other rights, structures or facilities operated or maintained in connection therewith or for the benefit thereof, and all parcels or tracts of land on which all or any portion of any of the other foregoing items are located; in such event, Landlord may adjust Tenant's share to be based on the ratio of the rentable area of the Premises to the rentable area of such buildings as to which such expenses and taxes (or components thereof) are included. If Landlord is not furnishing all or any particular utility or service (the cost of which, if performed by Landlord, would be included in expenses) to a tenant during any period, Landlord may for such period exclude the rentable area of such tenant from the rentable area of the Property in computing Tenant's share of the component of expenses for such utilities or services.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

LANDLORD: **CMD REALTY INVESTMENT FUND IV, L.P.** [SEAL]
an Illinois limited partnership

By: CMD/Fund IV GP Investments, L.P.,
an Illinois limited partnership, its general partner

By: CMD REIM IV, Inc., an Illinois corporation,
its general partner

By: /s/ Lee Moreland
Name: Lee Moreland
Its: Vice President

TENANT: **Mesa Air Group, Inc.** [SEAL]
a Nevada corporation

By: /s/ Michael J. Lotz
Name: Michael J. Lotz
Its: President & COO

CERTIFICATE

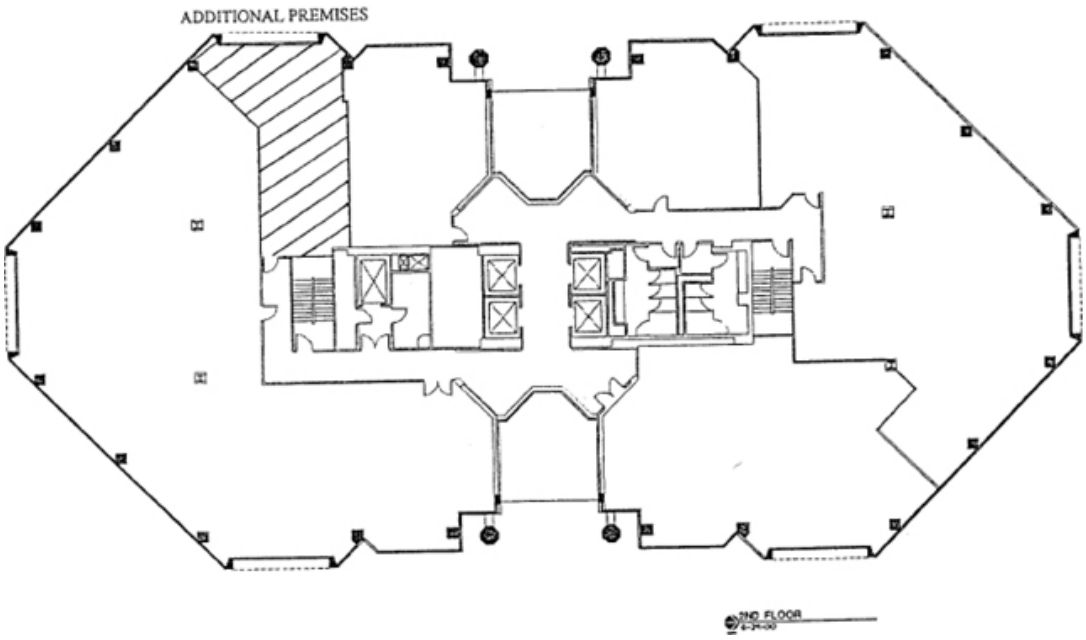
I, Michael J. Lotz, as President & COO of the aforesaid Tenant, hereby certify that the individual(s) executing the foregoing Lease on behalf of Tenant was/were duly authorized to act in his/their capacities as set forth above, and his/their action(s) are the action of Tenant.

(Corporate Seal) /s/ Michael J. Lotz

EXHIBIT A
Floor Plate Showing Additional Premises

EXHIBIT A

Floor Plate Showing Additional Premises



LEASE AMENDMENT FOUR **174D (1/00)**

(Satellite Dish)

THIS LEASE AMENDMENT FOUR ("Amendment") is made and entered into as of the 15th day of May, 2001, by and between **CMD Realty Investment Fund IV, L.P.**, an Illinois limited partnership ("Landlord") and **Mesa Air Group, Inc.**, a Nevada corporation ("Tenant").

A. Landlord and Tenant are the current parties to that certain lease ("Original Lease") dated October 16, 1998, for premises known as Suites 175, 230, and 700 (the "Premises") in the building (the "Building") known as Three Gateway, located at 410 N. 44th Street, Phoenix, Arizona 85008 (the "Property"), as it may have been previously amended (collectively, and as amended herein, the "Lease").

B. The parties mutually desire to amend the Lease on the terms hereof.

NOW, THEREFORE, the parties hereby agree as follows:

1. Roof Space and Roof Items. Landlord hereby grants Tenant a non-exclusive license to use a portion of the roof, or a position on the parapet or penthouse or other such area near the top of the Property or top of any garage or other such structure associated therewith ("Roof Space"), as designated by Landlord in writing, subject to the other provisions hereof. Tenant shall use the Roof Space only for the purpose of installing the following item or items (the "Roof Items"): one (1) satellite reception dish, which shall under no circumstances exceed 18 inches wide by 18 inches tall. The term ("Term") of this license shall commence on July 1, 2001, and continue until the earlier to occur of the expiration or earlier termination of the Lease or, at Landlord's option, Tenant's abandonment or failure to use the Premises or Roof Space or Roof Items, or otherwise by Landlord on thirty days notice.

2. Payments. Tenant shall pay Landlord, as consideration for reserving the Roof Space and as additional Rent under the Lease, $50.00 ("Roof Charges") on or before the first day of each calendar month of the Term without prior demand, deduction, set-off or counterclaim. Tenant shall also reimburse Landlord for: (a) all utilities consumed by the Roof Items, as reasonably estimated by Landlord's engineer, within 30 days after Landlord bills the same from time to time, and (b) all out-of-pocket costs which Landlord pays to consultants and other parties (such as but not limited to telecommunications, structural and roofing consultants, engineers and contractors) in connection with the Roof Items or the license granted hereunder, together with an amount equal to fifteen percent (15%) thereof to cover Landlord's overhead, within thirty days after presentation to Tenant by Landlord of invoices therefor.

3. Installation.

a. Roof Items. Tenant shall not install the Roof Items, or thereafter make any alterations, additions or improvements to the roof or the Roof Items, or remove the Roof Items, without the prior written consent of Landlord concerning all details thereof, including, but not limited to, the location of the Roof Space. Landlord shall not unreasonably withhold consent, except that Landlord reserves the right to withhold consent in Landlord's sole discretion for Roof Items or work affecting the structure or safety of the Property, or any other parties' rights, or the appearance of the Property from any common or public areas. Landlord shall approve or reject the proposed installation of the Roof Items within a reasonable time after Tenant submits (i) plans and specifications for the installation of the Roof Items, and (ii) copies of all required governmental, quasi-governmental and other approvals, permits, licenses, and authorizations which Tenant will obtain at its own expense (including, but not limited to, approvals from any architectural or design review committee established under any covenants, conditions and restrictions applicable to the Property). Landlord also reserves the right to require that: (a) the Roof

Items be placed in a manner that is not attached to the Property and that does not penetrate the roof (e.g. placed in a movable container), (b) any installation or other work be done in accordance with any Property rules, standards or other requirements for roof equipment and/or under the supervision of Landlord's employees or agents, and in a manner so as to avoid damage to the Property, (c) roof pavers or walk pads be installed on the roof, at Tenant's sole cost, to provide a means of access to the Roof Space, (d) screening of a material prescribed by Landlord be installed, at Tenant's sole cost, to prevent the Roof Items from being visible to the public or to other tenants or from other buildings, and (e) all work be performed by contractors approved or designated by Landlord (and any work affecting the roof must be performed only by Landlord's designated roofing contractor). All work shall be performed in a good and workmanlike manner and best industry practices and procedures, in accordance with all governmental requirements and in accordance with all provisions of the Lease respecting work to the Premises.

b. Connecting Lines and Related Equipment. If Tenant needs to connect the Roof Items to any other equipment, including connections via telecommunications cables ("Lines") to the Premises, Tenant shall: (i) obtain Landlord's prior written approval of all aspects thereof, (ii) use an experienced and qualified contractor reasonably designated or approved in writing in advance by Landlord, (iii) comply with such reasonable inside wire standards and procedures as Landlord may adopt from time to time, including Landlord's requirements respecting access to and use of the wire closets, riser system and main distribution frame ("MDF"), and all other provisions of this Lease, (iv) not install Lines in the same sleeve, chaseway or other enclosure in close proximity with electrical wire, and not install PVC-coated Lines except as may be permitted by code, (v) thoroughly test any riser Lines to which Tenant intends to connect any Lines to ensure that such riser Lines are available and are not then connected to or used for telephone, data transmission or any other purpose by any other party (whether or not Landlord has previously approved such connections), and not connect to any such unavailable or connected riser Lines, and (vi) not connect any equipment to the Lines which may create an electromagnetic field exceeding the normal insulation ratings of ordinary twisted pair riser cable or cause radiation higher than normal background radiation, unless the Lines therefor (including riser Lines) are appropriately insulated to prevent such excessive electromagnetic fields or radiation (and such insulation shall not be provided by the use of additional unused twisted pair Lines). In addition, all such work shall be performed in a good and workmanlike manner and best industry practices and procedures, in accordance with all governmental requirements and in accordance with all provisions of the Lease respecting work to the Premises.

4. Condition; Permits. Tenant has inspected the roof and agrees to accept the same hereunder "as is". Landlord does not represent or warrant that use of the roof hereunder will comply with any applicable federal, state, county or local Laws or ordinances or the regulations of any of their agencies, nor any covenants, conditions or restrictions that may apply to the Property, nor that the roof will be suitable for Tenant's purposes. Tenant agrees that Tenant shall at all times comply with any applicable federal, state, county or local laws or ordinances, pertaining to Tenant's use of the roof or the Roof Items, and all applicable covenants, conditions and restrictions. Tenant's failure or inability to obtain any necessary permits, approvals, variances or waivers respecting the Roof Items shall not excuse Tenant from any obligations under this Lease; any variances or waivers shall be subject to Landlord's prior written approval to determine whether such variances or waivers may limit any rights to place or maintain other roof items at the Property or otherwise adversely affect Landlord or the Property.

5. Roof or Other Property Damage; Removal of Roof Items. Tenant shall take all appropriate actions to prevent any roof or building leaks or other damage or injury to the Roof Space or the Property or contents thereof (collectively, "Property Damage") caused by Tenant's use of the Roof Space or its installation, use, maintenance or removal of the Roof Items, and shall promptly notify Landlord of any such Property Damage. In the event of any such Property Damage, Landlord may: (i) require that Tenant pay Landlord's reasonable costs for repairing such Property Damage within fifteen

days after Landlord submits an invoice and reasonable supporting documentation therefor, or (ii) require that Tenant perform the necessary repairs in a good and workmanlike manner using a contractor designated or approved by Landlord at Tenant's expense within fifteen days after Landlord's notice. Upon termination of the Lease or this Exhibit, Tenant shall disconnect and remove the Roof Items, and, at Landlord's written election, any Lines installed by or for Tenant hereunder. If Tenant does not immediately remove the Roof Items or Lines when so required, Tenant hereby authorizes Landlord to remove and dispose of the same and Tenant shall promptly pay Landlord's reasonable charges for doing so. Any Lines not required to be removed pursuant to this Section shall, at Landlord's option, become the property of Landlord (without payment by Landlord).

6. Miscellaneous. Except to the extent expressly inconsistent herewith, all rights and obligations of the parties respecting the Premises under the Lease shall apply to the Roof Space and Roof Items, including, without limitation, obligations respecting compliance with laws, hazardous materials, repairs, casualty damage, indemnities and insurance (including waivers of insurers' subrogation rights). Landlord shall permit Tenant reasonable access to the roof for the purposes permitted hereunder, during normal business hours at the Property upon reasonable advance notice and scheduling through Landlord's management and security personnel. Access after normal business hours may be granted by Landlord in its reasonable discretion, and for such reasonable charges as Landlord shall impose. Landlord reserves the right to enter the roof, without notice, at any time for the purpose of inspecting the same, or making repairs, additions or alterations to the Property, or to exhibit the roof to prospective tenants, purchasers or others, or for any other reason not inconsistent with Tenant's rights hereunder. In connection with exercising such rights, upon ten days prior written or oral notice to Tenant's on-site manager (except that no notice shall be required in an emergency, e.g. to repair roof leaks associated with the Roof Space or Roof Items), Landlord may temporarily disconnect the Roof Items and/or move the Roof Items. Landlord also reserves the right, from time to time upon thirty days prior written notice to Tenant, to relocate the Roof Space and/or move or require that Tenant move the Roof Items, to another location or locations, provided: (i) Landlord shall use reasonable efforts to provide such other space that will be reasonably comparable and feasible for Tenant's purposes, and (ii) Landlord shall pay all reasonable, direct, out-of-pocket expenses incurred by Tenant in connection therewith (excluding lost profits of other consequential damages). Tenant may not assign or sublicense its rights under this Exhibit, nor let any other party tie into or use the Roof Items or the roof, and Tenant may not transmit or distribute signals through the Roof Items to any parties not affiliated with Tenant, and any attempt to assign, sublicense, transmit or distribute signals in violation of the foregoing shall be null and void. Tenant shall comply with all FCC requirements, and shall not use the roof or the Roof Items so as to interfere in any way with the ability of Landlord or its tenants and occupants of the Property and neighboring properties to receive radio, television, telephone, microwave, short-wave, long-wave or other signals of any sort, nor so as to interfere with the use of any antennas, satellite dishes or other electronic or electric equipment or facilities currently or hereafter located on the roof or any floor or area of the Property or other property. If Tenant violates this Exhibit, Landlord shall have the right to disconnect the Roof Items until the violations are cured (without limitation as to Landlord's other remedies under the Lease or at law or equity).

7. Brokers. Tenant hereby represents and warrants that Tenant has not dealt with any broker, salesman, agent or finder in connection with this Amendment, and agrees to defend, indemnify and hold Landlord, and its employees, agents and affiliates harmless from all damages, losses, judgments, liabilities and expenses (including reasonable attorneys' fees) arising from any claims or demands of any broker, salesman, agent or finder with whom Tenant has dealt for any commission or fee alleged to be due in connection with this Amendment.

8. Guarantors. This Amendment is subject to, and conditioned upon, the written acceptance hereof by all guarantors of the Lease, who by signing below shall agree that their guarantee

shall apply to the Lease as amended herein, unless such requirement is expressly waived in writing by Landlord.

9. Confidentiality. Tenant shall keep the content and all copies of this document and the Lease, all related documents or amendments now or hereafter entered, and all proposals, materials, information and matters relating thereto strictly confidential.

10. Limitation of Landlord's Liability. Tenant agrees to look solely to Landlord's interest in the Property for the enforcement of any judgment, award, order or other remedy under or in connection with the Lease or any related agreement, instrument or document or for any other matter whatsoever relating thereto or to the Property or Premises. Under no circumstances shall any present or future, direct or indirect, principals or investors, general or limited partners, officers, directors, shareholders, trustees, beneficiaries, participants, advisors, managers, employees, agents or affiliates of Landlord, or of any of the other foregoing parties, or any of their heirs, successors or assigns have any liability for any of the foregoing matters. In no event shall Landlord be liable to Tenant for any consequential damages. If Landlord shall convey or transfer the Property or any portion thereof in which the Premises are contained to another party, such party shall thereupon be and become landlord hereunder, shall be deemed to have fully assumed all of Landlord's obligations under this Lease accruing during such party's ownership, and Landlord shall be free of all such obligations accruing from and after the date of conveyance or transfer.

11. Whole Amendment; Full Force and Effect; Conflicts. This Amendment shall no be binding unless and until signed and delivered by both parties. This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. As amended herein, the Lease between the parties shall remain in full force and effect; provided, this Amendment is intended to supersede any prior rights of Tenant to have any satellite dishes, antennas or other such equipment on the roof or other exterior areas of the Property, and all such provisions are hereby deleted. In case of any inconsistency between the provisions of the Lease and this Amendment, the latter provisions shall govern and control. This Amendment may be further modified only in writing signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

LANDLORD: **CMD REALTY INVESTMENT FUND IV, L.P.** [SEAL]
an Illinois limited partnership

By: CMD/Fund IV GP Investments, L.P.,
an Illinois limited partnership, its general partner

By: CMD REIM IV, Inc., an Illinois corporation,
its general partner

By: /s/ Lee Moreland
Name: Lee Moreland
Its: Vice President

TENANT: **MESA AIR GROUP, INC.** [SEAL]
a Nevada corporation

By: /s/ Michael J. Lotz
Name: Michael J. Lotz
Its: President & COO

GUARANTORS:

LEASE AMENDMENT FIVE **CMD 177A (8/98)**

(Extension and Expansion/Co-Terminous)

THIS LEASE AMENDMENT FIVE ("Amendment") is made and entered into as of the 11th day of October, 2002 by and between **CMD Realty Investment Fund IV, L.P.** an Illinois limited partnership ("Landlord") and **Mesa Air Group, Inc.**, a Nevada corporation ("Tenant").

A. Landlord and Tenant are the current parties to that certain lease ("Original Lease") dated October 16, 1998, for premises currently known as Suite 700 (the "Premises"; sometimes referred to herein as the "Original Premises") in the building (the "Building") known as Three Gateway, located at 410 N. 44th Street, Phoenix, Arizona (the "Property"), which lease has heretofore been amended by documents described and dated as follows: First Amendment to Lease dated March 9, 1999, Second Amendment to Lease dated November 8, 1999, Letter Agreement dated May 10, 2000, Lease Amendment Three dated November 7, 2000, Lease Amendment Four dated May 15, 2001, Lease Term Adjustment Confirmation dated January 3, 2001, Letter from Mesa Air dated May 30, 2001 and Parking Letter dated March 21, 2002 (collectively, and as amended herein, the "Lease").

B. Tenant has requested that additional space in the Property be added to the Premises, and that the term of the Lease be extended, and Landlord is willing to grant the same, all on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the parties do hereby agree as follows:

1. Term Extension. The term of the Lease is hereby modified such that the current term will expire and a new extended term ("Extended Term") will commence on September 1, 2002 (the "Extension Date") and continue until August 31, 2012 (the "New Expiration Date"), unless sooner terminated in accordance with the terms of the Lease. Based on a recent re-measurement of the Building, the size of the Original Premises shall, as of the Extension Date, be deemed to be 21,172 rentable square feet, the size of the Property shall be deemed to be 221,409 rentable square feet and Tenant's share with respect to the Original Premises shall be deemed to be nine and 56/100 percent (9.56%).

2. Additional Premises. The space known as Suites 1120 and 1140 (collectively, the "Additional Premises"), the approximate location of which is shown on Exhibit A hereto, and which shall be deemed to contain a total of 5,152 square feet of rentable area for purposes hereof, shall be added to and become a part of the Premises, commencing on July 15, 2005 or such earlier date as the Novellus Lease may be terminated as further described in Section 3 below ("Additional Premises Commencement Date"), and continuing co-terminously with the New Expiration Date, as the same may be extended from time to time, subject to the terms and conditions set forth hereinafter.

3. Novellus Sublease. The parties acknowledge and agree that: (i) Tenant is subleasing the Additional Premises pursuant to a Sublease dated , _____ ("Novellus Sublease") from Novellus Systems, Inc. ("Novellus"), that will terminate on July 14, 2005 or such earlier date on which the lease between Novellus and Landlord ("Novellus Lease") is terminated (as contemplated in the Consent to Sublease dated _____ between Landlord, Tenant and Novellus), (ii) the Additional Premises Commencement Date herein shall be advanced to such earlier date on which the Sublease and Novellus Lease are terminated, and (iii) in such event, the Base Rent for the Additional Premises shall be $8,750.00 per month through July 14, 2005. If the Additional Premises Commencement Date is advanced to an earlier date under this Section due to an earlier termination of the Novellus Lease, the New Expiration

Date herein shall not be changed. Tenant shall execute a confirmation of the Additional Premises Commencement Date as adjusted herein in such form as Landlord may reasonably request; any failure to respond within thirty (30) days after requested shall be deemed an acceptance of the date set forth in Landlord's confirmation.

Tenant acknowledges that Landlord may elect to invoice and require that Tenant pay directly to Landlord all subrentals under the Novellus Sublease and that Novellus has consented to such direct payment under Paragraph 3(c) of the Consent to Sublease.

4. Base Rent.

a. Original Premises. The base or minimum monthly rent for the Original Premises shall be as set forth in the following schedule:

Original Premises Base Rent Schedule

Period	Original Premises Monthly Base Rent
Extension Date - August 31, 2004	$31,758.00
September 1, 2004 - August 31, 2005	$35,286.67
September 1, 2005 - August 31, 2007	$42,344.00
September 1, 2007 - August 31, 2009	$44,108.33
September 1, 2009 - New Expiration Date	$45,872.67

b. Additional Premises. The base or minimum monthly rent for the Additional Premises shall be as set forth in the following schedule:

Additional Premises Base Rent Schedule

Period	Additional Premises Monthly Base Rent
July 15, 2005 - August 31, 2005	$8,586.67
September 1, 2005 - August 31, 2007	$10,304.00
September 1, 2007 - August 31, 2009	$10,733.33
September 1, 2009 - New Expiration Date	$11,162.67

5. Additional Rent; Tenant's Share. As of the Extension Date with respect to the Original Premises and as of the Additional Premises Commencement Date with respect to the Additional Premises, the Expense Stop shall be the actual Building operating costs for the calendar year 2003. On the Additional Premises Commencement Date, all other rentals or other charges based or computed on the square footage of the Premises, including without limitation, real estate taxes, insurance costs, operating or other expenses of the Property, shall be increased proportionately to reflect the rentable square footage of the Additional Premises, such that Tenant's share thereof shall be increased by two and 33/100 percent (2.33%) with respect to the Additional Premises, for a total of eleven and 89/100 percent (11.89%) with respect to the entire Premises including the Additional Premises.

6. Separate or Combined Billings. The minimum or base rentals and all other rentals and charges respecting the Additional Premises are sometimes herein called the "Additional Premises Rent".

Landlord may compute and bill the Additional Premises Rent (or components thereof) separately or treat the Additional Premises and Premises as one unit for computation and billing purposes. In either event, any default respecting any separate billing shall be a default with respect to the entire Premises and Lease.

7. Prorations. If the Extension Date or Additional Premises Commencement Date occurs other than on the beginning of the applicable payment period under the Lease, Tenant's obligations for base or minimum rentals, operating expenses and real estate taxes and other such charges shall be prorated on a per diem basis.

8. Parking. Commencing as of the Extension Date with respect to the Original Premises and the Additional Premises Commencement Date with respect to the Additional Premises, Tenant shall have the parking rights set forth in Exhibit F attached hereto.

9. Signage. During the Extended Term Tenant shall continue to have the signage rights set forth in Section 21 of the Original Lease.

10. Other Terms; Certain Provisions Deleted. On the Extension Date with respect to the Original Premises, and with respect to the Additional Premises on the Additional Premises Commencement Date, all terms and conditions then or thereafter in effect under the Lease shall apply, except as expressly provided to the contrary herein. Without limiting the generality of the preceding sentence, Sections 9, 10 and 11 of Lease Amendment Four and Sections 15 and 16 of Lease Amendment Three are incorporated herein by reference. However, notwithstanding the foregoing to the contrary, this Amendment is intended to supersede any rights of Tenant under the Lease to expand (except as set forth in Exhibits D and E attached hereto), reduce or relocate the Premises, or extend or renew the term of the Lease (except as set forth in Exhibit C attached hereto), or terminate the Lease early, and all such provisions are hereby deleted.

11. Condition of Original Premises; Allowance. Tenant has been occupying the Original Premises, and agrees to accept the same "AS IS" without any agreements, representations, understandings or obligations on the part of Landlord to perform or pay for any alterations, repairs or improvements, except that Landlord shall provide an allowance ("Allowance") as provided in Section 1.b of Exhibit B towards the "Cost of the Work" for permanent leasehold improvements ("Work") that Tenant may wish to perform in the Original Premises in accordance with the Work Letter attached hereto as Exhibit B. There shall be no postponement of the Extension Date or abatement of Rent as a result of any such Work under any circumstances.

12. Condition of Additional Premises. Tenant is occupying the Additional Premises pursuant to the Novellus Sublease and Consent to Sublease referred to in Section 3 above, and has inspected, or had an opportunity to inspect, the Additional Premises (and portions of the Property, Systems and Equipment providing access to or serving the Additional Premises), and agrees to accept the same "as is" on the Additional Premises Commencement Date without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements.

13. Allowance for Additional Premises. Notwithstanding Section 12 to the contrary, Landlord shall provide an allowance ("Allowance") as provided in Section 1.b of Exhibit B to be used towards reasonable, direct out-of-pocket costs of designing and performing permanent leasehold improvements in the Additional Premises during the first twelve (12) months of the term of the Novellus Sublease. Tenant shall engage its own designers and contractors, and Landlord shall reimburse Tenant based on Tenant's submission of a customary tenant's affidavit respecting the work, invoices, paid receipts and other reasonable evidence of payment, and the submission of customary architect's certificates, lien waivers and affidavits of payment, all reasonably satisfactory to Landlord, all as further

provided in Exhibit B. Any unused portion of the Allowance shall belong to Landlord. Such work shall be subject to Exhibit B and the applicable provisions of the Novellus Sublease and Consent to Sublease, including without limitation obtaining the consent of Novellus and Landlord to all alterations to the Additional Premises, which consent shall not be unreasonably withheld. Any personal property, trade fixtures or equipment, including, but not limited to, modular or other furniture, and cabling or other items for communications or computer systems, whether or not shown on any plan approved by Landlord, shall be provided by Tenant, at Tenant's sole cost, except as otherwise provided in Exhibit B with respect to cabling.

14. Real Estate Brokers. Tenant represents and warrants that Tenant has not dealt with any broker, agent or finder in connection with this Amendment except for Cushman and Wakefield of Arizona, Inc., and agrees to indemnify and hold Landlord, and its employees, agents and affiliates harmless from all damages, judgments, liabilities and expenses (including reasonable attorneys' fees) arising from any claims or demands of any other broker, agent or finder with whom Tenant has dealt for any commission or fee alleged to be due in connection with this Amendment.

15. Offer. The submission and negotiation of this Amendment shall not be deemed an offer to enter the same by Landlord. Tenant's execution of this Amendment constitutes a firm offer to enter the same which may not be withdrawn for a period of thirty (30) days after delivery to Landlord. During such period, Landlord may proceed in reliance thereon and permit Tenant to enter the Additional Premises, but such acts shall not be deemed an acceptance. Such acceptance shall be evidenced only by Landlord signing and delivering this Amendment to Tenant.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

LANDLORD: **CMD REALTY INVESTMENT FUND IV, L.P.** [SEAL]
an Illinois limited partnership

By: CMD/Fund IV GP Investments, L.P.,
an Illinois limited partnership, its general partner

By: CMD REIM IV, Inc., an Illinois corporation,
its general partner

By: /s/ Lee Moreland
Lee Moreland, Vice President

TENANT: **Mesa Air Group, Inc.** [SEAL]
a Nevada corporation

By: /s/ Michael J. Lotz
Name: Michael J. Lotz
Its: President & COO

CERTIFICATE

I, Michael Lotz, as President & COO of the aforesaid Tenant, hereby certify that the individual(s) executing the foregoing Lease on behalf of Tenant was/were duly authorized to act in his/their capacities as set forth above, and his/their action(s) are the action of Tenant.

(Corporate Seal) /s/ Michael J. Lotz

EXHIBIT A
Floor Plate Showing Additional Premises

EXHIBIT A

Floor Plate Showing Additional Premises

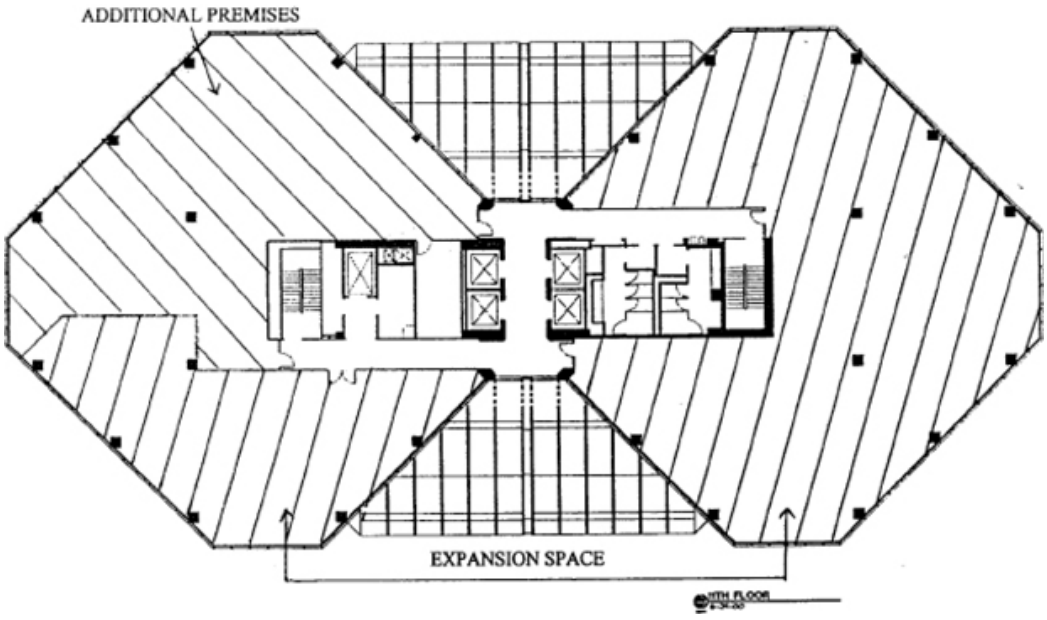


EXHIBIT B

WORK LETTER

CMD 108G (12/00)
Moderate Work
Tenant Performance

This Exhibit is a "Work Letter" to the foregoing document (referred to herein for convenience as the "Lease Document"). All references to "Premises" hereunder shall mean either the Original Premises and/or the Additional Premises, it being understood and agreed that Tenant may allocate use of the Allowance between the Original Premises and/or the Additional Premises as Tenant shall determine in its reasonable discretion.

I. Basic Arrangement

a. *Tenant to Arrange for Work*. Tenant desires to engage one or more contractors to perform certain improvements (the "Work," as further defined in Section VII) to or for the Premises under the Lease Document. Tenant shall arrange for the Work to be planned and performed strictly in accordance with the provisions of this Exhibit and applicable provisions of the Lease Document. Tenant shall pay when due all costs for or related to the Plans and Work whatsoever ("Costs of the Work"), and Landlord shall reimburse certain such costs up to the Allowance, as further described below.

b. *Allowance and, Landlord's Costs and Administrative Fee*. Landlord shall provide up to $242,088.00 (the "Allowance") towards the Costs of the Work relating to permanent leasehold improvements (provided the portion of the Allowance available for the Plans shall be limited to ten percent (10%), and shall exclude planning for furniture, fixtures and equipment). Tenant shall pay Landlord's out-of-pocket costs, if any, for architectural and engineering review of the Plans and any Engineering Report, and all revisions thereof, and an administrative fee ("Administrative Fee") equal to $---0--- of the other Costs of the Work for Landlord's time in reviewing the Plans and Work and coordinating with Tenant's Contractors. Landlord may, if feasible, also charge Tenant for any extra costs reasonably incurred by Landlord as a result of the Work, including but not limited to, any additional after-hours security for the Property common areas due to after-hours construction activity, and costs of any after-hours HVAC consumed in or for the Premises during the Work (based on actual usage as determined by the Building's energy management system); provided, however, that Tenant's contractors shall not be charged for parking (provided that parking by such contractors shall not exceed ten (10) spaces), freight elevator access or loading dock access. The foregoing items may be charged against the Allowance, and if the Allowance shall be insufficient, Tenant shall pay Landlord for such amounts as additional Rent within thirty (30) days after billing. If all or any portion of the Allowance shall not be used for the purposes permitted herein within twelve (12) months after the Commencement Date set forth in the Lease Document, Landlord shall be entitled to the savings and Tenant shall receive no credit therefor; provided that Landlord shall use up to $69,885.00 of any remaining portion of the Allowance that has not been used for the purposes permitted above by the time required herein, to reimburse Tenant's reasonable, direct, out-of-pocket costs incurred for having its telecommunications vendor install and connect telecommunications cables in the Premises. Landlord shall make such reimbursement to Tenant, out of any such remaining portion of the Allowance, within thirty (30) days after the following events have occurred: (x) Tenant shall have provided Landlord with paid invoices and other evidence of such costs reasonably satisfactory to Landlord (including lien waivers if applicable), within twelve (12) months days after the Commencement Date has occurred, and (y) Tenant shall not be in Default. Notwithstanding anything to the contrary contained herein, any personal property, trade fixtures or business equipment, including, but not limited to, modular or other furniture, and cabling for communications or computer systems (except as otherwise provided above with respect to cabling), whether or not shown on the Approved Plans, shall be provided by Tenant, at Tenant's sole cost, and the Allowance shall not be used for such purposes. Any cabling remaining in the Premises upon the expiration or earlier termination of the Lease shall become the property of Landlord (without payment by

Landlord). All disconnections made by Tenant of any cabling shall be made properly such that, among other things, such cabling is reusable.

c. *Funding and Disbursement*. Landlord shall fund and disburse the Allowance within thirty (30) days after the Work has been completed in accordance with the Approved Plans in accordance with the provisions hereof, and Tenant has submitted all invoices, architect's certificates, a Tenant's affidavit, complete unconditional lien waivers and affidavits of payment by all Tenant's Contractors, and such other evidence as Landlord may reasonably require that the cost of the Work has been paid and that no architect's, mechanic's, materialmen's or other such liens have been or may be filed against the Property or the Premises arising out of the design or performance of such Work. Landlord may issue checks to fund the Allowance jointly or separately to Tenant, its general contractor, and any other of Tenant's Contractors.

II. Planning. The term "Plans" herein means a "Space Plan," as the same may be superseded by any "Construction Drawings," prepared and approved pursuant to this Section (and as such terms are further defined in Section VII). In the event of any inconsistency between the Space Plan and Construction Drawings, or revisions thereto, as modified to obtain permits, the latest such item approved by Landlord shall control. The term "Approved Plans" herein means the Plans (and any revisions thereof) as approved by Landlord in writing in accordance with this Section.

a. *Tenant's Planners*. Tenant shall engage a qualified, licensed architect ("Architect"), subject to Landlord's prior written approval. To the extent required by Landlord or appropriate in connection with preparing the Plans, Tenant shall also engage one or more qualified, licensed engineering firms, e.g. mechanical, electrical, plumbing, structural and/or HVAC ("Engineers"), all of whom shall be designated or approved by Landlord in writing. The term "Tenant's Planners" herein shall refer collectively or individually, as the context requires, to the Architect or Engineers engaged by Tenant, and approved or designated by Landlord in writing in accordance with this Exhibit.

b. *Space Plan, Construction Drawings and Engineering Report*. Tenant shall promptly hereafter cause the Architect to submit three (3) sets of a "Space Plan" (as defined in Section VII) to Landlord for approval. Landlord shall, within three (3) working days after receipt thereof, either approve said Space Plan, or disapprove the same advising Tenant of the reasons for such disapproval; Landlord agrees to not unreasonably withhold its approval, as further provided in subsection c below. In the event Landlord disapproves said Space Plan, Tenant shall modify the same, taking into account the reasons given by Landlord for said disapproval, and shall submit three (3) sets of the revised Space Plan to Landlord. The parties shall continue such process in the same time frames until Landlord grants approval. To the extent required by Landlord or the nature of the Work and as further described in Section VII, Tenant shall, after Landlord's approval of the Space Plan: (i) cause the Architect to submit to Landlord for approval "Construction Drawings" (including, as further described in Section VII below, sealed mechanical, electrical and plumbing plans prepared by a qualified, licensed Engineer approved or designated by Landlord), and (ii) cause the Engineers to submit for Landlord's approval a report (the "Engineering Report") indicating any special heating, cooling, ventilation, electrical, heavy load or other special or unusual requirements of Tenant, including calculations. Landlord shall, within five (5) working days after receipt thereof (or such longer time as may be reasonably required in order to obtain any additional architectural, engineering or HVAC report or due to other special or unusual features of the Work or Plans), either approve the Construction Drawings and Engineering Report, or disapprove the same advising Tenant of the reasons for disapproval (and Landlord's agrees that any such disapproval shall be on a reasonable basis, as further provided in subsection c below). If Landlord disapproves of the Construction Drawings or Engineering Report, Tenant shall modify and submit revised Construction Drawings, and a revised Engineering Report, taking into account the reasons given by Landlord for

disapproval. The parties shall continue such process in the same time frames until Landlord grants approval. Construction Drawings shall include a usable computer aided design (CAD) file.

c. *Tenant's Planning Responsibility and Landlord's Approval*. Tenant has sole responsibility to provide all information concerning its space requirements to Tenant's Planners, to cause Tenant's Planners to prepare the Plans, and to obtain Landlord's final approval thereof (including all revisions). Tenant and Tenant's Planners shall perform independent verifications of all field conditions, dimensions and other such matters), and Landlord shall have no liability for any errors, omissions or other deficiencies therein. Landlord shall not unreasonably withhold approval of any Plans or Engineering Report submitted hereunder, if they provide for a customary office layout, with finishes and materials generally conforming to building standard finishes and materials (or upgrades) currently being used by Landlord at the Property, are compatible with the Property's shell and core construction, and if no material modifications will be required for the Property's Systems and Equipment (as hereinafter defined), and will not require any structural modifications to the Property, whether required by heavy loads or otherwise, and will not create any potentially dangerous conditions, potentially violate any codes or other governmental requirements, potentially interfere with any other occupant's use of its premises, or potentially increase the cost of operating the Property. "Systems and Equipment" shall mean any plant, machinery, transformers, duct work, cable, wires, and other equipment, facilities, and systems designed to supply light, heat, ventilation, air conditioning and humidity or any other services or utilities, or comprising or serving as any component or portion of the electrical, gas, steam, plumbing, sprinkler, communications, alarm, security, or fire/life/safety systems or equipment, or any elevators, escalators or other mechanical, electrical, electronic, computer or other systems or equipment for the Property, except to the extent that any of the same serves Tenant or any other tenant exclusively.

d. *Governmental Approval of Plans; Building Permits*. Tenant shall cause Tenant's Contractors (as defined in Section III) to apply for any building permits, inspections and occupancy certificates required for or in connection with the Work. If the Plans must be revised in order to obtain such building permits, Tenant shall promptly notify Landlord, promptly arrange for the Plans to be revised to satisfy the building permit requirements, and shall submit the revised Plans to Landlord for approval as a Change Order under Paragraph e below. Landlord shall have no obligation to apply for any zoning, parking or sign code amendments, approvals, permits or variances, or any other governmental approval, permit or action. If any such other matters are required, Tenant shall promptly seek to satisfy such requirements (if Landlord first approves in writing), or shall revise the Plans to eliminate such requirements and submit such revised Plans to Landlord for approval in the manner described above.

e. *Changes After Plans Are Approved*. If Tenant shall desire, or any governmental body shall require, any changes, alterations, or additions to the Approved Plans, Tenant shall submit a detailed written request or revised Plans (the "Change Order") to Landlord for approval. If reasonable and practicable and generally consistent with the Plans theretofore approved, Landlord shall not unreasonably withhold approval. All costs in connection therewith, including, without limitation, construction costs, permit fees, and any additional plans, drawings and engineering reports or other studies or tests, or revisions of such existing items, shall be included in the Costs of the Work under Section I. In the event that the Premises are not constructed in accordance with the Approved Plans, Tenant shall not be permitted to occupy the Premises until the Premises reasonably comply in all respects therewith; in such case, the Rent shall nevertheless commence to accrue and be payable as otherwise provided in the Lease Document.

III. Contractors and Contracts. Tenant shall engage to perform the Work such contractors, subcontractors and suppliers ("Tenant's Contractors") as Landlord customarily engages or recommends for use at the Property; provided, Tenant may substitute other licensed, bonded, reputable and qualified parties capable of performing quality workmanship. Such substitutions may be made only with

Landlord's prior written approval, which shall not be unreasonably withheld or delayed. Such approval shall be granted, granted subject to specified conditions, or denied within three (3) working days after Landlord receives from Tenant a written request for such substitution, containing a reasonable description of the proposed party's background, finances, references, qualifications, and other such information as Landlord may request. For Work involving any mechanical, electrical, plumbing, structural, demolition or HVAC matters, or any Work required to be performed outside the Premises or involving Tenant's entrance, Landlord may require that Tenant select Tenant's Contractors from a list of such contractors (provided that Landlord's gives Tenant at least 3 choices for each trade) or else, for any trade as to which Landlord is unable to give Tenant a choice of 3 Contractors, Tenant may choose its own Contractor for such trade, subject to Landlord's approval which shall not be unreasonably withheld or delayed. All contracts shall contain insurance, indemnity and other provisions consistent herewith. Each contract and subcontract shall guarantee to Tenant and Landlord the replacement or repair, without additional charge, of all defects or deficiencies in accordance with its contract within one (1) year after completion of such work or the correction thereof. The correction of such work shall include, without additional charge, all additional expenses and damages in connection with such removal or replacement of all or any part of Tenant's Work, and/or the Property and/or common areas, or work which may be damaged or disturbed thereby. Tenant shall give Landlord copies of all contracts and subcontracts promptly after the same are entered.

IV. Insurance and Indemnity. In addition to any insurance which may be required under the Lease Document, Tenant shall either secure, pay for and maintain, or cause Tenant's Contractors to secure, pay for and maintain during the continuance of construction and fixturing work within the Property or Premises, reasonable amounts of customary and appropriate insurance with responsible, licensed insurers, for all insurable risks and liabilities relating to the Work, including commercial general liability with contractual liability coverage ("CGL"), and full replacement value property damage (including installation floater coverage). The CGL policy shall be endorsed to include, as additional insured parties, Landlord, the property management company for the Property, and Landlord's agents, partners, affiliates. All policies shall include a waiver of subrogation in favor of the parties required to be additional insureds hereunder. Such insurance shall be primary to any insurance carried independently by said additional insured parties (which shall be excess and non-contributory). Certificates for such insurance, and the endorsements required hereunder, shall be delivered to Landlord before construction is commenced or any contractor's equipment or materials are moved onto the Property. Landlord shall not be liable in any way for any injury, loss or damage which may occur to any decorations, fixtures, personal property, installations or other improvements or items of work installed, constructed or brought upon the Premises by or for Tenant or Tenant's Contractors, all of the same being at Tenant's sole risk. In the event that during the course of Tenant's Work any damage shall occur to the construction and improvements being made by Tenant, then Tenant shall repair the same at Tenant's cost. Tenant hereby agrees to protect, defend, indemnify and hold Landlord and its employees, agents, and affiliates harmless from all liabilities, losses, damages, claims, demands, and expenses (including attorneys' fees) arising out of or relating to the Plans or Work.

V. Performance of Work

a. *Conditions to Commencing Work*. Before commencing any Work, Tenant shall: (i) obtain Landlord's written approval of Tenant's Planners and the Plans, as described in Section II, (ii) obtain and post all necessary governmental approvals and permits as described in Section II, and provide copies thereof to Landlord, (iii) obtain Landlord's written approval of Tenant's Contractors, and provide Landlord with copies of the contracts as described in Section III, and (iv) provide evidence of insurance to Landlord as described in Section IV.

b. *Compliance and Standards*. Tenant shall cause the Work to comply in all respects with the following: (i) the Approved Plans, (ii) the Property Code of the City and State in which the Property is located and Federal, State, County, City or other laws, codes, ordinances, rules, regulations and guidance, as each may apply according to the rulings of the controlling public official, agent or other such person, (iii) applicable standards of the National Board of Fire Underwriters (or successor organization) and National Electrical Code, (iv) applicable manufacturer's specifications, and (v) any work rules and regulations as Landlord or its agent may have adopted for the Property, including any Rules attached as an Exhibit to the Lease Document. Tenant shall use only new, first-class materials in the Work, except where explicitly shown in the Approved Plans. Tenant's Work shall be performed in a thoroughly safe, first-class and workmanlike manner, and shall be in good and usable condition at the date of completion. In case of inconsistency, the requirement with the highest standard protecting or favoring Landlord shall govern.

c. *Property Operations, Dirt, Debris, Noise and Labor Harmony*. Tenant and Tenant's Contractors shall make all efforts and take all proper steps to assure that all construction activities do not interfere with the operation of the Property or with other occupants of the Property. Tenant's Work shall be coordinated under Landlord's direction with any other work and other activities being performed for or by other occupants in the Property so that Tenant's Work will not interfere with or delay the completion of any other work or activity in the Property. Construction equipment and materials are to be kept within the Premises, and delivery and loading of equipment and materials shall be done at such locations and at such time as Landlord shall direct so as not to burden the construction or operation of the Property. Tenant's Contractors shall comply with any work rules of the Property and Landlord's requirements respecting the hours of availability of elevators and manner of handling materials, equipment and debris. Demolition must be performed after 6:00 p.m. and on weekends, or as otherwise required by Landlord or the work rules for the Property. Construction which creates noise, odors or other matters that may bother other occupants may be rescheduled by Landlord at Landlord's sole discretion. Delivery of materials, equipment and removal of debris must be arranged to avoid any inconvenience or annoyance to other occupants. The Work and all cleaning in the Premises must be controlled to prevent dirt, dust or other matter from infiltrating into adjacent occupant, common or mechanical areas. Tenant shall conduct its labor relations and relations with Tenant's Planners and Contractors, employees, agents and other such parties so as to avoid strikes, picketing, and boycotts of, on or about the Premises or Property. If any employees of the foregoing parties strike, or if picket lines or boycotts or other visible activities objectionable to Landlord are established, conducted or carried out against Tenant or such parties in or about the Premises or Property, Tenant shall immediately close the Premises and remove or cause to be removed all such parties until the dispute has been settled.

d. *Removal of Debris*. Tenant's Contractors shall be required to remove from the Premises and dispose of, at least once a day and more frequently as Landlord may reasonably direct, all debris and rubbish caused by or resulting from the Work, and shall not place debris in the Property's waste containers. If required by Landlord, Tenant shall sort and separate its waste and debris for recycling and/or environmental law compliance purposes. Upon completion of Tenant's Work, Tenant's Contractors shall remove all surplus materials, debris and rubbish of whatever kind remaining within the Property which has been brought in or created by Tenant's Contractors in the performance of Tenant's Work. If any of Tenant's Contractors shall neglect, refuse or fail to remove any such debris, rubbish, surplus material or temporary structures within 48 hours after notice to Tenant from Landlord with respect thereto, Landlord may cause the same to be removed by contract or otherwise as Landlord may determine expedient, and bill the cost thereof to Tenant.

e. *Completion and General Requirements*. Tenant shall take all actions necessary to cause Tenant's Planners to prepare the Approved Plans, and to cause Tenant's Contractors to obtain permits or other approvals, diligently commence and prosecute the Work to completion, and obtain any inspections

and occupancy certificates for Tenant's occupancy of the Premises by the Commencement Date set forth in the Lease Document. Any delays in the foregoing shall not serve to abate or extend the time for the Commencement Date or commencement of Rent under the Lease Document, except to the extent of one (1) day for each day that Landlord delays approvals required hereunder beyond the times permitted herein without good cause, provided substantial completion of the Work and Tenant's ability to reasonably use the Premises by the Commencement Date (or by such later date when Tenant would otherwise have substantially completed the Work) is actually delayed thereby. Tenant shall impose on and enforce all applicable terms of this Exhibit against Tenant's Planners and Tenant's Contractors. Tenant shall notify Landlord upon completion of the Work (and record any notice of completion contemplated by law). To the extent reasonably appropriate based on the nature of the Work, Tenant shall provide Landlord with "as built" drawings no later than thirty (30) days after completion of the Work.

f. *Landlord's Role and Rights*. The parties acknowledge that neither Landlord nor its managing agent is an architect or engineer, and that the Work will be designed and performed by independent architects, engineers and Tenant's Contractors engaged by Tenant. Landlord and its managing agent shall have no responsibility for construction means, methods or techniques or safety precautions in connection with the Work, and do not guarantee that the Plans or Work will be free from errors, omissions or defects, and shall have no liability therefor. Landlord's approval of Tenant's Plans and contracts, and Landlord's designations, lists, recommendations or approvals concerning Tenant's Planners and Contractors shall not be deemed a warranty as to the quality or adequacy thereof or of the Plans or the Work, or the design thereof, or of its compliance with laws, codes and other legal requirements. Tenant shall permit access to the Premises, and inspection of the Work, by Landlord and Landlord's architects, engineers, contractors and other representatives, at all times during the period in which the Work is being planned, constructed and installed and following completion of the Work. If Tenant fails to perform the Work as required herein or the materials supplied fail to comply herewith or with the specifications approved by Landlord, and Tenant fails to cure such failure within two (2) business days after notice by Landlord, Landlord shall have the right, but not the obligation, to order Tenant or any of Tenant's Contractors who violate the requirements imposed on Tenant or Tenant's Contractors in performing the Work to cease the Work and remove its equipment and employees from the Property. Landlord shall have the right, but not the obligation, to perform, on behalf of and for the account of Tenant, subject to reimbursement by Tenant, any work required to cure or complete any Work which has violated this Exhibit or which pertains to patching of the Work (and which Tenant has failed to cure within ten (10) days after notice from Landlord), or involves Work outside the Premises, or affects the base building core or structure or Systems and Equipment for the Property.

VI. HVAC Balancing. As a final part of the Work, Tenant shall cause its contractor to perform air balancing tests and adjustments on all areas of the Premises served by the air handling system that serves the areas in which the Work is performed (including any original space and any additional space being added to the Premises in connection herewith). Landlord shall not be responsible for any disturbance or deficiency created in the air conditioning or other mechanical, electrical or structural facilities within the Property or Premises as a result of the Work. If such disturbances or deficiencies result, and Tenant's contractor does not properly correct the same, Landlord reserves the right, after fifteen (15) days notice to Tenant, to correct the same and restore the services to Landlord's reasonable satisfaction, at Tenant's reasonable expense.

VII. Certain Definitions

a. "*Space Plan*" herein means, to the extent required by the nature of the Work, detailed plans (including any so-called "pricing plans"), including a fully dimensioned floor plan and drawn to scale, showing: (i) demising walls, interior walls and other partitions, including type of wall or partition and height, and any demolition or relocation of walls, and details of space occupancy and density, (ii)

doors and other openings in such walls or partitions, including type of door and hardware, (iii) electrical and computer outlets, circuits and anticipated usage therefor, (iv) any special purpose rooms, any sinks or other plumbing facilities, heavy items, and any other special electrical, HVAC or other facilities or requirements, including all special loading and related calculations, (v) any space planning considerations to comply with fire or other codes or other governmental or legal requirements, (vi) finish selections, and (vii) any other details or features requested by Architect, Engineer or Landlord, or otherwise required, in order for the Space Plan to serve as a basis for Landlord to approve the Work, and for Tenant to contract and obtain permits for the Work, or for the Space Plan to serve as a basis for preparing Construction Drawings.

b. "*Construction Drawings*" herein means, to the extent required by the nature of the Work, fully dimensioned architectural construction drawings and specifications, and any required engineering drawings, specifications and calculations (including mechanical, electrical, plumbing, structural, air-conditioning, ventilation and heating), and shall include any applicable items described above for the Space Plan, and any other details or features requested by Architect, Engineer or Landlord in order for the Construction Drawings to serve as a basis for Landlord to approve the Work, and for Tenant to contract and obtain permits for the Work.

c. "*Work*" herein means: (i) the improvements and items of work shown on the final Approved Plans (including changes thereto), and (ii) any preparation or other work required in connection therewith, including without limitation, structural or mechanical work, additional HVAC equipment or sprinkler heads, or modifications to any building mechanical, electrical, plumbing or other systems and equipment or relocation of any existing sprinkler heads, either within or outside the Premises required as a result of the layout, design, or construction of the Work or in order to extend any mechanical distribution, fire protection or other systems from existing points of distribution or connection, or in order to obtain building permits for the work to be performed within the Premises (unless Landlord requires that the Plans be revised to eliminate the necessity for such work).

VIII. Liens. Tenant shall pay all costs for the Plans and Work when due. Tenant shall keep the Property, Premises and this Lease free from any mechanic's, materialman's, architect's, engineer's or similar liens or encumbrances, and any claims therefor, or stop or violation notices, in connection with the Plans and Work. Tenant shall give Landlord notice at least ten (10) days prior to the commencement of any Work (or such additional time as may be necessary under applicable Laws), to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall remove any such claim, lien or encumbrance, or stop or violation notices of record, by bond or otherwise within thirty (30) days after notice by Landlord. If Tenant fails to do so, Landlord may pay the amount (or any portion thereof) or take such other action as Landlord deems necessary to remove such claim, lien or encumbrance, or stop or violation notices, without being responsible for investigating the validity thereof. The amount so paid and costs incurred by Landlord shall be deemed additional Rent under the Lease Document payable upon demand, without limitation as to other remedies available to Landlord.

IX. Miscellaneous

a. *Interpretation; Original Lease*. If this Work Letter is attached as an Exhibit to an amendment to an existing lease ("Original Lease"), whether such amendment adds space, relocates the Premises or makes any other modifications, the term "Lease Document" herein shall refer to such amendment, or the Original Lease as amended, as the context implies. By way of example, in such case, references to the "Premises" and "Commencement Date" herein shall refer, respectively, to such additional or relocated space and the effective date for delivery thereof under such amendment, unless expressly provided to the contrary herein. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Lease Document.

b. *General Matters*. This Exhibit is intended to supplement and be subject to the provisions of the Lease Document, including, without limitation, those provisions requiring that any modification or amendment be in writing and signed by authorized representatives of both parties. This Exhibit shall not apply to any additional space added to the Premises at any time, whether by any options or rights under the Lease Document or otherwise, or to any portion of the Premises in the event of a renewal or extension of the Term of the Lease Document, whether by any options or rights under the Lease Document or otherwise, unless expressly so provided in the Lease Document or any amendment or supplement thereto. The Lease Document and this Exhibit are not intended to create any third-party beneficiaries; without limiting the generality of the foregoing, no Tenant Contractors or Tenant Planners shall have any legal or beneficial interest in the Allowance. The rights granted in this Exhibit are personal to Tenant as named in the Lease Document, and are intended to be performed for such Tenant's occupancy of the Premises. Under no circumstance whatsoever shall any assignee or subtenant have any rights under this Exhibit. Any remaining obligations of Landlord under this Exhibit not theretofore performed shall concurrently terminate and become null and void if Tenant subleases or assigns the Lease Document with respect to all or any portion of the Premises, or seeks or proposes to do so (or requests Landlord's consent to do so), or if Tenant or any current or proposed affiliate thereof issues any written statement indicating that Tenant will no longer move its business into, or that Tenant will vacate and discontinue its business from, the Premises or any material portion thereof. Any termination of Landlord's obligations under this Exhibit pursuant to the foregoing provisions shall not serve to terminate or modify any of Tenant's obligations under the Lease Document. In addition, notwithstanding anything to the contrary contained herein, Landlord's obligations under this Exhibit, including obligations to perform any work, or provide any Allowance or rent credit, shall be subject to the condition that Tenant shall be in compliance with the material terms of the Lease (including all terms providing for the timely payment of rent), and shall not have committed a violation under the Lease by the time that Landlord is required to perform such work or provide such Allowance or rent credit.

EXTENSION OPTION

1. Option to Extend. Subject to the other provisions hereof, Landlord hereby grants Tenant one option ("Extension Option") to extend the current Term of the Lease for an additional period of five (5) consecutive years from the expiration of the prior period ("Extension Period"), on the same terms and conditions then in effect under this Lease immediately prior to the Extension Period, except as modified by the "Market Rates, Terms and Conditions" further described below, and Tenant shall have no further option to extend. Tenant may exercise the Extension Option only by giving Landlord written notice thereof ("Tenant's Exercise Notice") no earlier than twelve (12) and no later than nine (9) full calendar months prior to commencement of the subject Extension Period. Tenant's Exercise Notice shall be unconditional and irrevocable (except as expressly provided herein).

2. Market Rates, Terms and Conditions; Disagreement. Within thirty (30) days after receiving Tenant's Exercise Notice, Landlord shall provide Tenant with notice ("Landlord's Notice") of the Market Rates, Terms and Conditions. The term "Market Rates, Terms and Conditions" herein shall mean Landlord's good faith determination of the Base Rent and other terms and conditions that a comparable, ready and willing landlord, and a comparable, ready and willing tenant, would mutually accept on a negotiated arm's length basis for a lease extension for the Premises for the subject Extension Period in the 44th Street submarket, taking into account when the Extension Period will commence and expire, the location, quality and age of the Building, the location, size, configuration and use of the Premises, the method of determining rentable area, that the Premises constitutes non-sublease, unencumbered, non-equity space, and any other relevant term or provision in making such determination; provided, that if the then-current Market Rates, Terms and Conditions include leasehold improvements or an allowance therefor or any other economic concessions or incentives, then Landlord shall, at its option, either provide such items or Landlord shall adjust the Base Rent to take into account any items which Landlord has elected not to provide. If the Market Rates, Terms and Conditions determined by Landlord are not acceptable to Tenant, then Tenant may, no later than fifteen (15) days after Landlord's Notice, either: (a) revoke its exercise of the Extension Option by notice ("Tenant Revocation Notice") to Landlord, in which case the Extension Option and Tenant's exercise thereof shall thereupon be null and void, or (b) leave Tenant's Exercise Notice irrevocably and unconditionally in effect and provide notice ("Arbitration Request Notice") of Tenant's desire to arbitrate in accordance with this Exhibit. If Tenant fails to provide a Tenant Revocation Notice or Arbitration Request Notice within the time required herein, then Tenant shall be deemed to have unconditionally and irrevocably exercised the Extension Option and accepted the Market Rates, Terms and Conditions in Landlord's Notice.

3. Arbitration. If Tenant provides an Arbitration Request Notice within the time required herein, each party shall within the next fifteen (15) days, at its own cost and expense, give notice ("Arbitration Appointment Notice") to the other party appointing a licensed commercial real estate broker with at least seven (7) years of full-time experience leasing comparable office space in comparable buildings in the same market area to determine the Base Rent component ("Base Rent Component") of the Market Rates, Terms and Conditions, including any fixed increases in such Base Rent Component, taking into account the other provisions of this Exhibit, and the other components of the Market Rates, Terms and Conditions contained in Landlord's Notice (such as whether such Market Rates, Terms and Conditions include leasehold improvements or other economic concessions, or a base year or stop level for Taxes or Expenses). If a party does not appoint such a broker within such fifteen (15) day period, and so fails for an additional fifteen (15) day period following further notice from the other party requesting such appointment, and giving notice of the name of its broker, the single broker appointed shall be the sole broker and shall reasonably and in good faith determine the Base Rent Component. If the two brokers are appointed by the parties as stated herein, they shall meet promptly and attempt to determine

the Base Rent Component. If they are unable to agree on the Base Rent Component within fifteen (15) days after the second broker has been appointed, they shall elect a third broker meeting the standards set forth above, and who has not previously acted in any capacity for either party, within fifteen (15) days thereafter. Each of the parties hereto shall bear one-half of the cost of appointing the third broker and of paying the third broker's fee. Within fifteen (15) days after the selection of the third broker, a majority of the brokers shall determine the Base Rent Component. If a majority of the brokers are unable to determine the Base Rent Component within such period, each broker shall thereupon submit his final determination in writing, the three determinations shall be added together and the total divided by three, and the resulting quotient shall be the Base Rent Component, subject to the following provisions. If the low or high determination are more than ten (10) percent lower and/or higher than the middle determination, the low determination and/or the high determination shall be disregarded. If only one determination is disregarded, the remaining two determinations shall be added together and their total divided by two, and the resulting quotient shall be the Base Rent Component. If both the low determination and the high determination are disregarded as provided herein, the middle determination shall be the Base Rent Component. If, for any reason, the Base Rent Component has not been resolved by the commencement of the Extension Period, Tenant shall commence paying Base Rent, Taxes, Expenses and other sums in accordance with Landlord's Notice on the commencement of the Extension Period, subject to retroactive and prospective adjustment after the matter is resolved. An arbitration decision made in accordance with this Exhibit shall be final and binding on the parties. Tenant and the brokers shall be required to keep all matters pertaining to the arbitration strictly confidential and shall be required to sign such confidentiality agreements as Landlord reasonably requires.

4. General Matters. If Tenant validly exercises the Extension Option, Tenant shall execute an amendment ("Extension Amendment") to confirm the extension of the Term, within fifteen (15) days after Landlord reasonably prepares and provides the same to Tenant. The Extension Option herein shall, at Landlord's election, be conditioned on the Lease being in full force and effect, and Tenant not then being in default beyond any applicable cure period under the Lease, at the time Tenant seeks to exercise the Extension Option, or at any time thereafter and prior to commencement of the Extension Period. If Tenant shall fail to properly and timely exercise the Extension Option, then the Extension Option shall thereupon terminate. STRICT COMPLIANCE AND TIMELINESS IN GIVING TENANT'S NOTICES AND SIGNING THE EXTENSION AMENDMENT HEREUNDER IS OF THE ESSENCE OF THIS PROVISION. The rights granted in this Exhibit are personal to Tenant as named in this Lease document. Under no circumstance whatsoever shall the assignee under a complete or partial assignment of the Lease document, or a subtenant under a sublease of the Premises, have any right to exercise the rights of Tenant under this Exhibit. If Tenant shall sublease or assign the Lease with respect to all or any portion of the Premises, then immediately upon such sublease or assignment Tenant's rights under this Exhibit shall concurrently terminate and become null and void.

EXHIBIT D

CMD 117C (1/02)
Vacant/Occupied
Expansion Spaces

RIGHT OF OFFER

1. Right of Offer. Landlord hereby grants Tenant a right of offer ("Right Of Offer") to lease all rentable space on the 4th (fourth) floor of the Property that is not currently included in the Premises (collectively referred to herein as the "Expansion Space"), all on and subject to the following provisions; provided, this Right of Offer and Landlord's obligation to provide a "Landlord Notice" shall be in effect commencing on the Extension Date.

2. Landlord's Notice of Expansion Terms. While this Right of Offer is in effect, Landlord shall notify Tenant in writing ("Landlord's Notice"): (i) as to any currently available portions of the Expansion Space, when Landlord enters or intends to enter negotiations with a third party to lease the Expansion Space (and Landlord's good faith determination of whether negotiations have been entered or are about to be entered shall be conclusive and binding upon the parties), or (ii) as to any currently unavailable portions of the Expansion Space, when such areas become available, or (iii), at Landlord's option, at any time prior thereto or thereafter, but in any event prior to leasing the Expansion Space to another party. Landlord's Notice shall set forth the terms ("Expansion Terms") on which Landlord proposes to lease the Expansion Space to Tenant, including, but not limited to, a date for the commencement of the lease thereof ("Expansion Space Commencement Date"), and the other items as further set forth below.

a. Expansion Space Commencement Date Within First 180 Days. If the Expansion Space Commencement Date will occur within the first 180 days after the Extension Date set forth in Section 1 of this Amendment, Landlord's Notice shall set forth "Expansion Terms" as follows: (i) an Expansion Space Commencement Date, (ii) an expiration date therefor, which shall be co-terminous with the Extended Term of this Lease (as the same may be extended pursuant to Exhibit C), (iii) rentable area, (iv) monthly Base Rent and scheduled increases therein (which shall be the same rates per square foot of rentable area as contained in Section 4 of this Amendment then in effect with respect to the Original Premises hereunder), (v) Tenant's Share of operating costs applicable to the Expansion Space (any so-called Expense Stop shall be the same as set forth in Section 5 of this Amendment), and (vi) that the space shall be provided in "as is" condition at the time possession is delivered, except that Landlord shall provide an allowance ("Expansion Allowance") towards Tenant's reasonable direct out-of-pocket costs of designing and performing permanent leasehold improvements to the Expansion Space of up to $12.00 times the number of square feet of usable area of the subject Expansion Space.

b. Expansion Space Commencement Date After 180 Days. If the Expansion Space Commencement Date will occur more than 180 days after the Extension Date set forth in Section 1 of this Amendment, then Landlord's Notice shall set forth "Expansion Terms" on which Landlord proposes to lease the Expansion Space to Tenant, including, but not limited to, an Expansion Space Commencement Date, and an expiration date therefor or whether the term therefor will be co-terminous with the Term of this Lease, rentable area, monthly base rent and any scheduled increases therein, Tenant's share of taxes, expenses and other such items (and any base year or stop level therefor), any tenant improvements or allowance therefor, and any other terms and conditions, as determined in Landlord's good faith discretion, taking into account any "Comparable Expansions" as described in Paragraph 4 below, and any comparable expansion terms generally being provided for comparable tenants of comparable financial condition for comparable non-sublease space in comparable buildings in the vicinity for time periods that are substantially the same as the period of time during which the Expansion Space will be leased to Tenant.

c. General Terms. Except as set forth in Landlord's Notice, the Expansion Terms shall be deemed to include the same terms then in effect on the Expansion Space Commencement Date, and thereafter scheduled to be in effect, under the Lease (with any matters in the Lease based on square footage adjusted proportionately to reflect the rentable area of the Expansion Space and Landlord's then-current Building standard ratios and policies).

3. Tenant's Notice and Financial Information; Confirmation or Disagreement Concerning Market Terms. Within five (5) days after Landlord's Notice, Tenant shall deliver to Landlord either: (a) a notice ("Tenant's Acceptance Notice") accepting Landlord's determination of the Expansion Terms set forth in Landlord's Notice, or (b) a notice ("Tenant's Expansion Terms Notice") of Tenant's good faith determination of the Expansion Terms and reasons therefor; provided that Tenant shall have the right to send a Tenant's Expansion Terms Notice only if the expansion is pursuant to 2.b above. Tenant's Acceptance Notice or Tenant's Expansion Terms Notice shall include financial information for Tenant's business comparable to the information provided in connection with entering into this Lease document. If Landlord determines in good faith that Tenant's financial condition is worse than the condition that Landlord accepted when the parties entered into this Lease document, Landlord may withdraw Landlord's Notice and the Right of Offer, or provide a new Landlord's Notice with reasonably modified Expansion Terms or reasonable additional security requirements taking into account Tenant's financial condition.

4. Letter of Intent and Expansion Documentation. If Tenant provides a timely Tenant's Expansion Terms Notice, the parties shall seek to agree on the Expansion Terms in the form of a non-binding letter of intent ("Letter of Intent") during the period ("Negotiation Period") ending ten (10) days after Landlord's Notice. In connection with such negotiations, Landlord shall at Tenant's request, provide copies of the pages containing the basic economic provisions from any comparable negotiated expansions at the Property (with the names and suite numbers of the other tenants covered over) that are reasonably relevant to the determination of Market Rates, Terms and Conditions as described in Paragraph 2.b above ("Comparable Expansions"), as reasonable determined by Landlord. If Tenant delivers a timely Tenant's Acceptance Notice, or if the parties enter into the Letter of Intent concerning the Expansion Terms during the Negotiation Period, then the parties shall seek to agree on and enter into a mutually acceptable formal written expansion amendment to the Lease ("Expansion Documentation") setting forth the final and definitive Expansion Terms and other mutually acceptable provisions for the Expansion Space during the period ("Documentation Period") ending ten (10) days after Landlord's Notice. Once Tenant provides either Tenant's Acceptance Notice or Tenant's Expansion Terms Notice exercising Tenant's Right of Offer, Landlord shall have no further obligation to provide a Landlord's Notice respecting the Expansion Space included in Landlord's Notice (provided, this Right of Offer shall continue to apply to any portions of the Expansion Space that were not included in Landlord's Notice as further provided below). If Tenant fails to validly exercise such Right Of Offer, or fails to sign and deliver the Expansion Documentation to Landlord, strictly in accordance with the terms hereof, such Right Of Offer shall be deemed to have lapsed and expired as to the Expansion Space that was included in Landlord's Notice, and Landlord may thereafter freely lease all or a portion of the Expansion Space that was included in Landlord's Notice to any other party, at any time, on any terms, in Landlord's sole discretion; provided, despite Tenant's waiver, this Right of Offer shall continue to apply to any portions of the Expansion Space that were not included in Landlord's Notice as further provided below; and further provided, despite Tenant's waiver, this Right of Offer shall: (a) continue to apply to any portions of the Expansion Space that were not included in Landlord's Notice as further provided below, and (b) apply again to the Expansion Space (or such portion thereof as may have been included in Landlord's Notice) if Landlord fails to enter into a lease document for the Expansion Space (or such portion thereof, as the case may be) within six (6) months after Tenant waives this Right of Offer as to such area. TIME PERIODS AND STRICT COMPLIANCE IN GIVING TENANT'S NOTICE, AND IN TENANT'S

SIGNING AND DELIVERING THE EXPANSION DOCUMENTATION, ARE OF THE ESSENCE OF THIS RIGHT OF OFFER.

5. Offering Portions of Expansion Space; Adjustments to Expansion Space; Prior Rights. This Right Of Offer shall apply only with respect to the entire Expansion Space, and may not be exercised with respect to only a portion thereof (unless only a portion of the Expansion Space shall be included in Landlord's Notice). If only a portion of the Expansion Space shall be included in Landlord's Notice, this Right of Offer shall apply to such portion, and shall thereafter apply to such other portions of the Expansion Space as they become the subject of Landlord's Notices, subject to good faith adjustments by Landlord in the size, configuration and location of such remaining portions. If the Expansion Space is part of a larger space that Landlord desires to lease as a unit, then Landlord's Notice shall, at Landlord's option, identify the entire such space and the Expansion Terms therefor, and in such case, this Right Of Offer shall apply only to such entire space. Landlord reserves the right at any time prior to sending, or as part of, Landlord's Notice, to substitute for the Expansion Space other space (herein referred to as the "new expansion space") in the Building or another building in the same complex or in the vicinity, provided the new expansion space shall be similar to the Expansion Space in size (up to 10% larger or smaller); at Landlord's option, the new expansion space may overlap with and include a portion of the then current Expansion Space. This Right Of Offer shall be subject to the then existing tenants or occupants of the Expansion Space renewing their existing leases whether pursuant to options to extend previously granted or otherwise, and such Right Of Offer, and any rights of Tenant to extend the Term of the Lease with respect to the Expansion Space, are subordinate to, and limited by, any rights of any other parties to lease the Expansion Space granted prior to full execution and delivery of this document.

6. Miscellaneous. This Right Of Offer is subject to the condition that the Lease be in full force and effect, and that Tenant not then be in default beyond any applicable cure period under the Lease on the date when Landlord provides or would otherwise provide Landlord's Notice, or at any time thereafter and prior to the Expansion Space Commencement Date. The rights granted in this Exhibit are personal to Tenant as named in this Lease document. Under no circumstance whatsoever shall the assignee under a complete or partial assignment of the Lease document, or a subtenant under a sublease of the Premises, have any right to exercise the rights of Tenant under this Exhibit. If Tenant shall sublease or assign the Lease with respect to all or any portion of the Premises, then immediately upon such sublease or assignment Tenant's rights under this Exhibit shall concurrently terminate and become null and void. If Tenant shall exercise the Right Of Offer herein, Landlord does not guarantee to deliver possession of the Expansion Space on the Expansion Space Commencement Date due to continued possession by the then existing occupants or any other reason beyond Landlord's reasonable control. In such event, rent and other charges with respect to the Expansion Space shall be abated until Landlord delivers the same to Tenant (except to the extent that Tenant or its affiliates, agents, employees or contractors cause the delay), as Tenant's sole recourse. Tenant's exercise of this Right of Offer is intended to supersede any rights of Tenant under the Lease to reduce or relocate the Premises, or terminate the Lease early, and all such provisions shall thereupon be automatically deleted. Tenant's failure to exercise this Right of Offer in accordance with the terms of this Exhibit is intended to supersede any other rights of Tenant under other provisions of the Lease to expand or relocate the Premises, and all such other provisions shall thereupon be automatically deleted.

RIGHT OF OFFER

1. Right of Offer. Landlord hereby grants Tenant a right of offer ("Right Of Offer") to lease the space shown on Exhibit A, currently known as Suite 1100 and Suite 1150 (the "Expansion Space"), which shall be deemed to contain 3,227 square feet of rentable area and 8,232 square feet of rentable area, respectively, for current purposes hereof, all on and subject to the following provisions; provided, this Right of Offer and Landlord's obligation to provide a "Landlord Notice" shall be in effect commencing on the Extension Date.

2. Landlord's Notice of Expansion Terms. While this Right of Offer is in effect, Landlord shall notify Tenant in writing ("Landlord's Notice"): (i) within thirty (30) days after the Expansion Space becomes legally available to lease, or (ii) at such earlier time as Landlord shall be in a position to project when the Expansion Space will be legally available to lease, advising Tenant of such projected date, or (iii) at any time thereafter but prior to leasing the Expansion Space to another party. Landlord's Notice shall set forth the terms ("Expansion Terms") on which Landlord proposes to lease the Expansion Space to Tenant, including, but not limited to, a date for the commencement of the lease thereof ("Expansion Space Commencement Date"), an expiration date therefor or whether the term therefor will be coterminous with the Term of this Lease, rentable area, monthly base rent and any scheduled increases therein, Tenant's share of taxes, expenses and other such items (and any base year or stop level therefor), any tenant improvements or allowance therefor, and any other terms and conditions, as determined in Landlord's good faith discretion, taking into account any "Comparable Expansions" as described in Paragraph 4 below, and any comparable expansion terms generally being provided for comparable tenants of comparable financial condition for comparable non-sublease space in comparable buildings in the vicinity for time periods that are substantially the same as the period of time during which the Expansion Space will be leased to Tenant. Except as set forth in Landlord's Notice, the Expansion Terms shall be deemed to include the same terms then in effect on the Expansion Space Commencement Date, and thereafter scheduled to be in effect, under the Lease (with any matters in the Lease based on square footage adjusted proportionately to reflect the rentable area of the Expansion Space and Landlord's then current Building-standard ratios and policies).

3. Tenant's Notice and Financial Information; Confirmation or Disagreement Concerning Market Terms. Within five (5) days after Landlord's Notice, Tenant shall deliver to Landlord either: (a) a notice ("Tenant's Acceptance Notice") accepting Landlord's determination of the Expansion Terms set forth in Landlord's Notice, or (b) a notice ("Tenant's Expansion Terms Notice") of Tenant's good faith determination of the Expansion Terms and reasons therefor. Tenant's Acceptance Notice or Tenant's Expansion Terms Notice shall include financial information for Tenant's business comparable to the information provided in connection with entering into this Lease document. If Landlord determines in good faith that Tenant's financial condition is worse than the condition that Landlord accepted when the parties entered into this Lease document, Landlord may withdraw Landlord's Notice and the Right of Offer, or provide a new Landlord's Notice with reasonably modified Expansion Terms or reasonable additional security requirements taking into account Tenant's financial condition.

4. Letter of Intent and Expansion Documentation. If Tenant provides a timely Tenant's Expansion Terms Notice, the parties shall seek to agree on the Expansion Terms in the form of a non-binding letter of intent ("Letter of Intent") during the period ("Negotiation Period") ending ten (10) days after Landlord's Notice. In connection with such negotiations, Landlord shall at Tenant's request, provide copies of the pages containing the basic economic provisions from any comparable negotiated expansions at the Property (with the names and suite numbers of the other tenants covered over) that are reasonably relevant to the determination of Market Rates, Terms and Conditions as described in

Paragraph 2 above ("Comparable Expansions"), as reasonable determined by Landlord. If Tenant delivers a timely Tenant's Acceptance Notice, or if the parties enter into the Letter of Intent concerning the Expansion Terms during the Negotiation Period, then the parties shall seek to agree on and enter into a mutually acceptable formal written expansion amendment to the Lease ("Expansion Documentation") setting forth the final and definitive Expansion Terms and other mutually acceptable provisions for the Expansion Space during the period ("Documentation Period") ending ten (10) days after Landlord's Notice. Once Tenant provides either Tenant's Acceptance Notice or Tenant's Expansion Terms Notice exercising Tenant's Right of Offer, Landlord shall have no further obligation to provide a Landlord's Notice respecting the Expansion Space included in Landlord's Notice (provided, this Right of Offer shall continue to apply to any portions of the Expansion Space that were not included in Landlord's Notice as further provided below). If Tenant fails to validly exercise such Right Of Offer, or fails to sign and deliver the Expansion Documentation to Landlord, strictly in accordance with the terms hereof, such Right Of Offer shall be deemed to have lapsed and expired as to the Expansion Space that was included in Landlord's Notice, and Landlord may thereafter freely lease all or a portion of the Expansion Space that was included in Landlord's Notice to any other party, at any time, on any terms, in Landlord's sole discretion; provided, despite Tenant's waiver, this Right of Offer shall continue to apply to any portions of the Expansion Space that were not included in Landlord's Notice as further provided below; and further provided, despite Tenant's waiver, this Right of Offer shall: (a) continue to apply to any portions of the Expansion Space that were not included in Landlord's Notice as further provided below, and (b) apply again to the Expansion Space (or such portion thereof as may have been included in Landlord's Notice) if Landlord fails to enter into a lease document for the Expansion Space (or such portion thereof, as the case may be) within six (6) months after Tenant waives this Right of Offer as to such area. TIME PERIODS AND STRICT COMPLIANCE IN GIVING TENANT'S NOTICE, AND IN TENANT'S SIGNING AND DELIVERING THE EXPANSION DOCUMENTATION, ARE OF THE ESSENCE OF THIS RIGHT OF OFFER.

5. Offering Portions of Expansion Space; Adjustments to Expansion Space; Prior Rights. This Right Of Offer shall apply only with respect to the entire Expansion Space, and may not be exercised with respect to only a portion thereof (unless only a portion of the Expansion Space shall be included in Landlord's Notice). If only a portion of the Expansion Space shall be included in Landlord's Notice, this Right of Offer shall apply to such portion, and shall thereafter apply to such other portions of the Expansion Space as they become the subject of Landlord's Notices, subject to good faith adjustments by Landlord in the size, configuration and location of such remaining portions. If the Expansion Space is part of a larger space that Landlord desires to lease as a unit, then Landlord's Notice shall, at Landlord's option, identify the entire such space and the Expansion Terms therefor, and in such case, this Right Of Offer shall apply only to such entire space. Landlord reserves the right at any time prior to sending, or as part of, Landlord's Notice, to substitute for the Expansion Space other space (herein referred to as the "new expansion space") in the Building or another building in the same complex or in the vicinity, provided the new expansion space shall be similar to the Expansion Space in size (up to 10% larger or smaller); at Landlord's option, the new expansion space may overlap with and include a portion of the then current Expansion Space. This Right Of Offer shall be subject to the then existing tenants or occupants of the Expansion Space renewing their existing leases whether pursuant to options to extend previously granted or otherwise, and such Right Of Offer, and any rights of Tenant to extend the Term of the Lease with respect to the Expansion Space, are subordinate to, and limited by, any rights of any other parties to lease the Expansion Space granted prior to full execution and delivery of this document.

6. Miscellaneous. This Right Of Offer is subject to the condition that the Lease be in full force and effect, and that Tenant not then be in default beyond any applicable cure period under the Lease on the date when Landlord provides or would otherwise provide Landlord's Notice, or at any time thereafter and prior to the Expansion Space Commencement Date. The rights granted in this Exhibit are personal to Tenant as named in this Lease document. Under no circumstance whatsoever shall the

assignee under a complete or partial assignment of the Lease document, or a subtenant under a sublease of the Premises, have any right to exercise the rights of Tenant under this Exhibit. If Tenant shall sublease or assign the Lease with respect to all or any portion of the Premises, then immediately upon such sublease or assignment Tenant's rights under this Exhibit shall concurrently terminate and become null and void. If Tenant shall exercise the Right Of Offer herein, Landlord does not guarantee to deliver possession of the Expansion Space on the Expansion Space Commencement Date due to continued possession by the then existing occupants or any other reason beyond Landlord's reasonable control. In such event, rent and other charges with respect to the Expansion Space shall be abated until Landlord delivers the same to Tenant (except to the extent that Tenant or its affiliates, agents, employees or contractors cause the delay), as Tenant's sole recourse. Tenant's exercise of this Right of Offer is intended to supersede any rights of Tenant under the Lease to reduce or relocate the Premises, or terminate the Lease early, and all such provisions shall thereupon be automatically deleted. Tenant's failure to exercise this Right of Offer in accordance with the terms of this Exhibit is intended to supersede any other rights of Tenant under other provisions of the Lease to expand or relocate the Premises, and all such other provisions shall thereupon be automatically deleted.

EXHIBIT F

PARKING

CMD 111D - 1 (3/01)
Different Parking Areas
For Amendment

1. Amendment; Deletion of Prior Parking. This Exhibit is attached to an amendment to an existing lease, and the term "Lease" herein shall refer to such amendment, or the existing lease as amended, and terms such as "Commencement Date" shall refer to analogous terms in such amendment, as the context reasonably implies. This Exhibit supersedes any parking rights previously granted under the Lease or any other parking agreements between the parties, all of which are hereby deleted and/or superseded.

2. Spaces. Tenant hereby agrees to license from Landlord and Landlord agrees to license to Tenant, for the Extended Term, the use by Tenant and its employees occupying the Premises designated by Tenant:

Area A Covered Unreserved Spaces: sixty-two (62) parking spaces on the Extension Date and an additional twelve (12) parking spaces on the Additional Premises Commencement Date, for a total of seventy-four (74) parking spaces, in the area of the Parking Facility known or described as the Garage ("Area A") on a non-exclusive, unassigned basis, subject to the other provisions hereof.

Area B Uncovered Unreserved Spaces: twenty-eight (28) parking spaces on the Extension Date and an additional five (5) parking spaces on the Additional Premises Commencement Date, for a total of thirty-three (33) parking spaces, in the area of the Parking Facility known or described as the Garage Rooftop or Uncovered Surface ("Area B") on a non-exclusive, unassigned basis, subject to the other provisions hereof.

Covered Reserved Spaces: sixteen (16) parking spaces on the Extension Date and an additional three (3) parking spaces on the Additional Premises Commencement Date, for a total of nineteen (19) reserved parking spaces in the Garage area of the Parking Facility ("Reserved Spaces"), subject to the other provisions hereof. Such Reserved Spaces shall be assigned parking spaces identified with Tenant's name in accordance with Landlord's standard procedures, provided Landlord shall have no the obligation to tow vehicles that are improperly parked in such assigned spaces (but Landlord reserves the right to do so after receiving notice thereof from Tenant or otherwise).

3. Charges. Tenant shall pay Landlord the monthly charges established from time to time by Landlord for such spaces, in advance, on the first day of each calendar month of the License Term, plus any sales or other tax thereon, concurrently with Tenant's payment of monthly Base Rent (but, at Landlord's option, by separate check payable to Landlord's agent or parking facility operator). No deductions from the monthly charge shall be made for days on which the Parking Facility is not used by Tenant. Failure to pay in advance by the first day of each month will automatically cancel parking privileges and a charge at the prevailing daily parking rate will be due. The initial charges for such spaces are as follows:

Area A Spaces: $30.00 per space per month, or a total monthly charge of $1,860.00 on the Extension Date and $2,220.00 on the Additional Premises Commencement Date for all such Area A Spaces, plus any sales or other tax thereon, provided, however, that such charges shall be abated for the first 18 months of the Extended Term.

Area B Spaces: $--0— during the Extended Term.

Reserved Spaces: $--0-- during the Extended Term.

4. Other Provisions. The term ("License Term") of this license shall commence on the Commencement Date, and shall continue until the earlier to occur of the expiration or earlier termination of the Lease, or at Landlord's option without prior notice after Tenant's abandonment of the Premises or parking spaces hereunder. Landlord reserves the right to relocate any of the above spaces from any Area to another Area of the Parking Facility from time to time upon ten (10) days notice to Tenant. Tenant may, from time to time, request additional parking spaces, and if Landlord shall provide the same, such spaces shall be provided and used on a month-to-month basis, and otherwise on the other terms and provisions herein, and for such monthly parking charges as Landlord shall establish from time to time. All spaces hereunder shall be used solely for the purpose of parking non-commercial passenger vehicles. As a condition to the use of such spaces, Landlord may require that Tenant and/or each individual using such spaces sign and comply with such further documentation as any parking facility management company for the Parking Facility may require. Tenant may transfer the parking rights hereunder pro rata to the subtenant or assignee in connection with a sublease or assignment of this Lease. However, Tenant shall not otherwise assign, mortgage, pledge, hypothecate, encumber or permit any lien to attach to, or otherwise transfer, the rights under this Exhibit, by operation of law or otherwise, nor sublicense the parking spaces hereunder, nor permit the use thereof by any parties other than Tenant and its employees (and any attempt to engage in such a transfer of the parking rights hereunder shall, at Landlord's written election, be null and void *ab initio*). Notwithstanding the foregoing to the contrary, any Reserved Spaces hereunder are personal to the initial Tenant named in this Lease, and if the number of parking spaces hereunder exceeds the number derived by applying Tenant's Share (as defined in the Lease) to the number of unassigned spaces designated to serve the Building ("Above Standard Ratio"), Tenant's rights to such Above Standard Ratio are personal to the initial Tenant named in this Lease, and Landlord reserves the right in connection with any sublease, assignment or other transfer of or under the Lease, or at anytime thereafter, to convert any Reserved Spaces to General Spaces and/or to reduce the number of spaces hereunder to eliminate the Above Standard Ratio. The parking spaces hereunder shall be subject to the Rules set forth below, except to the extent expressly inconsistent herewith.

PARKING RULES

(i) Cars must be parked entirely within the stall lines, and only small or other qualifying cars may be parked in areas reserved for such cars; all directional signs, arrows and speed limits must be observed; spaces reserved for disabled persons must be used only by vehicles properly designated; washing, waxing, cleaning or servicing of any vehicle is prohibited; every parker is required to park and lock his own car, except to the extent that Landlord adopts a valet parking system; in areas requiring an attendant or security personnel, hours shall be reasonably established by Landlord or its parking operator from time to time; parking is prohibited in areas: (a) not striped or designated for parking, (b) aisles, (c) where "no parking" signs are posted, (d) on ramps, and (e) loading areas and other specially designated areas. Delivery trucks and vehicles shall use only those areas designated therefor.

(ii) Parking stickers, key cards or any other devices or forms of identification or entry shall remain the property of Landlord. Such devices must be displayed as requested and may not be mutilated in any manner. Devices are not transferable and any device in the possession of an unauthorized holder will be void. Loss or theft of such devices must be reported to Landlord or any garage manager immediately. Any parking devices reported lost or stolen which are found on any unauthorized car will be confiscated and the illegal holder will be subject to prosecution. Lost or stolen devices found by Tenant or its employees must be reported to Landlord or the office of the garage immediately.

(iii) Except as may be specifically granted in this Exhibit, parking for Tenant and its employees and visitors shall be in areas designated by Landlord from time to time on a non-exclusive "first come, first served," unassigned basis, in common with Landlord and other tenants at the Property, and their employees and visitors, and other Persons to whom Landlord shall grant the right or who shall

otherwise have the right to use the same. Landlord reserves the right to: (x) adopt additional requirements or procedures pertaining to parking, including systems with charges favoring carpooling, and validation systems, (y) assign specific spaces, and reserve spaces for small and other size cars, disabled persons, and other tenants, customers of tenants or other parties, and (z) restrict or prohibit full size vans and other large vehicles.

(iv) In case of any violation of these rules, Landlord may also refuse to permit the violator to park, and may remove the vehicle owned or driven by the violator from the Property without liability whatsoever, at such violator's risk and expense. Landlord reserves the right to close all or a portion of the Parking Facility in order to make repairs or perform maintenance services, or to alter, modify, re-stripe or renovate the same, or if required by casualty, strike, condemnation, act of God, Law or governmental requirement or guideline, termination or modification of any lease or other agreement by which Landlord obtained parking rights, or any other reason beyond Landlord's reasonable control. In the event access is denied for any reason, any monthly parking charges shall be abated to the extent access is denied, as Tenant's sole recourse. Tenant shall be responsible for ensuring compliance with these Rules, as they may be amended, by Tenant's employees and as applicable, by Tenant's agents, invitees, contractors, subcontractors, and suppliers. Tenant shall cooperate with any reasonable program or requests by Landlord to monitor and enforce the Rules, including providing vehicle numbers and taking appropriate action against such of the foregoing parties who violate these provisions.

ORIGINAL

LEASE AMENDMENT SIX **CMD 177A (8/98)**

(Expansion/Co-Terminous)

THIS LEASE AMENDMENT SIX ("Amendment") is made and entered into as of the 1st day of April, 2003 by and between **CMD Realty Investment Fund IV, L.P.** an Illinois limited partnership ("Landlord") and **Mesa Air Group, Inc.,** a Nevada corporation ("Tenant").

A. Landlord and Tenant are the current parties to that certain lease ("Original Lease") dated October 16, 1998, for premises (the "Premises") in the building (the "Building") known as Three Gateway, located at 410 N. 44th Street, Phoenix, Arizona (the "Property"), which lease has heretofore been amended by documents described and dated as follows: First Amendment to Lease dated March 9, 1999, Second Amendment to Lease dated November 8, 1999, Letter Agreement dated May 10, 2000, Lease Amendment Three dated November 7, 2000, Lease Amendment Four dated May 15, 2001, Lease Term Adjustment Confirmation dated January 3, 2001, Letter from Mesa Air dated May 30, 2001, Parking Letter dated March 21, 2002 and Lease Amendment Five dated October 11, 2002 (collectively, and as amended herein, the "Lease").

B. The parties mutually desire to amend the Lease on the terms hereof.

NOW THEREFORE, in consideration of the mutual agreements herein contained, the parties hereby agree as follows.

1. Additional Premises. The space currently known as a portion of Suite 1100 ("Additional Premises"), the approximate location of which is shown on Exhibit A hereto on the eleventh (11th) floor of the Building, and which shall be deemed to contain 713 square feet of rentable area for purposes hereof, shall be added to and become a part of the Premises commencing on May 1, 2003 ("Additional Premises Commencement Date") and continuing co-terminously with the expiration date under the Lease ("Lease Expiration Date"), as the same may be extended from time to time, subject to the terms herein. The Additional Premises Commencement Date shall be subject to adjustment and confirmation to the extent further described below. As of the Additional Premises Commencement Date the Additional Premises shall be known as Suite 1110.

2. Base Rent For Additional Premises. Tenant shall pay monthly base rent for the Additional Premises as provided below and otherwise as provided in the Lease:

Period	Additional Premises Monthly Base Rent
Additional Premises Commencement Date – August 31, 2004	$1,069.50
September 1, 2004 – August 31, 2005	$1,188.33
September 1, 2005 – August 31, 2007	$1,426.00
September 1, 2007 – August 31, 2009	$1,485.42
September 1, 2009 – Lease Expiration Date	$1,544.83

3. Expenses and Taxes. Commencing on the Additional Premises Commencement Date: (a) Tenant shall pay Tenant's Share for the Additional Premises of

increases in Property expenses, real estate taxes and other such amounts, over the amount for the year 2003, and as otherwise provided in the Lease, and (b) "Tenant's Share" for the Additional Premises shall be 33/100 percent (0.33%), for purposes hereof.

4. Prorations; Consolidated or Separate Billings. If the Additional Premises Commencement Date does not occur at the beginning of an applicable payment period under the Lease, Landlord shall reasonably pro rate Tenant's payment obligations on a per diem basis. The base rent, Property expenses, real estate taxes, and all other rentals and charges respecting the Additional Premises are sometimes herein called "Additional Premises Rent". Landlord may compute and bill Additional Premises Rent (or components thereof) separately or treat the Additional Premises and Premises as one unit for computation and billing purposes.

5. Other Terms. Commencing on the Additional Premises Commencement Date, the Additional Premises shall be added to, and become part of, the Premises under the Lease, and all applicable provisions then or thereafter in effect under the Lease shall also apply to the Additional Premises, except as provided to the contrary herein. Without limiting the generality of the preceding sentence, Sections 9, 10 and 11 of Lease Amendment Four and Sections 15 and 16 of Lease Amendment Three are incorporated herein by reference.

6. Condition of Additional Premises. Tenant has inspected the Additional Premises (and portions of the Building, Property, systems and equipment providing access to or serving the Additional Premises) or has had an opportunity to do so, and agrees to accept the same "AS IS" without any agreements, representations, understandings or obligations on the part of Landlord to perform or pay for any alterations, repairs or improvements.

7. Additional Premises Commencement Date Adjustments.

a. Early Additional Premises Commencement Date. During any period that Tenant shall be permitted to enter the Additional Premises prior to the Additional Premises Commencement Date other than to occupy the same for business purposes (e.g. to install equipment or furniture, or to make alterations or improvements), Tenant shall comply with all provisions of the Lease, except for the payment of Additional Premises Rent. Landlord shall permit Tenant to have early access, so long as the Additional Premises is legally available, Landlord has completed any work required of Landlord under this Amendment (or can reasonably accommodate the scheduling of minor work that Tenant desires to perform, such as cabling, without delaying any such Landlord work), and Tenant is in compliance with the other provisions of the Lease. The Additional Premises Commencement Date, Additional Premises Rent and Tenant's other obligations respecting the Additional Premises shall be advanced to such earlier date as Tenant commences occupying the Additional Premises for business purposes. If such event occurs with respect to a portion of the Additional Premises, the Additional Premises Commencement Date and Additional Premises Rent shall be so advanced with respect to such portion (and fairly prorated based on the rentable square footage involved).

b. Additional Premises Commencement Date Delays. Subject to the other provisions of this Amendment, the Additional Premises Commencement Date, Additional Premises Rent and Tenant's other obligations respecting the Additional Premises shall be postponed to the extent Tenant is unable to reasonably occupy the Additional Premises because Landlord fails to deliver possession of the Additional Premises for any reason, including holding over by prior occupants, except to the extent that Tenant, its space planners, architects, contractors, agents or employees cause such failure. If such failure occurs with respect to a portion of the Additional Premises, the Additional Premises Commencement Date, Additional Premises Rent and Tenant's other obligations shall be so postponed with respect to

such portion (and fairly prorated based on the rentable square footage involved). Any such delay in the Additional Premises Commencement Date shall not subject Landlord to liability for loss or damage resulting therefrom, and Tenant's sole recourse with respect thereto shall be the postponement of Additional Premises Rent and other obligations described herein.

c. Adjustments and Confirmation. If the Additional Premises Commencement Date is advanced or postponed as described above, the Lease Expiration Date shall not be changed. Landlord and Tenant shall execute a confirmation of the Additional Premises Commencement Date as adjusted herein in such form as Landlord may reasonably request; any failure to respond within thirty (30) days after Landlord provides such written confirmation shall be deemed an acceptance of the date set forth in Landlord's confirmation. If Tenant disagrees with Landlord's adjustment of such date, Tenant shall pay Additional Premises Rent and perform all other obligations commencing and ending on the dates determined by Landlord, subject to refund or credit when the matter is resolved.

8. Real Estate Brokers. Tenant hereby represents to Landlord that Tenant has not dealt with any broker, salesperson, agent or finder in connection with this Amendment, except Cushman & Wakefield of Arizona, Inc., and agrees to defend, indemnify and hold Landlord, and its employees, agents and affiliates harmless from all liabilities and expenses (including reasonable attorneys' fees and court costs) arising from any claims or demands of any other broker, salesperson, agent or finder with whom Tenant has dealt for any commission or fee alleged to be due in connection with this Amendment.

9. Offer. The submission and negotiation of this Amendment shall not be deemed an offer to enter into the same by Landlord. This Amendment shall not be binding on Landlord unless and until fully signed and delivered by both parties. Tenant's execution of this Amendment constitutes a firm offer to enter into the same which may not be withdrawn for a period of thirty (30) days after delivery to Landlord. During such period, Landlord may proceed in reliance thereon, but such acts shall not be deemed an acceptance.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

LANDLORD: **CMD REALTY INVESTMENT FUND IV, L.P.** [SEAL]
an Illinois limited partnership

By: CMD/Fund IV GP Investments, L.P.,
an Illinois limited partnership, its general partner

By: CMD REIM IV, Inc., an Illinois corporation, its general partner

By: /s/ Lee Moreland
Lee Moreland, Vice President

TENANT: **Mesa Air Group, Inc.,** [SEAL]
a Nevada corporation

By: /s/ Michael J. Lotz
Michael J. Lotz, President & COO

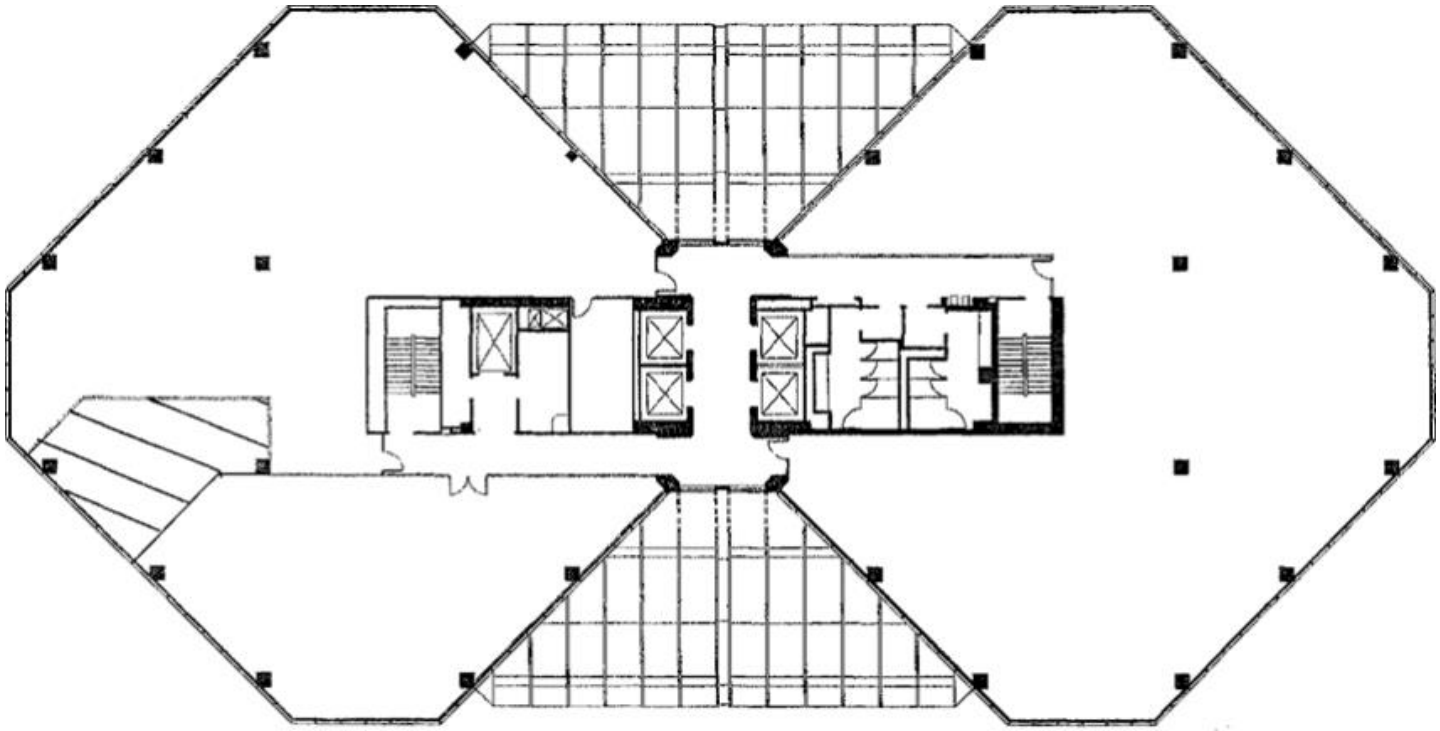
CERTIFICATE

I, _____, as _____ of the aforesaid Tenant, hereby certify that the individual(s) executing the foregoing Lease on behalf of Tenant was/were duly authorized to act in his/their capacities as set forth above, and his/their action(s) are the action of Tenant.

(Corporate Seal) _____

EXHIBIT A

Floor Plate Showing Additional Premises



11TH FLOOR

AMENDED AND RESTATED
LEASE AMENDMENT SEVEN

CMD 177A (8/98)

(Expansion/Co-Terminous)

THIS AMENDED AND RESTATED LEASE AMENDMENT SEVEN ("Amendment") is made and entered into as of the 15th day of April, 2005, by and between **CMD Realty Investment Fund IV, L.P.** an Illinois limited partnership ("Landlord") and Mesa Air Group, Inc., a Nevada corporation ("Tenant").

A. Landlord and Tenant are the current parties to that certain lease ("Original Lease") dated October 16, 1998, for premises (the "Premises") in the building (the "Building") known as Three Gateway, located at 410 N. 44th Street, Phoenix, Arizona (the "Property"), which lease has heretofore been amended by First Amendment to Lease dated March 9, 1999, Second Amendment to Lease dated November 8, 1999, Letter Agreement dated May 10, 2000, Lease Amendment Three dated November 7, 2000, Lease Amendment Four dated May 15, 2001, Lease Term Adjustment Confirmation dated January 3, 2001, Letter from Mesa Air dated May 30, 2001, Parking Letter dated March 21, 2002, Lease Amendment Five dated October 11, 2002, Lease Amendment Six dated April 1, 2003 and Lease Term Confirmation Letter dated June 24, 2003 (collectively, and as amended herein, the "Lease").

B. The parties mutually desire to change certain terms of Lease Amendment Seven which was previously signed by the parties and agree that this can most easily be accomplished by superseding and replacing in its entirety the previously signed document with this Amended and Restated Lease Amendment Seven, which also amends the Lease.

NOW THEREFORE, in consideration of the mutual agreements herein contained, the parties hereby agree as follows.

1. Additional Premises. The space currently known as Suite 100 plus a portion of the common area corridor (collectively, "Additional Premises"), the approximate location of which is shown on Exhibit A hereto on the first (1st) floor of the Building, and which shall be deemed to contain 6,604 square feet of rentable area for purposes hereof, shall be added to and become a part of the Premises commencing on the date ("Additional Premises Commencement Date") that is the earlier of: (i) Tenant's occupancy of the Additional Premises for business purposes as further described in Paragraph 8 below, or (ii) July 1, 2005 ("Outside Date"), and continuing co-terminously with the expiration date under the Lease ("Lease Expiration Date"), as the same may be extended from time to time, subject to the terms herein. The Additional Premises Commencement Date shall be subject to adjustment and confirmation to the extent further described in Paragraph 8 below.

2. Base Rent for Additional Premises. Tenant shall pay monthly base rent for the Additional Premises as provided below and otherwise as provided in the Lease:

Period	Additional Premises Monthly Base Rent
Additional Premises Commencement Date – August 31, 2007	$12,107.33
September 1, 2007 – August 31, 2010	$13,208.00
September 1, 2010 – Lease Expiration Date	$13,768.33

Notwithstanding anything to the contrary herein, as a concession to enter this Amendment and provided Tenant has not committed an Event of Default, Tenant's obligations

for Base Rent shall be abated for five (5) months commencing on the Additional Premises Commencement Date (except if the Additional Premises Commencement Date does not occur on the first day of a calendar month, the abatement period shall be 150 days), subject to the following conditions. If Tenant shall commit an Event of Default under the Lease, Tenant shall: (i) immediately commence paying the full amount otherwise required under the Lease without regard to such period, if the foregoing period is still in effect, and (ii) immediately pay Landlord the unamortized portion of the amount theretofore abated.

3. Expenses and Taxes. Commencing on the Additional Premises Commencement Date: (a) Tenant shall pay Tenant's Share for the Additional Premises of increases in Property expenses, real estate taxes and other such amounts, over the amount for the year 2006, and as otherwise provided in the Lease, and (b) "Tenant's Share" for the Additional Premises shall be three and 4/100 percent (3.04%), for purposes hereof. Property expenses for the Premises (including the Additional Premises) for any year (including the base year) during which the average occupancy of the Property is less than 95% have been and shall continue to be calculated based upon the costs that would have been incurred if the Property were 95% occupied.

4. Prorations; Consolidated or Separate Billings. If the Additional Premises Commencement Date does not occur at the beginning of an applicable payment period under the Lease, Landlord shall reasonably pro rate Tenant's payment obligations on a per diem basis. The base rent, Property expenses, real estate taxes, and all other rentals and charges respecting the Additional Premises are sometimes herein called "Additional Premises Rent". Landlord may compute and bill Additional Premises Rent (or components thereof) separately or treat the Additional Premises and Premises as one unit for computation and billing purposes.

5. Parking. Commencing on execution and delivery of this Amendment by both parties, and continuing through the Expiration Date, Tenant shall license from Landlord the following additional parking spaces (which shall be in addition to the parking spaces under Exhibit F to Lease Amendment Five):

Area A Covered Unreserved Spaces: fourteen (14) parking spaces. The initial charges for such spaces shall be $30.00 per space per month, or a total monthly charge of $420.00 for all such Area A Spaces, plus any sales or other tax thereon.

Area B Uncovered Unreserved (Rooftop) Spaces: five (5) parking spaces, at no charge during the Extended Term.

Covered Reserved Spaces: five (5) parking spaces, at no charge during the Extended Term.

The remaining terms of Exhibit F to Lease Amendment Five, as amended herein, shall continue to apply to the above-described spaces.

6. Other Terms; Extension Option; Certain Provisions Deleted. Commencing on the Additional Premises Commencement Date, the Additional Premises shall be added to, and become part of, the Premises under the Lease, and all applicable provisions then or thereafter in effect under the Lease (including the Extension Option set forth in Exhibit C to Lease Amendment Five, which shall apply to the entire Premises, including the Additional Premises) shall also apply to the Additional Premises, except as provided to the contrary herein. Notwithstanding the foregoing, this Amendment is intended to supersede any rights of Tenant to expand or lease additional space and all such provisions are hereby deleted.

7. Condition of Additional Premises; Tenant Work, Landlord Allowance, Suite Sign; Aesthetics From Common Areas. Tenant has inspected the Additional Premises (and portions of the Building, Property, systems and equipment providing access to or serving the Additional Premises) or has had an opportunity to do so, and agrees to accept the same "AS IS" without any agreements, representations, understandings or obligations on the part of Landlord to perform or pay for any alterations, repairs or improvements, except that Landlord shall provide an "Allowance" towards the "Cost of the Work" that Tenant performs all as set forth in Exhibit B hereto. Tenant may also use the Allowance for reasonable out-of-pocket costs of designing and installing one (1) sign identifying Tenant's name and logo on the glass separation between the Additional Premises and the ground floor lobby of the Building, subject to Landlord's prior written approval of the size, colors, and all other details; Landlord may withhold such approval in Landlord's sole good faith opinion. Because the Additional Premises is located on the ground floor and is visible from the main Building lobby: (a) Landlord reserves the right to approve in writing, in Landlord's sole good faith opinion, all internal lighting, signs, and other matters, in the Additional Premises that may be visible from the public, common or exterior areas of the Property, (b) Tenant shall at all times keep the appearance of the portion of the Additional Premises that is visible from public, common and exterior areas of the Property in a neat, professional, attractive, and first class condition, and (c) Landlord reserves the right, at Landlord's sole cost, to replace the glass separation, including replacement with frosted glass, apply a covering or coating over the glass and/or install blinds over the glass and require that Tenant keep such blinds closed.

8. Early Access and Additional Premises Commencement Date Adjustment. Landlord shall permit Tenant to enter the Additional Premises upon mutual execution and delivery of this Amendment. During any such early entry (e.g. to perform Work in the Additional Premises under Exhibit B hereto), Tenant shall comply with all terms and provisions of the Lease; however, the Additional Premises Commencement Date shall only be advanced to the extent that Tenant actually commences to occupy the Additional Premises for business purposes early (with the Additional Premises Rent fairly prorated based on the rentable area of the Additional Premises so occupied). If the Additional Premises Commencement Date is advanced as provided herein, the Lease Expiration Date shall not be changed. Landlord and Tenant shall execute a confirmation of the Additional Premises Commencement Date as adjusted herein in such form as Landlord may reasonably request; any failure to respond within thirty (30) days after Landlord provides such written confirmation shall be deemed an acceptance of the date set forth in Landlord's confirmation. If Tenant disagrees with Landlord's adjustment of such date, Tenant shall pay Additional Premises Rent and perform all other obligations commencing and ending on the dates determined by Landlord, subject to refund or credit when the matter is resolved.

9. Real Estate Brokers; Offer; Miscellaneous. Sections 8 and 9 of Lease Amendment Six are incorporated herein as though fully set forth. Otherwise, this Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the above date.

LANDLORD: **CMD REALTY INVESTMENT FUND IV, L.P.** [SEAL]
By: CMD/Fund IV GP Investments, L.P., general partner
By: CMD REIM IV, Inc., general partner
By: CMD Realty Investors, Agent

By: /s/ Allen D. Aldridge
Allen D. Aldridge, Vice President

TENANT: **Mesa Air Group, Inc.,** [SEAL]
a Nevada corporation
By: /s/ Michael J. Lotz
Mike Lotz, President & COO

EXHIBIT A

Floor Plate Showing Additional Premises

EXHIBIT B

WORK LETTER

CMD 108G (12/00)
Moderate Work
Tenant Performance

This Exhibit is a "Work Letter" to the foregoing document (referred to herein for convenience as the "Lease Document"). All references to "Premises" hereunder shall mean the Additional Premises.

I. Basic Arrangement

a. *Tenant to Arrange for Work*. Tenant desires to engage one or more contractors to perform certain improvements (the "Work," as further defined in Section VII) to or for the Premises under the Lease Document. Tenant shall arrange for the Work to be planned and performed strictly in accordance with the provisions of this Exhibit and applicable provisions of the Lease Document. Tenant shall pay when due all costs for or related to the Plans and Work whatsoever ("Costs of the Work"), and Landlord shall reimburse certain such costs up to the Allowance, as further described below.

b. *Allowance and, Landlord's Costs and Administrative Fee*. Landlord shall provide up to $99,060.00 (the "Allowance") towards the Costs of the Work relating to permanent leasehold improvements (provided the portion of the Allowance available for the Plans shall be limited to ten percent (10%), and shall exclude planning for furniture, fixtures and equipment). Tenant shall pay Landlord's out-of-pocket costs, if any, for architectural and engineering review of the Plans and any Engineering Report, and all revisions thereof, and an administrative fee ("Administrative Fee") equal to $--0--- of the other Costs of the Work for Landlord's time in reviewing the Plans and Work and coordinating with Tenant's Contractors. Landlord may, if feasible, also charge Tenant for any extra costs reasonably incurred by Landlord as a result of the Work, including but not limited to, any additional after-hours security for the Property common areas due to after-hours construction activity, and costs of any after-hours HVAC consumed in or for the Premises during the Work (based on actual usage as determined by the Building's energy management system); provided, however, that Tenant's contractors shall not be charged for parking (provided that parking by such contractors shall not exceed ten (10) spaces), freight elevator access or loading dock access. The foregoing items may be charged against the Allowance, and if the Allowance shall be insufficient, Tenant shall pay Landlord for such amounts as additional Rent within thirty (30) days after billing. If all or any portion of the Allowance shall not be used for the purposes permitted herein within twelve (12) months after the Commencement Date set forth in the Lease Document, Landlord shall be entitled to the savings and Tenant shall receive no credit therefore. Notwithstanding anything to the contrary contained herein, any personal property, trade fixtures or business equipment, including, but not limited to, modular or other furniture, and cabling for communications or computer systems, whether or not shown on the Approved Plans, shall be provided by Tenant, at Tenant's sole cost, and the Allowance shall not be used for such purposes. Any cabling remaining in the Premises upon the expiration or earlier termination of the Lease shall become the property of Landlord (without payment by Landlord). All disconnections made by Tenant of any cabling shall be made properly such that, among other things, such cabling is reusable.

c. *Funding and Disbursement*. Landlord shall fund and disburse the Allowance within thirty (30) days after the Work has been completed in accordance with the Approved Plans in accordance with the provisions hereof, and Tenant has submitted all invoices, architect's certificates, a Tenant's affidavit, complete unconditional lien waivers and affidavits of payment by all Tenant's Contractors, and such other evidence as Landlord may reasonably require that the cost of the Work has been paid and that no architect's, mechanic's, materialmen's or other such liens have been or may be filed against the Property or the Premises arising out of the design or performance of such Work. Landlord may issue checks to fund the Allowance jointly or separately to Tenant, its general contractor, and any other of Tenant's Contractors.

II. Planning. The term "Plans" herein means a "Space Plan," as the same may be superseded by any "Construction Drawings," prepared and approved pursuant to this Section (and as such terms are further defined in Section VII). In the event of any inconsistency between the Space Plan and Construction Drawings, or revisions thereto, as modified to obtain permits, the latest such item

approved by Landlord shall control. The term "Approved Plans" herein means the Plans (and any revisions thereof) as approved by Landlord in writing in accordance with this Section.

a. *Tenant's Planners*. Tenant shall engage a qualified, licensed architect ("Architect"), subject to Landlord's prior written approval. To the extent required by Landlord or appropriate in connection with preparing the Plans, Tenant shall also engage one or more qualified, licensed engineering firms, e.g. mechanical, electrical, plumbing, structural and/or HVAC ("Engineers"), all of whom shall be designated or approved by Landlord in writing. The term "Tenant's Planners" herein shall refer collectively or individually, as the context requires, to the Architect or Engineers engaged by Tenant, and approved or designated by Landlord in writing in accordance with this Exhibit.

b. *Space Plan, Construction Drawings and Engineering Report*. Tenant shall promptly hereafter cause the Architect to submit three (3) sets of a "Space Plan" (as defined in Section VII) to Landlord for approval. Landlord shall, within three (3) working days after receipt thereof, either approve said Space Plan, or disapprove the same advising Tenant of the reasons for such disapproval; Landlord agrees to not unreasonably withhold its approval, as further provided in subsection c below. In the event Landlord disapproves said Space Plan, Tenant shall modify the same, taking into account the reasons given by Landlord for said disapproval, and shall submit three (3) sets of the revised Space Plan to Landlord. The parties shall continue such process in the same time frames until Landlord grants approval. To the extent required by Landlord or the nature of the Work and as further described in Section VII, Tenant shall, after Landlord's approval of the Space Plan: (i) cause the Architect to submit to Landlord for approval "Construction Drawings" (including, as further described in Section VII below, sealed mechanical, electrical and plumbing plans prepared by a qualified, licensed Engineer approved or designated by Landlord), and (ii) cause the Engineers to submit for Landlord's approval a report (the "Engineering Report") indicating any special heating, cooling, ventilation, electrical, heavy load or other special or unusual requirements of Tenant, including calculations. Landlord shall, within five (5) working days after receipt thereof (or such longer time as may be reasonably required in order to obtain any additional architectural, engineering or HVAC report or due to other special or unusual features of the Work or Plans), either approve the Construction Drawings and Engineering Report, or disapprove the same advising Tenant of the reasons for disapproval (and Landlord's agrees that any such disapproval shall be on a reasonable basis, as further provided in subsection c below). If Landlord disapproves of the Construction Drawings or Engineering Report, Tenant shall modify and submit revised Construction Drawings, and a revised Engineering Report, taking into account the reasons given by Landlord for disapproval. The parties shall continue such process in the same time frames until Landlord grants approval. Construction Drawings shall include a usable computer aided design (CAD) file.

c. *Tenant's Planning Responsibility and Landlord's Approval*. Tenant has sole responsibility to provide all information concerning its space requirements to Tenant's Planners, to cause Tenant's Planners to prepare the Plans, and to obtain Landlord's final approval thereof (including all revisions). Tenant and Tenant's Planners shall perform independent verifications of all field conditions, dimensions and other such matters), and Landlord shall have no liability for any errors, omissions or other deficiencies therein. Landlord shall not unreasonably withhold approval of any Plans or Engineering Report submitted hereunder, if they provide for a customary office layout, with finishes and materials generally conforming to building standard finishes and materials (or upgrades) currently being used by Landlord at the Property, are compatible with the Property's shell and core construction, and if no material modifications will be required for the Property's Systems and Equipment (as hereinafter defined), and will not require any structural modifications to the Property, whether required by heavy loads or otherwise, and will not create any potentially dangerous conditions, potentially violate any codes or other governmental requirements, potentially interfere with any other occupant's use of its premises, or potentially increase the cost of operating the Property. "Systems and Equipment" shall mean any plant, machinery, transformers, duct work, cable, wires, and other equipment, facilities, and systems designed to supply light, heat, ventilation, air conditioning and humidity or any other services or utilities, or comprising or serving as any component or portion of the electrical, gas, steam, plumbing, sprinkler, communications, alarm, security, or fire/life/safety systems or equipment, or any elevators, escalators or other mechanical, electrical, electronic, computer or other systems or equipment for the Property, except to the extent that any of the same serves Tenant or any other tenant exclusively.

d. *Governmental Approval of Plans; Building Permits*. Tenant shall cause Tenant's Contractors (as defined in Section III) to apply for any building permits, inspections and occupancy certificates required for or in connection with the Work. If the Plans must be revised in order to obtain such building permits, Tenant shall promptly notify Landlord, promptly arrange for the Plans to be revised to satisfy the building permit requirements, and shall submit the revised Plans to Landlord for approval as a Change Order under Paragraph e below. Landlord shall have no obligation to apply for any zoning, parking or sign code amendments, approvals, permits or variances, or any other governmental approval, permit or action. If any such other matters are required, Tenant shall promptly seek to satisfy such requirements (if Landlord first approves in writing), or shall revise the Plans to eliminate such requirements and submit such revised Plans to Landlord for approval in the manner described above.

e. *Changes After Plans Are Approved*. If Tenant shall desire, or any governmental body shall require, any changes, alterations, or additions to the Approved Plans, Tenant shall submit a detailed written request or revised Plans (the "Change Order") to Landlord for approval. If reasonable and practicable and generally consistent with the Plans theretofore approved, Landlord shall not unreasonably withhold approval. All costs in connection therewith, including, without limitation, construction costs, permit fees, and any additional plans, drawings and engineering reports or other studies or tests, or revisions of such existing items, shall be included in the Costs of the Work under Section I. In the event that the Premises are not constructed in accordance with the Approved Plans, Tenant shall not be permitted to occupy the Premises until the Premises reasonably comply in all respects therewith; in such case, the Rent shall nevertheless commence to accrue and be payable as otherwise provided in the Lease Document.

III. Contractors and Contracts. Tenant shall engage to perform the Work such contractors, subcontractors and suppliers ("Tenant's Contractors") as Landlord customarily engages or recommends for use at the Property; provided, Tenant may substitute other licensed, bonded, reputable and qualified parties capable of performing quality workmanship. Such substitutions may be made only with Landlord's prior written approval, which shall not be unreasonably withheld or delayed. Such approval shall be granted, granted subject to specified conditions, or denied within three (3) working days after Landlord receives from Tenant a written request for such substitution, containing a reasonable description of the proposed party's background, finances, references, qualifications, and other such information as Landlord may request. For Work involving any mechanical, electrical, plumbing, structural, demolition or HVAC matters, or any Work required to be performed outside the Premises or involving Tenant's entrance, Landlord may require that Tenant select Tenant's Contractors from a list of such contractors (provided that Landlord's gives Tenant at least 3 choices for each trade) or else, for any trade as to which Landlord is unable to give Tenant a choice of 3 Contractors, Tenant may choose its own Contractor for such trade, subject to Landlord's approval which shall not be unreasonably withheld or delayed. All contracts shall contain insurance, indemnity and other provisions consistent herewith. Each contract and subcontract shall guarantee to Tenant and Landlord the replacement or repair, without additional charge, of all defects or deficiencies in accordance with its contract within one (1) year after completion of such work or the correction thereof. The correction of such work shall include, without additional charge, all additional expenses and damages in connection with such removal or replacement of all or any part of Tenant's Work, and/or the Property and/or common areas, or work which may be damaged or disturbed thereby. Tenant shall give Landlord copies of all contracts and subcontracts promptly after the same are entered.

IV. Insurance and Indemnity. In addition to any insurance which may be required under the Lease Document, Tenant shall either secure, pay for and maintain, or cause Tenant's Contractors to secure, pay for and maintain during the continuance of construction and fixturing work within the Property or Premises, reasonable amounts of customary and appropriate insurance with responsible, licensed insurers, for all insurable risks and liabilities relating to the Work, including commercial general liability with contractual liability coverage ("CGL"), and full replacement value property damage (including installation floater coverage). The CGL policy shall be endorsed to include, as additional insured parties, Landlord, the property management company for the Property, and Landlord's agents, partners, affiliates. All policies shall include a waiver of subrogation in favor of the parties required to be additional insureds hereunder. Such insurance shall be primary to any insurance carried independently by said additional insured parties (which shall be excess and non-contributory). Certificates for such insurance, and the

endorsements required hereunder, shall be delivered to Landlord before construction is commenced or any contractor's equipment or materials are moved onto the Property. Landlord shall not be liable in any way for any injury, loss or damage which may occur to any decorations, fixtures, personal property, installations or other improvements or items of work installed, constructed or brought upon the Premises by or for Tenant or Tenant's Contractors, all of the same being at Tenant's sole risk. In the event that during the course of Tenant's Work any damage shall occur to the construction and improvements being made by Tenant, then Tenant shall repair the same at Tenant's cost. Tenant hereby agrees to protect, defend, indemnify and hold Landlord and its employees, agents, and affiliates harmless from all liabilities, losses, damages, claims, demands, and expenses (including attorneys' fees) arising out of or relating to the Plans or Work.

V. Performance of Work

a. *Conditions to Commencing Work*. Before commencing any Work, Tenant shall: (i) obtain Landlord's written approval of Tenant's Planners and the Plans, as described in Section II, (ii) obtain and post all necessary governmental approvals and permits as described in Section II, and provide copies thereof to Landlord, (iii) obtain Landlord's written approval of Tenant's Contractors, and provide Landlord with copies of the contracts as described in Section III, and (iv) provide evidence of insurance to Landlord as described in Section IV.

b. *Compliance and Standards*. Tenant shall cause the Work to comply in all respects with the following: (i) the Approved Plans, (ii) the Property Code of the City and State in which the Property is located and Federal, State, County, City or other laws, codes, ordinances, rules, regulations and guidance, as each may apply according to the rulings of the controlling public official, agent or other such person, (iii) applicable standards of the National Board of Fire Underwriters (or successor organization) and National Electrical Code, (iv) applicable manufacturer's specifications, and (v) any work rules and regulations as Landlord or its agent may have adopted for the Property, including any Rules attached as an Exhibit to the Lease Document. Tenant shall use only new, first-class materials in the Work, except where explicitly shown in the Approved Plans. Tenant's Work shall be performed in a thoroughly safe, first-class and workmanlike manner, and shall be in good and usable condition at the date of completion. In case of inconsistency, the requirement with the highest standard protecting or favoring Landlord shall govern.

c. *Property Operations, Dirt, Debris, Noise and Labor Harmony*. Tenant and Tenant's Contractors shall make all efforts and take all proper steps to assure that all construction activities do not interfere with the operation of the Property or with other occupants of the Property. Tenant's Work shall be coordinated under Landlord's direction with any other work and other activities being performed for or by other occupants in the Property so that Tenant's Work will not interfere with or delay the completion of any other work or activity in the Property. Construction equipment and materials are to be kept within the Premises, and delivery and loading of equipment and materials shall be done at such locations and at such time as Landlord shall direct so as not to burden the construction or operation of the Property. Tenant's Contractors shall comply with any work rules of the Property and Landlord's requirements respecting the hours of availability of elevators and manner of handling materials, equipment and debris. Demolition must be performed after 6:00 p.m. and on weekends, or as otherwise required by Landlord or the work rules for the Property. Construction which creates noise, odors or other matters that may bother other occupants may be rescheduled by Landlord at Landlord's sole discretion. Delivery of materials, equipment and removal of debris must be arranged to avoid any inconvenience or annoyance to other occupants. The Work and all cleaning in the Premises must be controlled to prevent dirt, dust or other matter from infiltrating into adjacent occupant, common or mechanical areas. Tenant shall conduct its labor relations and relations with Tenant's Planners and Contractors, employees, agents and other such parties so as to avoid strikes, picketing, and boycotts of, on or about the Premises or Property. If any employees of the foregoing parties strike, or if picket lines or boycotts or other visible activities objectionable to Landlord are established, conducted or carried out against Tenant or such parties in or about the Premises or Property, Tenant shall immediately close the Premises and remove or cause to be removed all such parties until the dispute has been settled.

d. *Removal of Debris*. Tenant's Contractors shall be required to remove from the Premises and dispose of, at least once a day and more frequently as Landlord may reasonably direct, all debris and rubbish caused by or resulting from the Work, and shall not place debris in the Property's waste containers. If required by Landlord, Tenant shall sort and separate its waste and debris for recycling and/or environmental law compliance purposes. Upon completion of Tenant's Work, Tenant's Contractors shall remove all surplus materials, debris and rubbish of whatever kind remaining within the Property which has been brought in or created by Tenant's Contractors in the performance of Tenant's Work. If any of Tenant's Contractors shall neglect, refuse or fail to remove any such debris, rubbish, surplus material or temporary structures within 48 hours after notice to Tenant from Landlord with respect thereto, Landlord may cause the same to be removed by contract or otherwise as Landlord may determine expedient, and bill the cost thereof to Tenant.

e. *Completion and General Requirements*. Tenant shall take all actions necessary to cause Tenant's Planners to prepare the Approved Plans, and to cause Tenant's Contractors to obtain permits or other approvals, diligently commence and prosecute the Work to completion, and obtain any inspections and occupancy certificates for Tenant's occupancy of the Premises by the Commencement Date set forth in the Lease Document. Any delays in the foregoing shall not serve to abate or extend the time for the Commencement Date or commencement of Rent under the Lease Document, except to the extent of one (1) day for each day that Landlord delays approvals required hereunder beyond the times permitted herein without good cause, provided substantial completion of the Work and Tenant's ability to reasonably use the Premises by the Commencement Date (or by such later date when Tenant would otherwise have substantially completed the Work) is actually delayed thereby. Tenant shall impose on and enforce all applicable terms of this Exhibit against Tenant's Planners and Tenant's Contractors. Tenant shall notify Landlord upon completion of the Work (and record any notice of completion contemplated by law). To the extent reasonably appropriate based on the nature of the Work, Tenant shall provide Landlord with "as built" drawings no later than thirty (30) days after completion of the Work.

f. *Landlord's Role and Rights*. The parties acknowledge that neither Landlord nor its managing agent is an architect or engineer, and that the Work will be designed and performed by independent architects, engineers and Tenant's Contractors engaged by Tenant. Landlord and its managing agent shall have no responsibility for construction means, methods or techniques or safety precautions in connection with the Work, and do not guarantee that the Plans or Work will be free from errors, omissions or defects, and shall have no liability therefor. Landlord's approval of Tenant's Plans and contracts, and Landlord's designations, lists, recommendations or approvals concerning Tenant's Planners and Contractors shall not be deemed a warranty as to the quality or adequacy thereof or of the Plans or the Work, or the design thereof, or of its compliance with laws, codes and other legal requirements. Tenant shall permit access to the Premises, and inspection of the Work, by Landlord and Landlord's architects, engineers, contractors and other representatives, at all times during the period in which the Work is being planned, constructed and installed and following completion of the Work. If Tenant fails to perform the Work as required herein or the materials supplied fail to comply herewith or with the specifications approved by Landlord, and Tenant fails to cure such failure within two (2) business days after notice by Landlord, Landlord shall have the right, but not the obligation, to order Tenant or any of Tenant's Contractors who violate the requirements imposed on Tenant or Tenant's Contractors in performing the Work to cease the Work and remove its equipment and employees from the Property. Landlord shall have the right, but not the obligation, to perform, on behalf of and for the account of Tenant, subject to reimbursement by Tenant, any work required to cure or complete any Work which has violated this Exhibit or which pertains to patching of the Work (and which Tenant has failed to cure within ten (10) days after notice from Landlord), or involves Work outside the Premises, or affects the base building core or structure or Systems and Equipment for the Property.

VI. HVAC Balancing. As a final part of the Work, Tenant shall cause its contractor to perform air balancing tests and adjustments on all areas of the Premises served by the air handling system that serves the areas in which the Work is performed (including any original space and any additional space being added to the Premises in connection herewith). Landlord shall not be responsible for any disturbance or deficiency created in the air conditioning or other mechanical, electrical or structural facilities within the Property or Premises as a result of the Work. If such disturbances or deficiencies

result, and Tenant's contractor does not properly correct the same, Landlord reserves the right, after fifteen (15) days notice to Tenant, to correct the same and restore the services to Landlord's reasonable satisfaction, at Tenant's reasonable expense.

VII. Certain Definitions

a. "*Space Plan*" herein means, to the extent required by the nature of the Work, detailed plans (including any so-called "pricing plans"), including a fully dimensioned floor plan and drawn to scale, showing: (i) demising walls, interior walls and other partitions, including type of wall or partition and height, and any demolition or relocation of walls, and details of space occupancy and density, (ii) doors and other openings in such walls or partitions, including type of door and hardware, (iii) electrical and computer outlets, circuits and anticipated usage therefor, (iv) any special purpose rooms, any sinks or other plumbing facilities, heavy items, and any other special electrical, HVAC or other facilities or requirements, including all special loading and related calculations, (v) any space planning considerations to comply with fire or other codes or other governmental or legal requirements, (vi) finish selections, and (vii) any other details or features requested by Architect, Engineer or Landlord, or otherwise required, in order for the Space Plan to serve as a basis for Landlord to approve the Work, and for Tenant to contract and obtain permits for the Work, or for the Space Plan to serve as a basis for preparing Construction Drawings.

b. "*Construction Drawings*" herein means, to the extent required by the nature of the Work, fully dimensioned architectural construction drawings and specifications, and any required engineering drawings, specifications and calculations (including mechanical, electrical, plumbing, structural, air-conditioning, ventilation and heating), and shall include any applicable items described above for the Space Plan, and any other details or features requested by Architect, Engineer or Landlord in order for the Construction Drawings to serve as a basis for Landlord to approve the Work, and for Tenant to contract and obtain permits for the Work.

c. "*Work*" herein means: (i) the improvements and items of work shown on the final Approved Plans (including changes thereto), and (ii) any preparation or other work required in connection therewith, including without limitation, structural or mechanical work, additional HVAC equipment or sprinkler heads, or modifications to any building mechanical, electrical, plumbing or other systems and equipment or relocation of any existing sprinkler heads, either within or outside the Premises required as a result of the layout, design, or construction of the Work or in order to extend any mechanical distribution, fire protection or other systems from existing points of distribution or connection, or in order to obtain building permits for the work to be performed within the Premises (unless Landlord requires that the Plans be revised to eliminate the necessity for such work).

VIII. Liens. Tenant shall pay all costs for the Plans and Work when due. Tenant shall keep the Property, Premises and this Lease free from any mechanic's, materialman's, architect's, engineer's or similar liens or encumbrances, and any claims therefor, or stop or violation notices, in connection with the Plans and Work. Tenant shall give Landlord notice at least ten (10) days prior to the commencement of any Work (or such additional time as may be necessary under applicable Laws), to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall remove any such claim, lien or encumbrance, or stop or violation notices of record, by bond or otherwise within thirty (30) days after notice by Landlord. If Tenant fails to do so, Landlord may pay the amount (or any portion thereof) or take such other action as Landlord deems necessary to remove such claim, lien or encumbrance, or stop or violation notices, without being responsible for investigating the validity thereof. The amount so paid and costs incurred by Landlord shall be deemed additional Rent under the Lease Document payable upon demand, without limitation as to other remedies available to Landlord.

IX. Miscellaneous

a. *Interpretation; Original Lease*. If this Work Letter is attached as an Exhibit to an amendment to an existing lease ("Original Lease"), whether such amendment adds space, relocates the Premises or makes any other modifications, the term "Lease Document" herein shall refer to such

amendment, or the Original Lease as amended, as the context implies. By way of example, in such case, references to the "Premises" and "Commencement Date" herein shall refer, respectively, to such additional or relocated space and the effective date for delivery thereof under such amendment, unless expressly provided to the contrary herein. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Lease Document.

b. *General Matters*. This Exhibit is intended to supplement and be subject to the provisions of the Lease Document, including, without limitation, those provisions requiring that any modification or amendment be in writing and signed by authorized representatives of both parties. This Exhibit shall not apply to any additional space added to the Premises at any time, whether by any options or rights under the Lease Document or otherwise, or to any portion of the Premises in the event of a renewal or extension of the Term of the Lease Document, whether by any options or rights under the Lease Document or otherwise, unless expressly so provided in the Lease Document or any amendment or supplement thereto. The Lease Document and this Exhibit are not intended to create any third-party beneficiaries; without limiting the generality of the foregoing, no Tenant Contractors or Tenant Planners shall have any legal or beneficial interest in the Allowance. The rights granted in this Exhibit are personal to Tenant as named in the Lease Document, and are intended to be performed for such Tenant's occupancy of the Premises. Under no circumstance whatsoever shall any assignee or subtenant have any rights under this Exhibit. Any remaining obligations of Landlord under this Exhibit not theretofore performed shall concurrently terminate and become null and void if Tenant subleases or assigns the Lease Document with respect to all or any portion of the Premises, or seeks or proposes to do so (or requests Landlord's consent to do so), or if Tenant or any current or proposed affiliate thereof issues any written statement indicating that Tenant will no longer move its business into, or that Tenant will vacate and discontinue its business from, the Premises or any material portion thereof. Any termination of Landlord's obligations under this Exhibit pursuant to the foregoing provisions shall not serve to terminate or modify any of Tenant's obligations under the Lease Document. In addition, notwithstanding anything to the contrary contained herein, Landlord's obligations under this Exhibit, including obligations to perform any work, or provide any Allowance or rent credit, shall be subject to the condition that Tenant shall be in compliance with the material terms of the Lease (including all terms providing for the timely payment of rent), and shall not have committed a violation under the Lease by the time that Landlord is required to perform such work or provide such Allowance or rent credit.

LEASE AMENDMENT EIGHT **CMD 177A (8/98)**

(Expansion/Co-Terminous

THIS LEASE AMENDMENT EIGHT ("Amendment") is made and entered into as of the 12th day of October, 2005, by and between **CMD Realty Investment Fund IV, L.P.,** an Illinois limited partnership ("Landlord") and **Mesa Air Group, Inc.,** a Nevada corporation ("Tenant").

A. Landlord and Tenant are the current parties to that certain lease ("Original Lease") dated October 16, 1998, for premises (the "Premises") in the building (the "Building") known as Three Gateway, located at 410 N. 44th Street, Phoenix, Arizona (the "Property"), which lease has heretofore been amended by First Amendment to Lease dated March 9, 1999, Second Amendment to Lease dated November 8, 1999, Letter Agreement dated May 10, 2000, Lease Amendment Three dated November 7, 2000, Lease Amendment Four dated May 15, 2001, Lease Term Adjustment Confirmation dated January 3, 2001, Letter from Mesa Air dated May 30, 2001, Parking Letter dated March 21, 2002, Lease Amendment Five dated October 11, 2002, Lease Amendment Six dated April 1, 2003, Lease Term Confirmation Letter dated June 24, 2003, Amended and Re-stated Lease Amendment Seven dated April 15, 2005 and Lease Term Confirmation Letter dated July 6, 2005 (collectively, and as amended herein, the "Lease").

B. The parties mutually desire to amend the Lease on the terms hereof.

NOW THEREFORE, in consideration of the mutual agreements herein contained, the parties hereby agree as follows.

1. Additional Premises. The space currently known as Suite 140 ("Additional Premises"), the approximate location of which is shown on Exhibit A hereto on the first (1st) floor of the Building, and which shall be deemed to contain 2,430 square feet of rentable area for purposes hereof, shall be added to and become a part of the Premises commencing on the date ("Additional Premises Commencement Date") that is the earlier of: (i) Tenant's occupancy of the Additional Premises for business purposes as further described in Paragraph 8 below, or (ii) January 1, 2006 ("Outside Date"), and continuing co-terminously with the expiration date under the Lease ("Lease Expiration Date"), as the same may be extended from time to time, subject to the terms herein. The Additional Premises Commencement Date shall be subject to adjustment and confirmation to the extent further described in Paragraph 8 below.

2. Base Rent for Additional Premises. Tenant shall pay monthly base rent for the Additional Premises as provided below and otherwise as provided in the Lease:

Period	Additional Premises Monthly Base Rent
January 1, 2006 – August 31, 2007	$4,455.00
September 1, 2007 – August 31, 2010	$4,860.00
September 1, 2010 – Lease Expiration Date	$5,062.50

3. Expenses and Taxes. Commencing on January 1, 2006: (a) Tenant shall pay Tenant's Share for the Additional Premises of increases in Property expenses, real estate taxes and other such amounts, over the amount for the year 2006, and as otherwise provided in the Lease, and (b) "Tenant's Share" for the Additional Premises shall be one and 12/100 percent (1.12%), for purposes hereof. Property expenses for the Premises (including the Additional Premises) for any year (including the base year) during which the average occupancy of the

Property is less than 95% have been and shall continue to be calculated based upon the costs that would have been incurred if the Property were 95% occupied.

4. Prorations; Consolidated or Separate Billings. If the date upon which Rent for the Additional Premises commences does not occur at the beginning of an applicable payment period under the Lease, Landlord shall pro rate Tenant's payment obligations on a per diem basis. The base rent, Property expenses, real estate taxes, and all other rentals and charges respecting the Additional Premises are sometimes herein called "Additional Premises Rent". Landlord may compute and bill Additional Premises Rent (or components thereof) separately or treat the Additional Premises and Premises as one unit for computation and billing purposes.

5. Parking. Commencing on execution and delivery of this Amendment by both parties, and continuing through the Expiration Date, Tenant shall license from Landlord the following additional parking spaces (which shall be in addition to the parking spaces under Exhibit F to Lease Amendment Five and Section 5 of Amended and Restated Lease Amendment Seven):

Area A Covered Unreserved Spaces: six (6) parking spaces. The initial charges for such spaces shall be $30.00 per space per month, or a total monthly charge of $180.00 for all such Area A Spaces, plus any sales or other tax thereon.

Area B Uncovered Unreserved (Rooftop) Spaces: one (1) parking space, at no charge during the Extended Term.

Covered Reserved Spaces: one (1) parking space, at no charge during the Extended Term.

The remaining terms of Exhibit F to Lease Amendment Five, as amended herein, shall continue to apply to the above-described spaces.

6. Other Terms; Extension Option. Commencing on the Additional Premises Commencement Date, the Additional Premises shall be added to, and become part of, the Premises under the Lease, and all applicable provisions then or thereafter in effect under the Lease (including the Extension Option set forth in Exhibit C to Lease Amendment Five, which shall apply to the entire Premises, including the Additional Premises) shall also apply to the Additional Premises, except as provided to the contrary herein.

7. Condition of Additional Premises; Tenant Work, Landlord Allowance, Suite Sign; Aesthetics From Common Areas. Tenant has inspected the Additional Premises (and portions of the Building, Property, systems and equipment providing access to or serving the Additional Premises) or has had an opportunity to do so, and agrees to accept the same "AS IS" without any agreements, representations, understandings or obligations on the part of Landlord to perform or pay for any alterations, repairs or improvements, except that Landlord shall provide an "Allowance" towards the "Cost of the Work" that Tenant performs all as set forth in Exhibit B hereto. Tenant may also use the Allowance for reasonable out-of-pocket costs of designing and installing one (1) sign identifying Tenant's name and logo on the glass separation between the Additional Premises and the ground floor lobby of the Building, subject to Landlord's prior written approval of the size, colors, and all other details; Landlord may withhold such approval in Landlord's sole good faith opinion. Because the Additional Premises is located on the ground floor and is visible from the main Building lobby: (a) Landlord reserves the right to approve in writing, in Landlord's sole good faith opinion, all internal lighting, signs, and other

matters, in the Additional Premises that may be visible from the public, common or exterior areas of the Property, (b) Tenant shall at all times keep the appearance of the portion of the Additional Premises that is visible from public, common and exterior areas of the Property in a neat, professional, attractive, and first class condition, and (c) Landlord reserves the right, at Landlord's sole cost, to replace the glass separation, including replacement with frosted glass, apply a covering or coating over the glass and/or install blinds over the glass and require that Tenant keep such blinds closed.

8. Early Access and Additional Premises Commencement Date Adjustment. Landlord shall permit Tenant to enter the Additional Premises upon mutual execution and delivery of this Amendment. During any such early entry (e.g. to perform Work in the Additional Premises under Exhibit B hereto), Tenant shall comply with all terms and provisions of the Lease; however, the Additional Premises Commencement Date shall only be advanced to the extent that Tenant actually commences to occupy the Additional Premises for business purposes early (and it is understood and agreed that the Additional Premises Rent shall not commence until January 1, 2006 regardless of whether or not Tenant commences to occupy all or part of the Additional Premises for business purposes prior to January 1, 2006). If the Additional Premises Commencement Date is advanced as provided herein, the Lease Expiration Date shall not be changed. Landlord and Tenant shall execute a confirmation of the Additional Premises Commencement Date as adjusted herein in such form as Landlord may reasonably request; any failure to respond within thirty (30) days after Landlord provides such written confirmation shall be deemed an acceptance of the date set forth in Landlord's confirmation. If Tenant disagrees with Landlord's adjustment of such date, Tenant shall pay Additional Premises Rent and perform all other obligations commencing and ending on the dates determined by Landlord, subject to refund or credit when the matter is resolved.

9. Real Estate Brokers; Offer; Miscellaneous. Sections 8 and 9 of Lease Amendment Six are incorporated herein as though fully set forth. Otherwise, this Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the above date.

LANDLORD: **CMD REALTY INVESTMENT FUND IV, L.P.** [SEAL]
By: CMD/Fund IV GP Investments, L.P., general partner
By: CMD REIM IV, Inc., general partner
By: CMD Realty Investors, Agent

By: /s/ Allen D. Aldridge
Allen D. Aldridge, Senior Vice President

TENANT: **Mesa Air Group, Inc.,** [SEAL]
a Nevada corporation

By: /s/ Mike Lotz
Mike Lotz, President & COO

EXHIBIT A

Floor Plate Showing Additional Premises

4

EXHIBIT B

CMD 108G (12/00)
Moderate Work
Tenant Performance

WORK LETTER

This Exhibit is a "Work Letter" to the foregoing document (referred to herein for convenience as the "Lease Document"). All references to "Premises" hereunder shall mean the Additional Premises.

I. Basic Arrangement

a. *Tenant to Arrange for Work*. Tenant desires to engage one or more contractors to perform certain improvements (the "Work," as further defined in Section VII) to or for the Premises under the Lease Document. Tenant shall arrange for the Work to be planned and performed strictly in accordance with the provisions of this Exhibit and applicable provisions of the Lease Document. Tenant shall pay when due all costs for or related to the Plans and Work whatsoever ("Costs of the Work"), and Landlord shall reimburse certain such costs up to the Allowance, as further described below.

b. *Allowance and, Landlord's Costs and Administrative Fee*. Landlord shall provide up to $29,160.00 (the "Allowance") towards the Costs of the Work relating to permanent leasehold improvements (provided the portion of the Allowance available for the Plans shall be limited to ten percent (10%), and shall exclude planning for furniture, fixtures and equipment). Tenant shall pay Landlord's out-of-pocket costs, if any, for architectural and engineering review of the Plans and any Engineering Report, and all revisions thereof, and an administrative fee ("Administrative Fee") equal to $---0--- of the other Costs of the Work for Landlord's time in reviewing the Plans and Work and coordinating with Tenant's Contractors. Landlord may, if feasible, also charge Tenant for any extra costs reasonably incurred by Landlord as a result of the Work, including but not limited to, any additional after-hours security for the Property common areas due to after-hours construction activity, and costs of any after-hours HVAC consumed in or for the Premises during the Work (based on actual usage as determined by the Building's energy management system); provided, however, that Tenant's contractors shall not be charged for parking (provided that parking by such contractors shall not exceed ten (10) spaces), freight elevator access or loading dock access. The foregoing items may be charged against the Allowance, and if the Allowance shall be insufficient, Tenant shall pay Landlord for such amounts as additional Rent within forty-five (45) days after billing. If all or any portion of the Allowance shall not be used for the purposes permitted herein within twelve (12) months after the Commencement Date set forth in the Lease Document, Landlord shall be entitled to the savings and Tenant shall receive no credit therefore. Notwithstanding anything to the contrary contained herein, any personal property, trade fixtures or business equipment, including, but not limited to, modular or other furniture, and cabling for communications or computer systems, whether or not shown on the Approved Plans, shall be provided by Tenant, at Tenant's sole cost, and the Allowance shall not be used for such purposes. Any cabling remaining in the Premises upon the expiration or earlier termination of the Lease shall become the property of Landlord (without payment by Landlord). All disconnections made by Tenant of any cabling shall be made properly such that, among other things, such cabling is reusable.

c. *Funding and Disbursement*. Landlord shall fund and disburse the Allowance within thirty (30) days after the Work has been completed in accordance with the Approved Plans in accordance with the provisions hereof, and Tenant has submitted all invoices, architect's certificates, a Tenant's affidavit, complete unconditional lien waivers and affidavits of payment by all Tenant's Contractors, and such other evidence as Landlord may reasonably require that the cost of the Work has been paid and that no architect's, mechanic's, materialmen's or other such liens have been or may be filed against the Property or the Premises arising out of the design or performance of such Work. Landlord may issue checks to fund the Allowance jointly or separately to Tenant, its general contractor, and any other of Tenant's Contractors.

II. Planning. The term "Plans" herein means a "Space Plan," as the same may be superseded by any "Construction Drawings," prepared and approved pursuant to this Section (and as such terms are further defined in Section VII). In the event of any inconsistency between the Space Plan and Construction Drawings, or revisions thereto, as modified to obtain permits, the latest such item

approved by Landlord shall control. The term "Approved Plans" herein means the Plans (and any revisions thereof) as approved by Landlord in writing in accordance with this Section.

a. *Tenant's Planners*. Tenant shall engage a qualified, licensed architect ("Architect"), subject to Landlord's prior written approval. To the extent required by Landlord or appropriate in connection with preparing the Plans, Tenant shall also engage one or more qualified, licensed engineering firms, e.g. mechanical, electrical, plumbing, structural and/or HVAC ("Engineers"), all of whom shall be designated or approved by Landlord in writing. The term "Tenant's Planners" herein shall refer collectively or individually, as the context requires, to the Architect or Engineers engaged by Tenant, and approved or designated by Landlord in writing in accordance with this Exhibit.

b. *Space Plan, Construction Drawings and Engineering Report*. Tenant shall hereafter cause the Architect to submit three (3) sets of a "Space Plan" (as defined in Section VII) to Landlord for approval. Landlord shall, within three (3) working days after receipt thereof, either approve said Space Plan, or disapprove the same advising Tenant of the reasons for such disapproval; Landlord agrees to not unreasonably withhold its approval, as further provided in subsection c below. In the event Landlord disapproves said Space Plan, Tenant shall modify the same, taking into account the reasons given by Landlord for said disapproval, and shall submit three (3) sets of the revised Space Plan to Landlord. The parties shall continue such process in the same time frames until Landlord grants approval. To the extent required by Landlord or the nature of the Work and as further described in Section VII, Tenant shall, after Landlord's approval of the Space Plan: (i) cause the Architect to submit to Landlord for approval "Construction Drawings" (including, as further described in Section VII below, sealed mechanical, electrical and plumbing plans prepared by a qualified, licensed Engineer approved or designated by Landlord), and (ii) cause the Engineers to submit for Landlord's approval a report (the "Engineering Report") indicating any special heating, cooling, ventilation, electrical, heavy load or other special or unusual requirements of Tenant, including calculations. Landlord shall, within five (5) working days after receipt thereof (or such longer time as may be reasonably required in order to obtain any additional architectural, engineering or HVAC report or due to other special or unusual features of the Work or Plans), either approve the Construction Drawings and Engineering Report, or disapprove the same advising Tenant of the reasons for disapproval (and Landlord's agrees that any such disapproval shall be on a reasonable basis, as further provided in subsection c below). If Landlord disapproves of the Construction Drawings or Engineering Report, Tenant shall modify and submit revised Construction Drawings, and a revised Engineering Report, taking into account the reasons given by Landlord for disapproval. The parties shall continue such process in the same time frames until Landlord grants approval. Construction Drawings shall include a usable computer aided design (CAD) file.

c. *Tenant's Planning Responsibility and Landlord's Approval*. Tenant has sole responsibility to provide all information concerning its space requirements to Tenant's Planners, to cause Tenant's Planners to prepare the Plans, and to obtain Landlord's final approval thereof (including all revisions). Tenant and Tenant's Planners shall perform independent verifications of all field conditions, dimensions and other such matters), and Landlord shall have no liability for any errors, omissions or other deficiencies therein. Landlord shall not unreasonably withhold approval of any Plans or Engineering Report submitted hereunder, if they provide for a customary office layout, with finishes and materials generally conforming to building standard finishes and materials (or upgrades) currently being used by Landlord at the Property, are compatible with the Property's shell and core construction, and if no material modifications will be required for the Property's Systems and Equipment (as hereinafter defined), and will not require any structural modifications to the Property, whether required by heavy loads or otherwise, and will not create any potentially dangerous conditions, potentially violate any codes or other governmental requirements, potentially interfere with any other occupant's use of its premises, or potentially increase the cost of operating the Property. "Systems and Equipment" shall mean any plant, machinery, transformers, duct work, cable, wires, and other equipment, facilities, and systems designed to supply light, heat, ventilation, air conditioning and humidity or any other services or utilities, or comprising or serving as any component or portion of the electrical, gas, steam, plumbing, sprinkler, communications, alarm, security, or fire/life/safety systems or equipment, or any elevators, escalators or other mechanical, electrical, electronic, computer or other systems or equipment for the Property, except to the extent that any of the same serves Tenant or any other tenant exclusively.

d. *Governmental Approval of Plans; Building Permits*. Tenant shall cause Tenant's Contractors (as defined in Section III) to apply for any building permits, inspections and occupancy certificates required for or in connection with the Work. If the Plans must be revised in order to obtain such building permits, Tenant shall promptly notify Landlord, promptly arrange for the Plans to be revised to satisfy the building permit requirements, and shall submit the revised Plans to Landlord for approval as a Change Order under Paragraph e below. Landlord shall have no obligation to apply for any zoning, parking or sign code amendments, approvals, permits or variances, or any other governmental approval, permit or action. If any such other matters are required, Tenant shall promptly seek to satisfy such requirements (if Landlord first approves in writing), or shall revise the Plans to eliminate such requirements and submit such revised Plans to Landlord for approval in the manner described above.

e. *Changes After Plans Are Approved*. If Tenant shall desire, or any governmental body shall require, any changes, alterations, or additions to the Approved Plans, Tenant shall submit a detailed written request or revised Plans (the "Change Order") to Landlord for approval. If reasonable and practicable and generally consistent with the Plans theretofore approved, Landlord shall not unreasonably withhold approval. All costs in connection therewith, including, without limitation, construction costs, permit fees, and any additional plans, drawings and engineering reports or other studies or tests, or revisions of such existing items, shall be included in the Costs of the Work under Section I. In the event that the Premises are not constructed in accordance with the Approved Plans, Tenant shall not be permitted to occupy the Premises until the Premises reasonably comply in all respects therewith; in such case, the Rent shall nevertheless commence to accrue and be payable as otherwise provided in the Lease Document.

III. Contractors and Contracts. Tenant shall engage to perform the Work such contractors, subcontractors and suppliers ("Tenant's Contractors") as Landlord customarily engages or recommends for use at the Property; provided, Tenant may substitute other licensed, bonded, reputable and qualified parties capable of performing quality workmanship. Such substitutions may be made only with Landlord's prior written approval, which shall not be unreasonably withheld or delayed. Such approval shall be granted, granted subject to specified conditions, or denied within three (3) working days after Landlord receives from Tenant a written request for such substitution, containing a reasonable description of the proposed party's background, finances, references, qualifications, and other such information as Landlord may request. For Work involving any mechanical, electrical, plumbing, structural, demolition or HVAC matters, or any Work required to be performed outside the Premises or involving Tenant's entrance, Landlord may require that Tenant select Tenant's Contractors from a list of such contractors (provided that Landlord gives Tenant at least 3 choices for each trade) or else, for any trade as to which Landlord is unable to give Tenant a choice of 3 Contractors, Tenant may choose its own Contractor for such trade, subject to Landlord's approval which shall not be unreasonably withheld or delayed. All contracts shall contain insurance, indemnity and other provisions consistent herewith. Each contract and subcontract shall guarantee to Tenant and Landlord the replacement or repair, without additional charge, of all defects or deficiencies in accordance with its contract within one (1) year after completion of such work or the correction thereof. The correction of such work shall include, without additional charge, all additional expenses and damages in connection with such removal or replacement of all or any part of Tenant's Work, and/or the Property and/or common areas, or work which may be damaged or disturbed thereby. Tenant shall give Landlord copies of all contracts and subcontracts promptly after the same are entered.

IV. Insurance and Indemnity. In addition to any insurance which may be required under the Lease Document, Tenant shall either secure, pay for and maintain, or cause Tenant's Contractors to secure, pay for and maintain during the continuance of construction and fixturing work within the Property or Premises, reasonable amounts of customary and appropriate insurance with responsible, licensed insurers, for all insurable risks and liabilities relating to the Work, including commercial general liability with contractual liability coverage ("CGL"), and full replacement value property damage (including installation floater coverage). The CGL policy shall be endorsed to include, as additional insured parties, Landlord, the property management company for the Property, and Landlord's agents, partners, affiliates. All policies shall include a waiver of subrogation in favor of the parties required to be additional insureds hereunder. Such insurance shall be primary to any insurance carried independently by said additional insured parties (which shall be excess and non-contributory). Certificates for such insurance, and the

endorsements required hereunder, shall be delivered to Landlord before construction is commenced or any contractor's equipment or materials are moved onto the Property. Landlord shall not be liable in any way for any injury, loss or damage which may occur to any decorations, fixtures, personal property, installations or other improvements or items of work installed, constructed or brought upon the Premises by or for Tenant or Tenant's Contractors, all of the same being at Tenant's sole risk. In the event that during the course of Tenant's Work any damage shall occur to the construction and improvements being made by Tenant, then Tenant shall repair the same at Tenant's cost. Tenant hereby agrees to protect, defend, indemnify and hold Landlord and its employees, agents, and affiliates harmless from all liabilities, losses, damages, claims, demands, and expenses (including attorneys' fees) arising out of or relating to the Plans or Work.

V. Performance of Work

a. *Conditions to Commencing Work*. Before commencing any Work, Tenant shall: (i) obtain Landlord's written approval of Tenant's Planners and the Plans, as described in Section II, (ii) obtain and post all necessary governmental approvals and permits as described in Section II, and provide copies thereof to Landlord, (iii) obtain Landlord's written approval of Tenant's Contractors, and provide Landlord with copies of the contracts as described in Section III, and (iv) provide evidence of insurance to Landlord as described in Section IV.

b. *Compliance and Standards*. Tenant shall cause the Work to comply in all respects with the following: (i) the Approved Plans, (ii) the Property Code of the City and State in which the Property is located and Federal, State, County, City or other laws, codes, ordinances, rules, regulations and guidance, as each may apply according to the rulings of the controlling public official, agent or other such person, (iii) applicable standards of the National Board of Fire Underwriters (or successor organization) and National Electrical Code, (iv) applicable manufacturer's specifications, and (v) any work rules and regulations as Landlord or its agent may have adopted for the Property, including any Rules attached as an Exhibit to the Lease Document. Tenant shall use only new, first-class materials in the Work, except where explicitly shown in the Approved Plans. Tenant's Work shall be performed in a thoroughly safe, first-class and workmanlike manner, and shall be in good and usable condition at the date of completion. In case of inconsistency, the requirement with the highest standard protecting or favoring Landlord shall govern.

c. *Property Operations, Dirt, Debris, Noise and Labor Harmony*. Tenant and Tenant's Contractors shall make all efforts and take all proper steps to assure that all construction activities do not interfere with the operation of the Property or with other occupants of the Property. Tenant's Work shall be coordinated under Landlord's direction with any other work and other activities being performed for or by other occupants in the Property so that Tenant's Work will not interfere with or delay the completion of any other work or activity in the Property. Construction equipment and materials are to be kept within the Premises, and delivery and loading of equipment and materials shall be done at such locations and at such time as Landlord shall direct so as not to burden the construction or operation of the Property. Tenant's Contractors shall comply with any work rules of the Property and Landlord's requirements respecting the hours of availability of elevators and manner of handling materials, equipment and debris. Demolition must be performed after 6:00 p.m. and on weekends, or as otherwise required by Landlord or the work rules for the Property. Construction which creates noise, odors or other matters that may bother other occupants may be rescheduled by Landlord at Landlord's sole discretion. Delivery of materials, equipment and removal of debris must be arranged to avoid any inconvenience or annoyance to other occupants. The Work and all cleaning in the Premises must be controlled to prevent dirt, dust or other matter from infiltrating into adjacent occupant, common or mechanical areas. Tenant shall conduct its labor relations and relations with Tenant's Planners and Contractors, employees, agents and other such parties so as to avoid strikes, picketing, and boycotts of, on or about the Premises or Property. If any employees of the foregoing parties strike, or if picket lines or boycotts or other visible activities objectionable to Landlord are established, conducted or carried out against Tenant or such parties in or about the Premises or Property, Tenant shall immediately close the Premises and remove or cause to be removed all such parties until the dispute has been settled.

d. *Removal of Debris*. Tenant's Contractors shall be required to remove from the Premises and dispose of, at least once a day and more frequently as Landlord may reasonably direct, all debris and rubbish caused by or resulting from the Work, and shall not place debris in the Property's waste containers. If required by Landlord, Tenant shall sort and separate its waste and debris for recycling and/or environmental law compliance purposes. Upon completion of Tenant's Work, Tenant's Contractors shall remove all surplus materials, debris and rubbish of whatever kind remaining within the Property which has been brought in or created by Tenant's Contractors in the performance of Tenant's Work. If any of Tenant's Contractors shall neglect, refuse or fail to remove any such debris, rubbish, surplus material or temporary structures within 48 hours after notice to Tenant from Landlord with respect thereto, Landlord may cause the same to be removed by contract or otherwise as Landlord may determine expedient, and bill the cost thereof to Tenant.

e. *Completion and General Requirements*. Tenant shall take all actions necessary to cause Tenant's Planners to prepare the Approved Plans, and to cause Tenant's Contractors to obtain permits or other approvals, diligently commence and prosecute the Work to completion, and obtain any inspections and occupancy certificates for Tenant's occupancy of the Premises by the Commencement Date set forth in the Lease Document. Any delays in the foregoing shall not serve to abate or extend the time for the Commencement Date or commencement of Rent under the Lease Document, except to the extent of one (1) day for each day that Landlord delays approvals required hereunder beyond the times permitted herein without good cause, provided substantial completion of the Work and Tenant's ability to reasonably use the Premises by the Commencement Date (or by such later date when Tenant would otherwise have substantially completed the Work) is actually delayed thereby. Tenant shall impose on and enforce all applicable terms of this Exhibit against Tenant's Planners and Tenant's Contractors. Tenant shall notify Landlord upon completion of the Work (and record any notice of completion contemplated by law). To the extent reasonably appropriate based on the nature of the Work, Tenant shall provide Landlord with "as built" drawings no later than thirty (30) days after completion of the Work.

f. *Landlord's Role and Rights*. The parties acknowledge that neither Landlord nor its managing agent is an architect or engineer, and that the Work will be designed and performed by independent architects, engineers and Tenant's Contractors engaged by Tenant. Landlord and its managing agent shall have no responsibility for construction means, methods or techniques or safety precautions in connection with the Work, and do not guarantee that the Plans or Work will be free from errors, omissions or defects, and shall have no liability therefor. Landlord's approval of Tenant's Plans and contracts, and Landlord's designations, lists, recommendations or approvals concerning Tenant's Planners and Contractors shall not be deemed a warranty as to the quality or adequacy thereof or of the Plans or the Work, or the design thereof, or of its compliance with laws, codes and other legal requirements. Tenant shall permit access to the Premises, and inspection of the Work, by Landlord and Landlord's architects, engineers, contractors and other representatives, at all times during the period in which the Work is being planned, constructed and installed and following completion of the Work. If Tenant fails to perform the Work as required herein or the materials supplied fail to comply herewith or with the specifications approved by Landlord, and Tenant fails to cure such failure within three (3) business days after notice by Landlord, Landlord shall have the right, but not the obligation, to order Tenant or any of Tenant's Contractors who violate the requirements imposed on Tenant or Tenant's Contractors in performing the Work to cease the Work and remove its equipment and employees from the Property. Landlord shall have the right, but not the obligation, to perform, on behalf of and for the account of Tenant, subject to reimbursement by Tenant, any work required to cure or complete any Work which has violated this Exhibit or which pertains to patching of the Work (and which Tenant has failed to cure within ten (10) days after notice from Landlord), or involves Work outside the Premises, or affects the base building core or structure or Systems and Equipment for the Property.

VI. HVAC Balancing. As a final part of the Work, Tenant shall cause its contractor to perform air balancing tests and adjustments on all areas of the Premises served by the air handling system that serves the areas in which the Work is performed (including any original space and any additional space being added to the Premises in connection herewith). Landlord shall not be responsible for any disturbance or deficiency created in the air conditioning or other mechanical, electrical or structural facilities within the Property or Premises as a result of the Work. If such disturbances or deficiencies

result, and Tenant's contractor does not properly correct the same, Landlord reserves the right, after fifteen (15) days notice to Tenant, to correct the same and restore the services to Landlord's reasonable satisfaction, at Tenant's reasonable expense.

VII. Certain Definitions

a. "*Space Plan*" herein means, to the extent required by the nature of the Work, detailed plans (including any so-called "pricing plans"), including a fully dimensioned floor plan and drawn to scale, showing: (i) demising walls, interior walls and other partitions, including type of wall or partition and height, and any demolition or relocation of walls, and details of space occupancy and density, (ii) doors and other openings in such walls or partitions, including type of door and hardware, (iii) electrical and computer outlets, circuits and anticipated usage therefor, (iv) any special purpose rooms, any sinks or other plumbing facilities, heavy items, and any other special electrical, HVAC or other facilities or requirements, including all special loading and related calculations, (v) any space planning considerations to comply with fire or other codes or other governmental or legal requirements, (vi) finish selections, and (vii) any other details or features requested by Architect, Engineer or Landlord, or otherwise required, in order for the Space Plan to serve as a basis for Landlord to approve the Work, and for Tenant to contract and obtain permits for the Work, or for the Space Plan to serve as a basis for preparing Construction Drawings.

b. "*Construction Drawings*" herein means, to the extent required by the nature of the Work, fully dimensioned architectural construction drawings and specifications, and any required engineering drawings, specifications and calculations (including mechanical, electrical, plumbing, structural, air-conditioning, ventilation and heating), and shall include any applicable items described -above for the Space Plan, and any other details or features requested by Architect, Engineer or Landlord in order for the Construction Drawings to serve as a basis for Landlord to approve the Work, and for Tenant to contract and obtain permits for the Work.

c. "*Work*" herein means: (i) the improvements and items of work shown on the final Approved Plans (including changes thereto), and (ii) any preparation or other work required in connection therewith, including without limitation, structural or mechanical work, additional HVAC equipment or sprinkler heads, or modifications to any building mechanical, electrical, plumbing or other systems and equipment or relocation of any existing sprinkler heads, either within or outside the Premises required as a result of the layout, design, or construction of the Work or in order to extend any mechanical distribution, fire protection or other systems from existing points of distribution or connection, or in order to obtain building permits for the work to be performed within the Premises (unless Landlord requires that the Plans be revised to eliminate the necessity for such work).

VIII. Liens. Tenant shall pay all costs for the Plans and Work when due. Tenant shall keep the Property, Premises and this Lease free from any mechanic's, materialman's, architect's, engineer's or similar liens or encumbrances, and any claims therefor, or stop or violation notices, in connection with the Plans and Work. Tenant shall give Landlord notice at least ten (10) days prior to the commencement of any Work (or such additional time as may be necessary under applicable Laws), to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall remove any such claim, lien or encumbrance, or stop or violation notices of record, by bond or otherwise within thirty (30) days after notice by Landlord. If Tenant fails to do so, Landlord may pay the amount (or any portion thereof) or take such other action as Landlord deems necessary to remove such claim, lien or encumbrance, or stop or violation notices, without being responsible for investigating the validity thereof. The amount so paid and costs incurred by Landlord shall be deemed additional Rent under the Lease Document payable upon demand, without limitation as to other remedies available to Landlord.

IX. Miscellaneous

a. *Interpretation; Original Lease*. If this Work Letter is attached as an Exhibit to an amendment to an existing lease ("Original Lease"), whether such amendment adds space, relocates the Premises or makes any other modifications, the term "Lease Document" herein shall refer to such

amendment, or the Original Lease as amended, as the context implies. By way of example, in such case, references to the "Premises" and "Commencement Date" herein shall refer, respectively, to such additional or relocated space and the effective date for delivery thereof under such amendment, unless expressly provided to the contrary herein. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Lease Document.

b. *General Matters*. This Exhibit is intended to supplement and be subject to the provisions of the Lease Document, including, without limitation, those provisions requiring that any modification or amendment be in writing and signed by authorized representatives of both parties. This Exhibit shall not apply to any additional space added to the Premises at any time, whether by any options or rights under the Lease Document or otherwise, or to any portion of the Premises in the event of a renewal or extension of the Term of the Lease Document, whether by any options or rights under the Lease Document or otherwise, unless expressly so provided in the Lease Document or any amendment or supplement thereto. The Lease Document and this Exhibit are not intended to create any third-party beneficiaries; without limiting the generality of the foregoing, no Tenant Contractors or Tenant Planners shall have any legal or beneficial interest in the Allowance. The rights granted in this Exhibit are personal to Tenant as named in the Lease Document, and are intended to be performed for such Tenant's occupancy of the Premises. Under no circumstance whatsoever shall any assignee or subtenant have any rights under this Exhibit. Any remaining obligations of Landlord under this Exhibit not theretofore performed shall concurrently terminate and become null and void if Tenant subleases or assigns the Lease Document with respect to all or any portion of the Premises, or seeks or proposes to do so (or requests Landlord's consent to do so), or if Tenant or any current or proposed affiliate thereof issues any written statement indicating that Tenant will no longer move its business into, or that Tenant will vacate and discontinue its business from, the Premises or any material portion thereof. Any termination of Landlord's obligations under this Exhibit pursuant to the foregoing provisions shall not serve to terminate or modify any of Tenant's obligations under the Lease Document. In addition, notwithstanding anything to the contrary contained herein, Landlord's obligations under this Exhibit, including obligations to perform any work, or provide any Allowance or rent credit, shall be subject to the condition that Tenant shall be in compliance with the material terms of the Lease (including all terms providing for the timely payment of rent), and shall not have committed a violation under the Lease by the time that Landlord is required to perform such work or provide such Allowance or rent credit.

LEASE AMENDMENT NINE

THIS LEASE AMENDMENT NINE (this "**Amendment**") is entered into as of November 4, 2010, by and between **TRANS WESTERN PHOENIX GATEWAY**, **L.L.C.**, a Delaware limited liability company **(**"**Landlord**"), and **MESA AIR GROUP**, **INC.**, a Nevada corporation **(**"**Tenant**").

R E C I T A L S:

A. DMB Property Ventures Limited Partnership (the "**Original Landlord**") and Tenant entered into that certain Lease dated October 16, 1998 (the "**Original Lease**"), as amended by (i) that certain First Amendment to Lease dated March 9, 1999, (ii) that certain Second Amendment to Lease dated November 8, 1999, (iii) that certain Lease Amendment Three dated November 7, 2000, (iv) that certain Lease Amendment Four dated May 15, 2001, (v) that certain Lease Amendment Five dated October 11, 2002, (vi) that certain Lease Amendment Six dated April 1, 2003, (vii) that certain Amended and Restated Lease Amendment Seven dated April 15, 2005, and (viii) that certain Lease Amendment Eight dated October 12, 2005 (collectively, the "**Lease**") for certain premises (the "**Premises**") on the first, seventh and eleventh floors of the building located at 410 North 44th Street, Phoenix, Arizona, commonly known as Three Gateway (the "**Building**").

B. Landlord has heretofore succeeded to all of the right, title and interest of Original Landlord as the landlord under the Lease.

C. The term of the Lease is scheduled to expire on August 31, 2012.

D. Tenant desires to extend the term of the Lease to November 30, 2015.

E. The Premises currently consists of approximately 36,071 square feet of rentable area.

F. Tenant desires to surrender a portion of the Premises located on the 1st floor of the Building and containing approximately 4,892 square feet of rentable area (the "**Surrendered Space**"), which Surrendered Space is depicted on **Exhibit A** attached hereto and by this reference made a part hereof.

G. Landlord and Tenant desire to amend the Lease on the terms and conditions hereinafter set forth.

H. On or about January 5, 2010, Tenant and certain of its affiliates filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.*, in the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"). The bankruptcy cases of Tenant and its affiliates are currently pending and being jointly administered in the Bankruptcy Court in cases styled *In re Mesa Air Group, Inc., et al.*, case no. 10-10018(MG) (the "**Bankruptcy Case**"). The terms and provisions set forth in this Amendment shall control over any conflicting provisions in any prior Amendment or the Original Lease. The provisions of this Amendment with regard to Rent, Extension of Term,

Surrender of Possession of Surrendered Space, and Parking supersede any terms or conditions granted under the Lease (as amended) between the parties.

NOW, **THEREFORE**, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree to amend the Lease as follows:

1. **Extension of Term**. The term of the Lease is hereby extended to November 30, 2015 (the "**Extension Term Expiration Date**"), unless sooner terminated as is otherwise provided in the Lease (the "**Extension Term**"). All of the terms and provisions of the Lease shall continue to apply with respect to the Extension Term, except as specifically modified herein. Tenant acknowledges that Tenant has no further right or option to extend the term of the Lease, except as provided in Section 8 of this Amendment.

2. **Surrender of Possession of Surrendered Space**. On or before the September 15, 2010 (the "**Surrender Date**"), Tenant shall (a) remove all telephone and computer wiring and cabling and all of Tenant's fixtures, furniture and other property from the Surrendered Space; (b) surrender possession of the Surrendered Space to Landlord in broom-clean condition and in accordance with the requirements of the Lease; and (c) surrender to Landlord all keys for the Surrendered Space (collectively, the "**Surrender Requirements**"). Tenant's failure to comply with the Surrender Requirements by the Surrender Date shall be deemed a holdover of the Surrendered Space by Tenant entitling Landlord to exercise all of its rights and remedies at law, in equity and under the Lease, including, without limitation, the right to collect Rent with respect to the Surrendered Space at one hundred fifty percent (150%) of the rate per rentable square foot in effect as of the Surrender Date, on a monthly basis without reduction for partial months, from the Surrender Date until Tenant has satisfied the Surrender Requirements. Tenant does hereby acknowledge and agree that Tenant's surrender of the Surrendered Space to Landlord shall not terminate the Lease with respect to the remainder of the Premises or release Tenant from its obligations under the Lease including, but not limited to, Tenant's obligation to pay Base Rent, Additional Rent, and all other charges imposed on Tenant under the Lease accruing with respect to the Surrendered Space prior to the Surrender Date. Tenant shall be liable to Landlord for costs incurred by Landlord as a result of Tenant's failure to perform any of the foregoing, which liability shall survive the Surrender Date.

Tenant agrees that upon the Surrender Date, Landlord shall be released from all claims, costs, causes of action, damages and all other liability related to Tenant's lease of the Surrendered Space.

Tenant hereby certifies, with respect to Tenant's rights in and occupancy of the Surrendered Space, that the following statements are true as of the date hereof and will be true on the Surrender Date:

(a) Tenant owns and holds the entire leasehold interest under the Lease;

(b) No subleases exist affecting the Surrendered Space or any part thereof;

(c) Tenant has not assigned or encumbered Tenant's interest under the Lease or any part thereof;

(d) Tenant has not at any time done or suffered any act or omission and will not do or suffer any act or omission whereby the Surrendered Space or any part thereof is or may be in any way charged, assessed or encumbered. No contracts for the furnishing of any labor or materials with respect to improvements or alterations in or about the Surrendered Space have been let by Tenant or are outstanding that have not been performed and satisfied; and

(e) Tenant has full authority to execute and deliver this Amendment.

Effective on the Surrender Date, the Surrendered Space shall be subtracted from the Premises pursuant to the terms and conditions of this Amendment and the Premises shall be deemed to consist of 31,179 square feet of rentable area. Notwithstanding anything to the contrary contained herein, and notwithstanding Tenant's delivery of possession of the Surrendered Space to Landlord prior to the Surrender Date, Tenant shall continue to remain liable for the payment of Base Rent and Additional Rent accruing with respect to the Surrendered Space through and including the day prior to the Surrender Date.

3. **Rent**.

(a) Commencing on September 15, 2010, but subject to the provisions of Section 3(b) hereof, Base Rent payable by Tenant for the Premises shall be as follows, and shall be payable at the same times and in the same manner as set forth in the Lease:

Period	Annual Base Rent per Rentable Square Foot	Annual Base Rent	Monthly Installments of Base Rent
9/15/10 – 9/30/11	$18.00	$561,222.00	$46,768.50
10/1/11 – 9/30/12	$18.50	$576,811.50	$48,067.62
10/1/12 – 9/30/13	$19.00	$592,401.00	$49,366.75
10/1/13 – 9/30/14	$20.00	$623,580.00	$51,965.00
10/1/14 – 9/30/15	$20.50	$639,169.50	$53,264.13
10/1/15 – 11/30/15	$21.00	$654,759.00	$54,563.25

(b) Notwithstanding anything to the contrary contained herein, until the Effective Date (hereinafter defined), Tenant shall pay Base Rent at the monthly rate of $76,648.15. Promptly after the Effective Date, Landlord shall, so long as Tenant is not then in default of its obligations under the Lease beyond applicable periods of notice and cure, reimburse Tenant for the difference between the amount actually paid by Tenant as Base Rent for the period of September 15, 2010 through November 30, 2010 and the amount of Base Rent payable for such period pursuant to Section 3(a) hereof.

(c) Commencing on the Surrender Date, (i) Tenant's Share for the entire Premises shall be reduced to 14.35%, and (ii) Tenant shall pay Tenant's Share of the amount by which operating costs for each year of the Term exceeds operating costs for

the year 2010. Notwithstanding the foregoing, for purposes of computing Tenant's Share of operating costs, commencing with calendar year 2011, Controllable Operating Costs (hereinafter defined) shall not increase by more than four percent (4%) each calendar year (on a cumulative, compounded basis). "**Controllable Operating Costs**" shall mean all operating costs exclusive of (i) the cost of insurance, taxes and utilities, (ii) the annual amortized capital costs incurred by Landlord to comply with laws that were not applicable to the Building as of the Surrender Date or incurred by Landlord primarily for the purpose of reducing operating expenses or otherwise improving the operating efficiency of the Building, (iii) costs incurred by Landlord in connection with increased levels or additional types of services at the Building, and (iv) any other costs incurred by Landlord for reasons outside Landlord's reasonable control (e.g., costs incurred as a result of increases in union wages or non-capital costs incurred in complying with governmental laws and regulations).

4. **Demising of Premises**. Landlord shall separately demise the Surrendered Space from the remainder of the Premises on the first floor of the Building, limited to constructing a wall in place of the existing door between the east side of the Surrendered Space and the remaining Premises. Any modifications to the remaining Premises necessitated by Tenant's surrender of the Surrendered Space shall be made by Tenant at Tenant's expense. Tenant shall grant Landlord and Landlord's contractors such access to the Premises as may be necessary or desirable for Landlord to complete the demising of the Surrendered Space, and no such entry shall be deemed an eviction or partial eviction or entitle Tenant to abatement of rent or any other remedy. Tenant shall cooperate with the Landlord in the performance of such work, including, without limitation, moving employees, furniture, equipment and other personal property as may be reasonably requested by Landlord to ensure the expeditious and safe completion of such work.

5. **Condition of Premises**. Tenant acknowledges that it is leasing the Premises during the Extension Term in its "as is" condition, and that no agreements to alter, remodel, decorate, clean or improve the Premises or the Building have been made by Landlord or any party acting on Landlord's behalf. Notwithstanding the foregoing, Landlord shall, so long as Tenant is not then in default under the Lease beyond applicable periods of notice and cure, provide Tenant with an allowance of $187,074.00 (the "**Allowance**"). The Allowance shall be used, at Tenant's option exercised by written notice to Landlord no later than July 31, 2012 (the "**Allowance Notice**"), as either (a) a credit against the Base Rent accruing under the Lease commencing September 1, 2012, or (b) a credit against the cost of Landlord's painting and carpeting the Premises using Building standard materials **(**"**Landlord's Work**"). If Tenant elects to take the Allowance as a credit against Base Rent, then Landlord shall apply the Allowance against the Base Rent accruing under the Lease commencing September 1, 2012 until the Allowance has been exhausted. If Tenant elects to take the Allowance as a credit against the cost of Landlord's Work, Landlord shall commence performing Landlord's Work promptly after receipt of the Allowance Notice, provided that in no event shall Landlord be required to commence Landlord's Work before September 1, 2012. If the actual cost of Landlord's Work shall exceed the Allowance, Landlord shall notify Tenant of such actual cost, which notice shall include reasonable evidence of the actual cost of the Landlord's Work. The amount by which the actual cost of Landlord's Work exceeds the Allowance is referred to herein as "**Excess Cost**". Tenant shall pay to Landlord the Excess Cost, if any, within ten (10) days after Tenant's

receipt of Landlord's written demand. If, after completion of Landlord's Work, the actual cost of Landlord's Work is less than the Allowance, Tenant shall be entitled to an abatement of Base Rent next accruing under the Lease in an amount equal to the difference, so long as no default shall then exist. Landlord shall have no obligation to apply the Allowance against Base Rent or to commence or continue with the completion of Landlord's Work at any time that Tenant is in default under the Lease beyond applicable cure periods. Tenant shall grant Landlord and Landlord's contractors such access as to the Premises as may be necessary or desirable for Landlord to complete Landlord's Work, and no such entry shall be deemed an eviction or a partial eviction or entitle Tenant to abatement of rent or any other remedy. Tenant shall cooperate with Landlord in the performance of Landlord's Work, including, without limitation, moving employees, furniture, equipment and other personal property as may be reasonably requested by Landlord in order to ensure the expeditious and safe completion of Landlord's Work.

6. **Parking**. The Building's parking ratio is 4.38 parking spaces for each 1,000 square feet of rentable area (the "**Building Standard Parking Ratio**"). Accordingly, during the Extension Term, Tenant shall be permitted to use 136 parking spaces (based on the Premises containing 31,179 square feet of rentable area). Should Tenant lease fewer or more square feet of rentable area in the Building, the number of parking spaces to be issued by Tenant shall decrease or increase, as applicable, in conformance with the Building Standard Parking Ratio. Initially, during the Extension Term, Tenant shall use and pay for twenty five (25) covered reserved parking spaces, seventy seven (77) covered unreserved parking spaces and thirty four (34) rooftop parking spaces. Currently, reserved covered spaces are $55.00 per space per month, covered unreserved parking spaces are $45.00 per space per month, and rooftop spaces are $10.00 per space per month. Landlord reserves the right to increase the charge for parking spaces from time to time in accordance with parking charges for similar-type parking in office buildings comparable to the Building located in the vicinity of the Building. Notwithstanding the foregoing, the parking charges for use of the parking spaces allocated to Tenant in accordance with the Building Standard Parking Ratio will be waived for the period of October 1, 2012 through September 30, 2013. Landlord may, in its sole and absolute discretion, permit Tenant to use more parking spaces than permitted by the Building Standard Parking Ratio, but Landlord reserves the right to terminate Tenant's use of any or all of the parking spaces used by Tenant in excess of the Building Standard Parking Ratio on not less than ten (10) days' prior written notice to Tenant. Landlord shall not be obligated to police usage of Tenant's reserved parking spaces on a day-to-day basis although Landlord shall use reasonable efforts to mediate any disputes regarding proper use of any of Tenant's reserved spaces. Tenant shall be obligated to comply with such reasonable rules and regulations as Landlord may from time to time establish with respect to the garage. Landlord shall not be liable to Tenant in damages or otherwise under any circumstances for failure to provide parking if at any time Landlord is prevented from doing so for reasons beyond its reasonable control, including without limitation, as the result of a taking or condemnation, or during any temporary need to close the parking lots or portions thereof for maintenance, repair or replacement. Landlord shall have no liability whatsoever for any property damage, loss or theft and/or personal injury which might occur as a result of or in connection with the use of the parking by Tenant, its employees, agents, servants, customers, invitees and licensees, and Tenant hereby agrees to indemnify and hold Landlord harmless for, from and against any and all costs, claims, expenses, and/or causes of action which

Landlord may incur in connection with or arising out of Tenant's use of the parking. This section supercedes all other sections of the Lease relating to Tenant's right to parking.

7. **HVAC and Electricity**. Landlord shall provide heating and air conditioning to the Premises from the hours of 7:00 a.m. to 6:00 p.m., Mondays through Fridays, and from 8:00 a.m. to 12:00 p.m. on Saturdays, the Building's designated holidays excepted, and electrical service to Premises on a twenty four (24) hour per day, seven (7) days per week basis. Landlord's costs in providing heating and air conditioning to the Premises and electricity to the Premises (other than to Tenant's IT room in the Premises) shall be included in the Building's operating costs. Tenant's IT room in the Premises is separately metered and Tenant is obligated to pay for electricity used in such IT room directly to the electricity provider. If Tenant requests heating or air conditioning for the Premises outside of the hours specified therefor above, Tenant shall pay to Landlord Landlord's charge therefor which shall equal Landlord's actual cost to provide such after hours service plus a reasonable charge for depreciation of the Building's heating and air conditioning equipment.

8. **Extension Option**. Landlord hereby grants to Tenant an option to extend the Lease Term for one (1) period of five (5) years (the "**Extension Period**"). The Extension Period shall commence on the day following the Extension Term Expiration Date **(**"**Extension Commencement Date**") and shall expire on the day preceding the fifth (5th) anniversary of the Extension Term Commencement Date, unless sooner terminated in accordance with the terms and provisions of the Lease.

(a) The Extension Period shall be upon the same terms, covenants, and conditions as set forth in the Lease with respect to the Extension Term, except that Base Rent payable during the Extension Period shall be equal to the Fair Market Rental Rate (as defined below) for lease terms commencing on or about the Extension Commencement Date, as determined pursuant to the provisions of this Section 8.

(b) If Tenant desires to exercise its option to extend, Tenant shall no earlier than sixteen (16) months before the Extension Term Expiration Date and no later than fourteen (14) months before the Extension Term Expiration Date, time being of the essence, notify Landlord in writing of its desire to extend and request of Landlord its determination of the Fair Market Rental Rate **(**"**Tenant's Initial Notice**"). Landlord shall, within thirty (30) days of its receipt of Tenant's Initial Notice, notify Tenant in writing **(**"**Landlord's Notice**") of the rental rate for the Extension Period (the "**Extension Period Rental Rate**"). If Tenant desires to extend the Lease Term for the Extension Period at the Extension Period Rental Rate, Tenant shall so notify Landlord in writing (the "**Extension Notice**") within thirty (30) days after Landlord delivers Landlord's Notice to Tenant. If Tenant does not so exercise the Extension Option, then Tenant may notify Landlord in writing (the "**Negotiation Notice**") within thirty (30) days after Landlord delivers Landlord's Notice to Tenant that Tenant disagrees with Landlord's determination of the Fair Market Rental Rate, in which case Tenant shall concurrently notify Landlord of Tenant's determination of the Fair Market Rental Rate, and if the parties are unable to agree upon a Fair Market Rental Rate within thirty (30) days after such response by Tenant (the "**Negotiation Period**"), then such dispute shall be settled by binding arbitration as hereinafter described. If Tenant fails to deliver either the

Extension Notice or Negotiation Notice within the time periods specified above, the Extension Option shall be deemed waived, time being of the essence.

(c) Landlord and Tenant, within fifteen (15) days after expiration of a Negotiation Period, shall each simultaneously submit to the other, in a sealed envelope, its good faith estimate of the Fair Market Rental Rate for the Extension Period (collectively referred to as the "**Estimates**"). If the higher of such Estimates is not more than one hundred two percent (102%) of the lower of such Estimates, then the Fair Market Rental Rate shall be the average of the two Estimates. If the Fair Market Rental Rate is not so resolved pursuant to the preceding sentence, Landlord and Tenant, within fifteen (15) days after the exchange of Estimates, shall each select an appraiser to determine which of the two Estimates more closely reflects the Fair Market Rental Rate for the Premises for the Extension Period. Each appraiser selected pursuant to this Section shall be certified as an MAI appraiser and shall have had at least ten (10) years experience as a real estate appraiser of which at least the last five (5) years immediately preceding the Negotiation Period must be as a real estate appraiser working in the 44th Street Corridor area office market of Phoenix, Arizona, with working knowledge of current rental rates and market practices. For purposes of this Section, "**MAI appraiser**" means an individual who holds an MAI designation conferred by, and is an independent member of, the American Appraisal Institute (or its successor organization, or in the event there is no successor organization, the organization and designation most similar) and who is not affiliated with Landlord or Tenant. Upon selection, Landlord's and Tenant's appraisers shall work together in good faith to agree upon which of the two Estimates more closely reflects the Fair Market Rental Rate for the Premises for the Extension Period. The Estimate chosen by such appraisers shall be binding on both Landlord and Tenant as the Base Rent rate for the Extension Period. If either Landlord or Tenant fails to appoint an appraiser within the fifteen (15) day period referred to above, then the appraiser appointed by the other party shall be the sole appraiser for the purposes hereof. If the two appraisers cannot agree upon which of the two Estimates most closely reflects the Fair Market Rental Rate within twenty (20) days after their appointment; then, within ten (10) days after the expiration of such twenty (20) day period, the two (2) appraisers shall select a third appraiser meeting the aforementioned criteria (or, if such two appraisers are unable to select a third appraiser, such selection shall be made by the President of the local chapter of the American Appraisal Institute [or its successor organization]). Once the third appraiser has been selected as provided for above, then, as soon thereafter as practicable, but in any case within fourteen (14) days, the third appraiser shall make its determination of which of the two Estimates more closely reflects the Fair Market Rental Rate for the Premises for the Extension Period and such appraiser shall not select anything other than one of the two Estimates from Landlord and Tenant and the Estimate so selected by the third appraiser shall be binding on both Landlord and Tenant as the Fair Market Rental Rate for the Premises for the Extension Period. The party whose Estimate is not selected as the Fair Market Rental Rate shall pay the costs of the third appraiser and of any experts retained by the third appraiser. Any fees of any appraiser, counsel or experts engaged directly by Landlord or Tenant, however, shall be borne by the party retaining such appraiser, counsel or expert.

(d) Unless Landlord, in its sole and absolute discretion, otherwise agrees in writing, Tenant may only exercise its option to extend and an exercise thereof shall only be effective, if at the time of Tenant's exercise of the option and on the Extension Commencement Date, the Lease is in full force and effect and no uncured default by Tenant under the Lease shall then exist, and, inasmuch as the option is intended only for the original Tenant named in the Lease, Tenant has not assigned the Lease or sublet any portion of the Premises.

(e) Upon the valid exercise by Tenant of the option to extend, Landlord and Tenant shall promptly enter into a written supplement to the Lease confirming the terms, conditions and provisions applicable to the Extension Period, as determined in accordance with the provisions of this Section.

(f) For purposes of the Lease, the term "**Fair Market Rental Rate**" shall mean a rate comprised of (i) the prevailing base rental rate per square foot of rentable area available in the Pertinent Market (as defined below), and taking into account tenant improvement allowances, other tenant inducements, operating cost stops and tax cost stops, and brokerage commissions, and (ii) any escalation of any such base rental rate (based upon a fixed step and/or index) prevailing in the Pertinent Market, taking into account (A) comparable leases (on the basis of factors such as, but not limited to, size and location of space and commencement date and term of lease), if any, recently executed for improved space in the Building, and (B) leases for comparable (on the basis of factors such as, but not limited to, size and location of space and commencement date and term of lease) improved space in office buildings in the 44th Street Corridor area of Phoenix, Arizona which are comparable to the Building in reputation, quality, age, size, location and level and quality of services provided and which have reached economic stabilization and are not, for any other reason, offering below market rents (the foregoing factors not being exclusive in identifying comparable buildings) (the Building, together with such comparable buildings, if applicable, being herein referred to as the "**Pertinent Market**").

9. **Contraction Option**. Landlord hereby grants to Tenant the one-time option, exercisable by written notice to Landlord (the "**Exclusion Notice**"), to reduce the size of the Premises **(**"**Contraction Option**") on the terms and conditions set forth below. Tenant's exercise of the Contraction Option shall be effective on the day preceding the September 30, 2013 (the "**Exclusion Date**"). Tenant shall deliver the Exclusion Notice to Landlord no later than nine (9) full calendar months before the Exclusion Date **(**"**Exclusion Exercise Date**"), time being of the essence. If Tenant exercises the Contraction Option, the area to be deleted from the Premises **(**"**Excluded Premises**") shall consist of the portion of the Premises currently located on the eleventh (11th) floor of the Building containing 5,865 square feet of rentable area.

(a) If Tenant exercises the Contraction Option, the Term shall terminate (except as otherwise provided herein) as to the Excluded Premises as of the Exclusion Date, as if the Lease had expired by lapse of time, and the remainder of the Premises shall be the Premises under the Lease **(**"**Remainder Leased Premises**"). Tenant shall vacate and deliver possession of the Excluded Premises to Landlord on the Exclusion Date in the manner set forth in the Lease for surrender of the Premises. Any retention of possession by Tenant of all or part of the Excluded Premises after the Exclusion Date

shall be deemed a holding over under the Lease without the consent of Landlord, and shall be subject to the terms and conditions of this Lease with respect to such retention of possession. Effective as of the Exclusion Date, the number of square feet of rentable area in the Premises, Base Rent provided to be paid pursuant to the Lease for the Excluded Premises and Tenant's Share shall be reduced based upon the number of square feet of rentable area in the Remainder Leased Premises.

(b) As a condition to the effective exercise of the Contraction Option, Tenant shall pay Landlord the Contraction Fee (hereinafter defined) concurrently with Tenant's delivery of the Exclusion Notice to Landlord. The term "**Contraction Fee**" shall mean $49,655.05, which amount is equal to the unamortized balance of the Excluded Premises Leasing Costs (hereinafter defined) as of the Exclusion Date had the Excluded Premises Leasing Costs been loaned to Tenant as of the Surrender Date at the interest rate of eight percent (8%) per annum and had such loaned amount been repaid in equally monthly installments commencing on the Surrender Date in amounts sufficient to fully amortize such loaned amount and the imputed interest thereon on the Extension Term Expiration Date. The term "**Excluded Premises Leasing Costs**" shall mean the sum of the product of (x) 0.19, and (y) the (i) total brokerage commission payable by Landlord in connection with this Amendment, and (ii) the actual amount of the Allowance applied against Base Rent or against the cost of Landlord's Work pursuant to this Amendment. If Tenant elects to exercise the Contraction Option, then Tenant thereby waives and releases any and all defenses, whether known or unknown and whether by way of defense, offset, repayment, recoupment, or otherwise, that it may have with regard to its obligation to pay the Contraction Fee, and that nothing that may occur after Tenant's election shall in any way discharge, modify or suspend its obligation to pay the Contraction Fee. Landlord shall have the same remedies for non-payment of the Contraction Fee as for Rent. Tenant acknowledges that the Contraction Fee constitutes a non-refundable prepayment of Rent, notwithstanding any subsequent leasing of the Excluded Premises by Landlord.

(c) Tenant's Share of operating costs for the calendar year which includes the Exclusion Date shall be calculated separately for the Excluded Premises and the Remainder Leased Premises.

(1) Tenant's Share of operating costs attributable to the Excluded Premises shall be prorated for the calendar year which includes the Exclusion Date as though this Lease will terminate on the Exclusion Date, and the number of days in such calendar year shall be deemed to be the number of days in the period commencing on January 1 of the calendar year which includes the Exclusion Date and ending on the Exclusion Date. Tenant's Share attributable to the Excluded Premises for such calendar year shall be computed pursuant to the Lease, using as the numerator the number of square feet of rentable area of the Excluded Premises; and

(2) Tenant's Share of operating costs with respect to the Remainder Leased Premises for such calendar year and for the remainder of the Term thereafter shall be computed pursuant to the Lease, using

as the numerator the number of square feet of rentable area of the Remainder Leased Premises.

(d) Tenant represents and warrants to Landlord that the following will be true as of the date Tenant exercises the Contraction Option and also on the Exclusion Date:

(1) Tenant owns and holds the entire interest of the tenant under this Lease;

(2) There exist no subleases affecting the Excluded Premises which are not simultaneously being terminated by Tenant before or as of the Exclusion Date; and

(3) No contracts for the furnishing of any labor or materials with respect to improvements or alterations in or about the Excluded Premises have been let by Tenant or are outstanding that have not been performed and satisfied by Tenant.

(e) Tenant's exercise of the Contraction Option is further conditioned on the following:

(1) There shall be no default by Tenant then existing either on the date Tenant delivers the Exclusion Notice or on the Exclusion Date, unless Landlord, in its sole and absolute discretion elects to permit such contraction notwithstanding such default;

(2) This Lease shall be in full force and effect on the date on which Tenant delivers the Exclusion Notice and on the Exclusion Date; and

(3) Tenant shall not have assigned this Lease or sublet any portion of the Premises pursuant to a sublease which would remain in effect beyond the Contraction Date.

(4) Tenant's exercise of the Contraction Option shall be irrevocable by Tenant once made.

(f) If Tenant exercises the Contraction Option, Landlord and Tenant shall promptly execute and deliver an amendment to the Lease reflecting the termination of this Lease with respect to the Excluded Premises on the terms provided above.

10. **Right of First Refusal**. If at any time after the Surrender Date, Landlord intends to offer to a third party or to accept an offer from a third party for a lease the Surrendered Space other than the then-current occupant or tenant of such space, Landlord shall give Tenant written notice of such offer **(**"**Landlord ROFR Notice**") prior to Landlord entering into such lease. Landlord's ROFR Notice shall specify: (i) the proposed lease term for the Surrendered Space, (ii) the date Landlord will deliver possession of the Surrendered Space for Tenant to commence tenant improvements to prepare the Surrendered Space for occupancy, (iii) the annual rate of

Base Rent per square foot of rentable area for the Surrendered Space, (iv) the tenant concessions (e.g., rent abatements and tenant improvement allowances and improvements), if any, which Landlord will provide in connection with such lease of the Surrendered Space, and (v) any other material terms of such offer. Tenant shall thereupon have a right (the "**Right of First Refusal**") to lease all, but not less than all, of the Surrendered Space, subject to the following terms and conditions:

(1) Tenant shall deliver to Landlord a written notice of its election to exercise the Right of First Refusal within ten (10) days after Landlord gives Tenant Landlord's ROFR Notice, time being of the essence; and

(2) Tenant shall not be default under the Lease, either on the date Tenant exercises the Right of First Refusal or on the proposed commencement date of the lease term for the Surrendered Space, unless Landlord, in its sole and absolute discretion, agrees in writing to allow Tenant to lease such Surrendered Space notwithstanding such default; and

(3) The Lease shall be in full force and effect both on the date Tenant exercise the Right of First Refusal and on the proposed commencement date of the lease term for the Surrendered Space.

(a) If Tenant does not timely or properly exercise a Right of First Refusal, Landlord may at any time thereafter lease the Surrendered Space to any third-party tenant on terms and provisions not materially different than those set forth in Landlord's ROFR Notice, without any further rights of Tenant to lease such space.

(b) If Tenant exercises the Right of First Refusal, the following terms and provisions shall apply:

(1) Landlord shall lease the Surrendered Space to Tenant for a lease term specified in Landlord's ROFR Notice and expiring on the Extension Term Expiration Date, in which case, any tenant improvement allowance or other tenant inducements in connection with the lease of such Surrendered Space shall be appropriately adjusted to reflect the reduced term of the lease of such Surrendered Space. Landlord shall use reasonable efforts to deliver possession of the Surrendered Space to Tenant on the date specified in Landlord's ROFR Notice for the delivery of possession. In no event shall Landlord be liable to Tenant if Landlord is unable to deliver possession of the Surrendered Space on the date specified in Landlord's ROFR Notice for causes outside Landlord's reasonable control (including, without limitation, the failure of any existing tenant or occupant in such Surrendered Space to timely vacate such space). If Landlord is unable to deliver possession of the Surrendered Space to Tenant by

the specified date (excluding delays caused by Tenant or its employees, agents and contractors), then the commencement date of the lease term of the Surrendered Space shall be deferred by a number of days equal to the number of days of delay of delivery of possession of the ROFR Space to Tenant.

(2) Tenant shall not be entitled to any rental abatement for the Excluded Premises except as otherwise set forth in Landlord's ROFR Notice, provided any such abatement shall be appropriately adjusted if the term of the lease of the Excluded Premises is shorter than the term specified in Landlord's ROFR Notice.

(3) All of the terms and provisions of this Lease shall apply with respect to the Excluded Premises, except as the same may be inconsistent with the provisions of this Section.

(c) If Tenant exercises the Right of First Refusal, Landlord and Tenant shall promptly execute and deliver an amendment to this Lease reflecting the lease of the Excluded Premises by Landlord to Tenant on the terms herein provided.

(d) The Right of First Refusal shall automatically terminate and become null and void upon the earliest to occur of (i) the expiration or termination of the Lease, (ii) termination by Landlord of Tenant's right to possession of all or any part of the Premises, (iii) the assignment of the Lease by Tenant, in whole or in part or (iv) the sublease by Tenant of all or any part of the Premises.

11. **Brokers**. Landlord and Tenant each represent and warrant to the other that the only brokers they have dealt with in connection with this Amendment are Transwestem Commercial Services, L.L.C. and Cushman & Wakefield of Arizona, Inc., whose commission and fees shall be calculated as if the Extension Term was for five (5) years and two (2) and one half months and shall be paid by Landlord pursuant to a separate written agreement. Landlord and Tenant each agree to defend, indemnify and hold the other harmless from and against all claims by any other broker for fees, commissions or other compensation to the extent such broker alleges to have been retained by the indemnifying party in connection with the execution of this Amendment. The provisions of this paragraph shall survive the expiration or sooner termination of the Lease.

12. **Limitation of Landlord's Liability**. The obligations of Landlord under the Lease as amended by this Amendment do not constitute personal obligations of the individual partners, members, directors, officers, shareholders, trustees or beneficiaries of Landlord, and Tenant shall not seek recourse against the partners, members, directors, officers, shareholders, trustees or beneficiaries of Landlord, or any of their personal assets for satisfaction of any liability with respect to the Lease as amended by this Amendment. In the event of any default by Landlord under the Lease as amended by this Amendment, Tenant's sole and exclusive remedy shall be against Landlord's interest in the Building and the real property on which it is located. The provisions of this paragraph are not designed to relieve Landlord from the performance of any of its obligations hereunder, but rather to limit Landlord's liability in the case of the recovery

of a judgment against it, as aforesaid, nor shall any of the provisions of this paragraph be deemed to limit or otherwise affect Tenant's right to obtain injunctive relief or specific performance or availability of any other right or remedy which may be accorded Tenant by law or the Lease. In the event of sale or other transfer of Landlord's right, title and interest in the Building, Landlord shall be released from all liability and obligations thereafter accruing under the Lease as amended by this Amendment; provided, that this paragraph shall inure to the benefit of any such purchaser or transferee.

13. **Bankruptcy Court Approval**. This Amendment, and the terms herein, are subject to and conditioned upon entry of an Assumption Order by the Bankruptcy Court in the Bankruptcy Case, and that Assumption Order having become a Final Order. As used herein, the term "**Assumption Order**" means an order approving Tenant's assumption of the Lease as amended by this Amendment pursuant to 11 U.S.C. § 365(a), with the form and substance of such order being satisfactory to Landlord in its sole discretion. For the sake of clarity, and without limiting the generality of the foregoing, the Assumption Order shall provide for payment to Landlord of all "cure" obligations of Tenant as required by 11 U.S.C. § 365(b)(1)(A). As used herein, the term "**Final Order**" means an order of the Bankruptcy Court as to which the time to appeal, petition for certiorari, or move for re-argument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceeding for re-argument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, reargue, or rehear shall have been waived in writing in form and substance satisfactory to Landlord or, in the event that an appeal, writ of certiorari, or re-argument or rehearing thereof has been sought, such order of the Bankruptcy Court on the last such appeal shall have been determined by the highest court to which such order was appealed with no further remand or other proceedings contemplated, or certiorari, re-argument or rehearing shall have been denied and the time to take any further appeal, petition for certiorari, or move for re-argument or rehearing shall have expired; *provided, however*, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or Rule 9023 or 9024 of the Federal Rules of Bankruptcy Procedure, may be filed with respect to such order shall not cause such order not to be a Final Order. Nothing in this Amendment, Landlord's entry into this Amendment, or the entry of the Assumption Order shall be deemed to be consent by Landlord to the assignment, pursuant to 11 U.S.C. § 365(f) or otherwise, of the Lease as amended by this Amendment; and Landlord reserves all rights and remedies under the Lease, the Bankruptcy Code and applicable non-bankruptcy law regarding any attempted assignment by Tenant of the Lease as amended by this Amendment. The term "**Effective Date**" shall mean the date of issuance of the Final Order.

14. **Miscellaneous**. Except as modified herein, the Lease and all of the terms and provisions thereof shall remain unmodified and in full force and effect as originally written. In the event of any conflict or inconsistency between the provisions of the Lease and the provisions of this Amendment, the provisions of this Amendment shall control. All terms used herein but not defined herein which are defined in the Lease shall have the same meaning for purposes hereof as they do for purposes of the Lease. The Recitals set forth above in this Amendment are hereby incorporated by this reference. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective beneficiaries, successors and assigns.

15. **Counterparts**. This Amendment may be executed in any number of counterparts and by each of the undersigned on separate counterparts, which counterparts taken together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWINGS]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year first above written.

LANDLORD:

TRANSWESTERN PHOENIX GATEWAY, L.L.C., a Delaware limited liability company

By: /s/ Timothy E. McChesney
Name: Timothy E. McChesney
Title: Managing Director

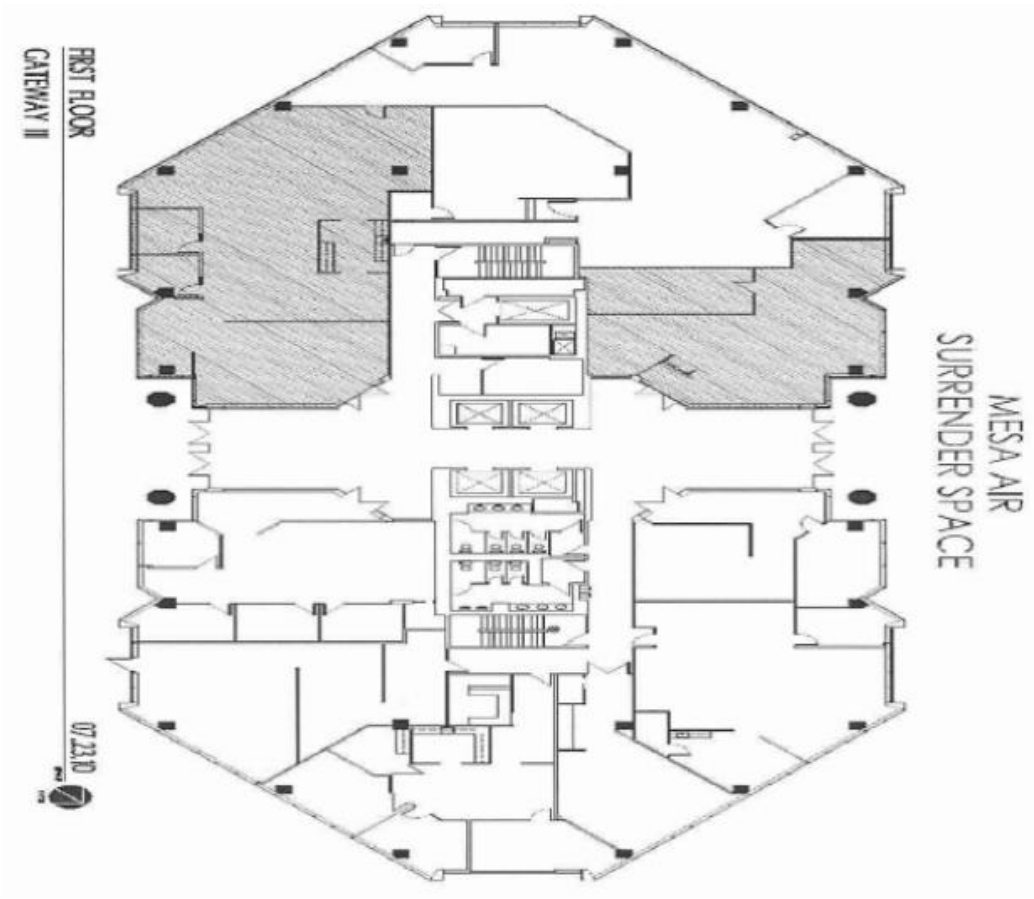
TENANT:

MESA AIR GROUP, **INC.**,
a Nevada corporation

By: /s/ Michael J. Lotz
Name: Michael J. Lotz
Title: President & COO

EXHIBIT A

THE SURRENDERED SPACE



LEASE AMENDMENT ELEVEN

THIS LEASE AMENDMENT ELEVEN (this "**Amendment**") is made and entered into as of July 31, 2014 (the "Effective Date"), by and between **PHOENIX OFFICE GRAND AVENUE PARTNERS, LLC,** a Delaware limited liability company ("Landlord"), and **MESA AIR GROUP, INC.,** a Nevada corporation ("**Tenant**").

RECITALS

A. Landlord (as successor in interest to DMB Property Ventures Limited Partnership and Transwestern Phoenix Gateway, L.L.C.) and Tenant are parties to that certain Lease dated October 16, 1998 (the "Original Lease"), which lease has been previously amended by instruments dated (i) March 9, 1999, (ii) November 8, 1999, (iii) November 7, 2000, (iv) May 15, 2001, (v) October 11, 2002, (vi) April 1, 2003, (vii) April 15, 2005, (viii) October 12, 2005, (ix) November 4, 2010 (the "Ninth Amendment") and (x) February 6, 2014 (collectively, the "Lease"). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 31,179 square feet of rentable area (the "Existing Premises") on the first (1st), seventh (7th) and eleventh (11th) floors of the building commonly known as Three Gateway and located at 410 North 44th Street, Phoenix, Arizona (the "Building").

B. The Lease by its terms shall expire on November 30, 2015 ("Prior Termination Date"), and the parties desire to extend the term of the Lease, all on the following terms and conditions.

C. Tenant has requested that additional space containing approximately 7,589 square feet of rentable area described as Suite Nos. 100 (i.e., 3,217 rsf) and 140 (i.e., 1,781 rsf) on the first (1st) floor of the Building and Suite No. 1100 (i.e., 3,217 rsf) on the eleventh (11th) floor of the Building shown on **Exhibit A** hereto (collectively, the "Swing Space") be added to the Existing Premises on a temporary basis during Tenant's refurbishment of the Existing Premises and that the Lease be appropriately amended and Landlord is willing to do the same on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

I. **Extension**. The term of the Lease is hereby extended for a period of one hundred twenty (120) months and shall expire on November 30, 2025 ("Extended Termination Date"), unless sooner terminated in accordance with the terms of the Lease as amended hereby (the "Amended Lease"). That portion of the term commencing the day immediately following the Prior Termination Date ("Extension Date") and ending on the Extended Termination Date shall be referred to herein as the "Extended Term".

II. **Base Rent**. As of the Extension Date, the schedule of Base Rent payable with respect to the Existing Premises during the Extended Term is the following:

Period	Approximate Annual Base Rate per Rentable Square Foot	Annual Base Rent	Monthly Installments of Base Rent
12/1/15 – 11/30/16	$23.50	$732,706.56	$61,058.88
12/1/16 – 11/30/17	$24.00	$748,296.00	$62,358.00
12/1/17 – 11/30/18	$24.50	$763,885.56	$63,657.13
12/1/18 – 11/30/19	$25.00	$779,475.00	$64,956.25
12/1/19 – 11/30/20	$25.50	$795,064.56	$66,255.38
12/1/20 – 11/30/21	$26.00	$810,654.00	$67,554.50
12/1/21 – 11/30/22	$26.50	$826,243.56	$68,853.63
12/1/22 – 11/30/23	$27.00	$841,833.00	$70,152.75
12/1/23 – 11/30/24	$27.50	$857,422.56	$71,451.88
12/1/24 – 11/30/25	$28.00	$873,012.00	$72,751.00

All such Base Rent, plus applicable sales, rent and use taxes, shall be payable by Tenant in accordance with the terms of the Amended Lease.

III. **Base Rent Abatement**. Provided Tenant is not in default under the Amended Lease beyond any applicable cure period, Landlord hereby agrees to abate Tenant's obligation to pay, commencing upon the first day of the first full calendar month following the mutual execution and delivery of this Amendment, (a) Base Rent in the amount of $795,064.50, i.e., such amount being equal to the Base Rent applicable during the first 13-months of the Extended Term, and (b) parking charges for thirteen (13) full calendar months (such total amount of abated Base Rent and parking fees plus any Applied Allowance (as defined below), if any, being hereinafter referred to collectively as the "Abated Amount"). During such abatement period, Tenant will still be responsible for the payment of all other monetary obligations under the Amended Lease. Tenant acknowledges that any default by Tenant under the Amended Lease will cause Landlord to incur costs not contemplated hereunder, the exact amount of such costs being extremely difficult and impracticable to ascertain, therefore, should Tenant at any time during the remaining term be in default beyond any applicable cure period, then the total unamortized sum of such Abated Amount (amortized on a straight line basis over the 120-month Extended Term described in Section I above) so conditionally excused shall become immediately due and payable by Tenant to Landlord and any remaining Abated Amount shall no longer be available to Tenant as a rent credit from the date of such default. Tenant acknowledges and agrees that nothing in this paragraph is intended to limit any other remedies available to Landlord at law or in equity under applicable law, in the event Tenant defaults under the Amended Lease beyond any applicable cure period. Notwithstanding the foregoing, Tenant shall have the right, on or prior to that date which is seven (7) months following the Effective Date, to elect to apply up to six (6) months of the above described abated Base Rent and parking charges towards the Allowance (described below), i.e., effectively increasing the Allowance by the amount of such election. If Tenant elects to apply any such abated Base Rent and parking charges towards the Allowance, then such amount shall no longer be considered part of the

Abated Amount described above and the abatement period described above shall be decreased accordingly.

IV. **Financial Statements; Letter of Credit**.

A. **Financial Statements**. Concurrently with Tenant's execution of this Amendment, and thereafter, upon each anniversary of the Effective Date during the Lease Term and at any other time during the Lease Term upon written request from Landlord when Tenant is in default under the Amended Lease beyond any applicable cure period, Tenant shall provide Landlord with a cash balance amount certified to be correct by the Chief Financial Officer of Tenant, showing, without limitation, Tenant's total balance of unrestricted cash and unrestricted cash equivalents plus any available amounts under a line of credit or comparable bank facility (such total balance being "Tenant's Unrestricted Cash Balance"), in a form reasonably acceptable to Landlord (each, a "Financial Statement"). Each Financial Statement shall be prepared in accordance with generally acceptable accounting principles and certified as true in all material respects by Tenant (if Tenant is an individual) or by an authorized officer, member/manager or general partner of Tenant (if Tenant is a corporation, limited liability company or partnership, respectively).

B. **Letter of Credit**. Concurrently with Tenant's execution of this Amendment, Tenant shall deliver to Landlord an unconditional, clean, irrevocable letter of credit (the "L-C") in the amount of $400,000.00 (the "Initial L-C Amount") in accordance with **Exhibit D** attached hereto. Notwithstanding the foregoing, provided that Tenant is not in default under the Amended Lease (beyond the applicable notice and cure period set forth in the Amended Lease), the Initial L-C Amount shall be reduced as follows:

Date of Reduction	New L-C Amount
The date of expiration of the forty-eighth (48th) month of the Extended Term	$300,000.00
The date of expiration of the sixtieth (60th) month of the Extended Term	$200,000.00
The date of expiration of the seventy-second (72nd) month of the Extended Term	$100,000.00
The date of expiration of the eighty-fourth (84th) month of the Extended Term	$0.00

As used herein, the term "L-C Amount" shall mean the Initial L-C Amount, as the same may be reduced pursuant to the foregoing. Notwithstanding the foregoing, if at any time after the expiration of the forty-eighth (48th) month of the Extended Term any Financial Statement provided by Tenant shows that Tenant's Unrestricted Cash Balance equals or exceeds $24,000,000.00, then provided that Tenant is not in default under the Amended Lease (beyond the applicable notice and cure period set forth in the Amended Lease), the requirement of Tenant to maintain the L-C pursuant to this Amendment shall be null and void and any L-C then held by Landlord pursuant to this Amendment shall be terminated; provided, however, that if the L-C is terminated pursuant to the

foregoing and at any time after such termination until the expiration of the eighty-fourth (84th) month of the Extended Term any Financial Statement provided by Tenant shows that Tenant's Unrestricted Cash Balance is less than $24,000,000.00, then Tenant shall deliver to Landlord a new L-C in the then-required L-C Amount pursuant to this Section IV.B in accordance with **Exhibit B** attached hereto, and thereafter, Tenant shall have no additional right to terminate the L-C pursuant to this sentence based on the amount of Tenant's Unrestricted Cash Balance.

V. **Expenses and Taxes**. For the period commencing on the Extension Date and ending on the Extended Termination Date, Tenant shall pay for Tenant's Share of Property expenses, real estate taxes and such other amounts with respect to the Existing Premises in accordance with the terms of the Lease, provided, however, during such period, (i) the Base Year for the computation of Tenant's Share of Property expenses, real estate taxes and such other amounts with respect to the Existing Premises is amended from 2010 to 2016, and (ii) the references in Section 3(c) of the Ninth Amendment to "2011" are hereby replaced with references to "2017".

VI. **Improvements to Existing Premises**.

A. **Condition of Existing Premises**. Tenant is in possession of the Existing Premises and accepts the same "as is" without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements, except as may be expressly provided otherwise in this Amendment.

B. **Responsibility for Improvements to Existing Premises**. Provided Tenant is not in default under the Amended Lease beyond any applicable cure period, Landlord hereby grants to Tenant an allowance of $40.00 per square foot of rentable area located within the Existing Premises, i.e., $1,247,160.00 (the "Allowance") based upon the Existing Premises containing 31,179 square feet of rentable area, to improve/refurbish the Existing Premises (the "Tenant Improvements") pursuant to Section 10 of the Original Lease; provided, however, (i) if any portion of the above described Allowance has not been utilized by Tenant prior to July 31, 2016, then such unexpended portion shall revert to Landlord and no longer be available to Tenant, and (ii) Tenant shall have the right to apply any available portion of the Allowance (not to exceed $15.00 per square foot of rentable area located within the Existing Premises, i.e., $467,685.00 (the "Applied Allowance") based upon the Existing Premises containing 31,179 square feet of rentable area) against any costs incurred by Tenant directly for its cost of furniture, fixtures and/or equipment or Base Rent abatement. Any costs incurred by Tenant in excess of the Allowance in connection with the performance of the Tenant Improvements shall be the sole responsibility of Tenant. Following Tenant's substantial completion of the Tenant Improvements, Landlord shall reimburse Tenant for the reasonable, actual, third- party, out-of-pocket costs (which costs may include, without limitation, labor and materials costs, professional fees (such as engineers, architects, space planners and interior designers and permitting fees) incurred by Tenant in performing the Tenant Improvements (up to the amount of the Allowance) within thirty (30) days following Landlord's receipt from Tenant of evidence reasonably satisfactory to Landlord that Tenant has paid for and completed the Tenant Improvements in full

and in accordance with the terms hereof and that there will be no liens recorded against the Building arising out of or relating to such Tenant Improvements; provided, however, so long as Tenant is not in default beyond any applicable cure period, Tenant may, at its sole option, elect to have such Allowance disbursed in accordance with Subsection VI.F, below. For purposes of this Section VI, the phrase "substantial completion" or "substantially completed" shall mean that the applicable improvements (i.e., the Tenant Improvements, the Refurbishments, the Remodeling, etc., as the case may be) have been completed except for such incomplete items as would not materially interfere with the use of the Existing Premises for general office use.

C. **Additional Allowances**. Provided Tenant is not in default under the Amended Lease beyond any applicable cure period, Landlord hereby grants to Tenant the following additional allowances in addition to the above described Allowance: (i) $0.15 per square foot of rentable area located within the Existing Premises, i.e., $4,676.85 (the "Space Planning Allowance") based upon the Existing Premises containing 31,179 square feet of rentable area, to prepare the space plans associated with the above described Tenant improvements (the "Space Planning"); (ii) $7.50 per square foot of rentable area located within the Existing Premises, i.e., $233,842.50 (the "Refurbishment Allowance") based upon the Existing Premises containing 31,179 square feet of rentable area, to refurbish the Existing Premises pursuant Section 10 of the Original Lease (the "Refurbishments") or apply towards Base Rent on or after the expiration of the eighty-fifth (85th) month of the Extended Term; and (iii) $2.00 per square foot of rentable area located within the Existing Premises, i.e., $62,358.00 (the "Remodeling Allowance") based upon the Existing Premises containing 31,179 square feet of rentable area, to remodel the Existing Premises pursuant Section 10 of the Original Lease or otherwise install furniture and/or telecom/data cabling within the Existing Premises (collectively, the "Remodeling") on or after the date of this Amendment; provided, however, if any portion of (a) the Space Planning Allowance is not utilized by Tenant prior to the substantia! completion of the Tenant Improvements, or (b) the Refurbishment Allowance is not utilized by Tenant prior to the expiration of the one hundred eighth (108th) month of the Extended Term (the "Refurbishment Allowance Expiration Date"), or (c) the Remodeling Allowance has not been utilized by Tenant prior to that date which is ninety (90) days following the substantial completion of the Tenant Improvements, then such unexpended portion(s) of the above described Additional Allowance(s) (as defined below) shall revert to Landlord and no longer be available to Tenant. The Space Planning Allowance, Refurbishment Allowance and Remodeling Allowance may be collectively referred to herein as the "Additional Allowances" or individually as an "Additional Allowance" and the Space Planning, the Refurbishments and the Remodeling may be collectively referred to herein as the "Additional Work". Any costs incurred by Tenant in excess of an Additional Allowance in connection with the performance of the applicable Additional Work shall be the sole responsibility of Tenant. Following Tenant's substantial completion of any of the above described categories of Additional Work, Landlord shall reimburse Tenant for the reasonable, actual, third-party, out- of-pocket costs (which costs may include, without limitation, labor and materials costs, professional fees (such as engineers, architects, space planners and interior designers and permitting fees) incurred by Tenant in performing the applicable Additional Work (up to the amount of the applicable

Additional Allowance) within thirty (30) days following Landlord's receipt from Tenant of evidence reasonably satisfactory to Landlord that Tenant has paid for and completed the applicable category of Additional Work in full and in accordance with the terms hereof and that there will be no liens recorded against the Building arising out of or relating to such applicable Additional Work; provided, however, so long as Tenant is not in default beyond any applicable cure period, Tenant may, at its sole option, elect to have any of such Additional Allowances disbursed in accordance with Subsection VI.F. below.

D. **Landlord's Work**. Landlord agrees to perform the following work either prior to, or within a reasonable period of time following, the commencement of the Extended Term: (i) install new wall covering within the 7th floor men's and women's restrooms; (ii) install additional wet wall areas within the 7th floor men's restroom (as necessary in Landlord's discretion); (iii) install new light lenses within the 1st, 7th and 11th floor men's and women's restrooms; (iv) install additional incandescent lighting within the 7th and 11th floor men's and women's restrooms (as necessary in Landlord's discretion); and (v) install metal partitions within the 7th floor men's restroom (collectively, "Landlord's Work"). Tenant acknowledges that Landlord's Work will be performed (a) using Building standard materials and finishes selected by Landlord, and (b) in or adjacent to the Existing Premises while Tenant is in occupancy thereof and paying Rent pursuant to the Amended Lease. Tenant also acknowledges that the performance of Landlord's Work may interrupt Tenant's business, or be inconvenient to Tenant, and Tenant agrees that Landlord shall have no responsibility or liability to Tenant therefor. Landlord agrees to use commercially reasonable efforts to minimize any such interruptions and inconveniences and to use its commercially reasonable efforts to coordinate the performance of any portion of the Landlord Work located upon the 7th and 11th floors of the Building with Tenant's performance of its Tenant Improvements within the portion of the Premises located on the 7th and 11th floors of the Building. Tenant agrees to make the Existing Premises reasonably available to Landlord and its contractors for the performance of Landlord's Work. Tenant agrees that the performance of Landlord's Work shall not constitute an eviction of Tenant from the Existing Premises, whether constructive or otherwise, and Tenant shall in all events be required to pay Rent pursuant to the Amended Lease during the performance of Landlord's Work. In connection with the performance of Landlord's Work, it shall be the responsibility of Tenant at its cost to secure all loose personal property, and disconnect and reconnect, as required, all electrical equipment (including, without limitation, computer equipment), movable partitions, workstations and the like.

E. **Refurbishment Allowance Buyout Option**. Notwithstanding anything in this Section VI to the contrary, at any time prior to the Refurbishment Allowance Expiration Date, Landlord shall have the option to make a cash payment (the "Refurbishment Allowance Buyout Payment") to Tenant in the amount of the remaining Refurbishment Allowance, discounted at the rate of five percent (5%) per annum from the Refurbishment Allowance Expiration Date to the first day of the month during which the Refurbishment Allowance Buyout Payment is made. Upon Landlord's tender of such Refurbishment Allowance Buyout Payment, Tenant shall no longer be entitled to the Refurbishment Allowance pursuant to Section VI.C above. Landlord shall exercise its option to buy-out the Refurbishment Allowance by delivering at least ten (10) days' prior written notice

thereof to Tenant, and shall make the Refurbishment Allowance Buyout Payment to Tenant on or about the date set forth in such notice. The amount of the Refurbishment Allowance Buyout Payment shall be calculated as follows: Landlord, acting reasonably and in good faith, shall estimate the total amount of the remaining Refurbishment Allowance, which estimate shall be based on the actual remaining Refurbishment Allowance pursuant to Section VI.C above.

F. **Monthly Disbursement**. Subject to Subsection VI.E above, so long as Tenant is not in default under the Amended Lease beyond any applicable cure period, Tenant may elect for Landlord to either: (a) disburse the Allowance pursuant to Subsection VLB above and/or disburse the Additional Allowance pursuant to Subsection VI.C above, i.e., disburse the applicable allowance(s) only upon substantial completion of the applicable work/improvements, or (b) disburse the Allowance and/or category of Additional Allowance on a monthly basis in accordance with this Subsection VI.F. If Tenant elects to have the Allowance and/or any category of Additional Allowance disbursed pursuant to this subsection, Tenant shall submit to Landlord, on or before the 5th day of each month, an invoice ("Tenant's Invoice") accompanied by documentation reasonably satisfactory to Landlord evidencing the costs incurred and paid by Tenant in connection with the Tenant Improvements and/or category of Additional Work (as applicable), Tenant's payment therefor, and the absence of liens (including a certification from Tenant's contractor that such work has been performed and completed) (the "Cost Documentation"). Within thirty (30) days after Landlord's receipt of Tenant's Invoice and the Cost Documentation, and so long as Tenant is not in default under the Amended Lease beyond any applicable cure period, Landlord shall disburse to Tenant the portion of the applicable Allowance or Additional Allowance equal to ninety percent (90%) of the amount set forth in Tenant's Invoice; provided, however, Landlord shall retain ten percent (10%) of the Allowance (the "Remaining Allowance") and each Additional Allowance (each, a "Remaining Additional Allowance"), as applicable, until the Tenant Improvements or category of Additional Work, as applicable, has been substantially completed in its entirety Any Tenant's Invoice received by Landlord after the 5th day of the month shall be paid concurrently with the payment made for the following month's Tenant's Invoice. Provided Tenant is not in default under the Amended Lease beyond any applicable cure period, Landlord shall disburse the Remaining Allowance or Remaining Additional Allowance, as applicable, within thirty (30) days after Landlord's receipt of notice that the Tenant Improvements or applicable category of Additional Work has been substantially completed in its entirety, and Landlord's receipt of Tenant's Invoice and Cost Documentation therefor.

VII. **Swing Space**.

A. **Swing Space Effective Date**. For the period commencing upon the mutual execution and delivery of this Amendment (the "Swing Space Effective Date") and ending on the Swing Space Termination Date (as defined below), the Premises, as defined in the Lease, is temporarily increased from 31,179 square feet of rentable area to 38,768 square feet of rentable area by the addition of the Swing Space, and during the Swing Space Term (as defined below), the Existing Premises and the Swing Space, collectively, shall be deemed the Premises, as defined in the Lease.

B. **Swing Space Term**. The Term for the Swing Space (the "Swing Space Term") shall commence on the Swing Space Effective Date and end on the earlier of (i) that date which is exactly seven (7) days following the date Tenant substantially completes the Tenant Improvements pursuant to Section VLB above and (ii) that date which is seven (7) months following the Effective Date (as applicable, the "Swing Space Termination Date"), unless sooner terminated pursuant to the terms of the Amended Lease. The Swing Space is subject to all the terms and conditions of the Lease except as expressly modified herein and except that Tenant shall not be entitled to receive any allowances, abatement or other financial concession granted with respect to the Existing Premises unless such concessions are expressly provided for herein with respect to the Swing Space.

C. **No Swing Space Rent**. Except as set forth in Section VII.E below, Tenant shall not be obligated to pay Base Rent or Tenant's Share of Property expenses, real estate taxes and such other amounts with respect to the Swing Space; provided, however, the foregoing shall not affect Tenant's obligation to pay Base Rent and Tenant's Share of Property expenses, real estate taxes and such other amounts with respect to the Existing Premises as provided in the Amended Lease.

D. **No Improvements to Swing Space; Condition of Swing Space**. Tenant has inspected the Swing Space and agrees to accept the same "as is" without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements. Tenant shall vacate the Swing Space on or prior to the Swing Space Termination Date and deliver up the Swing Space to Landlord in as good condition as the Swing Space was delivered to Tenant, ordinary wear and tear excepted. No construction, alterations or modifications shall be performed by Tenant to the Swing Space during the Swing Space Term.

E. **Holdover**. If Tenant should holdover in the Swing Space after expiration or earlier termination of the Swing Space Term, any remedies available to Landlord as a consequence of such holdover contained in the Lease or otherwise shall be applicable (including, without limitation, the obligation to pay Landlord holdover rent), but only with respect to the Swing Space and shall not be deemed applicable to the Existing Premises unless and until Tenant holds over in the Existing Premises after expiration or earlier termination of the Term applicable thereto.

VIII. **Subordination**. Following the mutual execution and delivery of this Amendment, Landlord shall use its commercially reasonable efforts to cause the current lender with an interest in the Building as of the date of this Amendment to enter into a subordination, nondisturbance and attornment agreement on such lender's standard form and with commercially reasonable modifications requested by Tenant. However, Landlord shall not be liable to Tenant or otherwise deemed in default hereunder, and under no circumstances shall Tenant have any right to terminate the Amended Lease, if Landlord is unable to cause such lender to enter into such subordination, nondisturbance and attornment agreement.

IX. **Compliance with Law**. During the Extended Term and any extensions thereto and subject to reimbursement as part of Property expenses pursuant to the terms of the Amended Lease, Landlord agrees, as and when required by applicable Law, to cause

the restrooms on the first (1st), seventh (7th) and eleventh (11th) floors of the Building (so long as Tenant occupies space on each of these floors) and the common areas of the Building to comply with all Laws, including the Americans With Disabilities Act of 1990, as subsequently amended; provided, however, to the extent Landlord is required to perform such upgrades as a result of Tenant's specific use of the Premises for other than general office use, or as a result of the Tenant Improvements, the Refurbishments, or the Remodeling or as a result of any other alterations to the Premises made by or on behalf of Tenant pursuant to the terms of the Amended Lease or otherwise, Tenant shall be solely responsible for all costs incurred by Landlord in connection with the performance of such upgrades. **If** applicable, Tenant agrees to reimburse Landlord for all of such costs with fifteen (15) days following receipt of written request from Landlord.

X. **Extension Option**. Landlord and Tenant acknowledge and agree that the terms of Section 8 of the Ninth Amendment shall continue to apply during the Extended Term with the following modifications: (a) all references to "Lease Term" therein are hereby changed to "Extended Term" (i.e., the new 10-year Term pursuant to the terms of this Amendment); (b) all references to "Extension Term Commencement Date" therein are hereby changed to "Extension Date"; (c) all references to "Extension Term Expiration Date" therein are hereby changed to "Extended Termination Date"; and (d) all references to "Extension Term" therein are hereby changed to "Extended Term".

XI. **Right of First Refusal**. Landlord and Tenant acknowledge and agree that the terms of Section 10 of the Ninth Amendment shall continue to apply during the Extended Term with the following modifications: (a) all references to "Surrender Date" therein shall be deemed to mean the date this Amendment is mutually executed and delivered by the parties; (b) all references to "Surrendered Space" therein shall be deemed to mean any space located on the first (1st) or the eleventh (11th) floor of the Building that is contiguous to the Premises; (c) the reference to "ten (10) days" in clause (1) shall be changed to a reference to "five (5) days"; (d) the reference to "not materially different" in clause (a) shall be deemed to mean not less than ninety percent of the economic terms offered to Tenant in the Landlord ROFR Notice; and (e) clause (b) of such section is hereby deleted and deemed of no further force or effect.

XII. **Option to Terminate**. Subject to the terms of this Section XII, Tenant will have a one-time option to terminate and cancel the Amended Lease (the "Termination Option"), effective as of November 30, 2022 (the "Termination Date"), by delivering to Landlord, on or before November 30, 2021, written notice of Tenant's exercise of its Termination Option (the "Termination Notice"). As a condition to the effectiveness of Tenant's exercise of its Termination Option, and in addition to Tenant's obligation to satisfy all obligations arising under the Amended Lease through to the Termination Date, Tenant must timely pay to Landlord cash (or its equivalent) in the total amount of Nine Hundred Forty-Four Thousand Three Hundred Twelve and 83/100 Dollars ($944,312.83) (the "Termination Consideration"), which amount comprises the following items: (a) an amount equal to the unamortized (i.e., amortized on a straight line basis over the Extended Term with interest at the rate of 7% per annum) cost of Landlord's Work, the amount of the Space Planning Allowance utilized for Space Planning, the amount of the Allowance utilized for the Tenant Improvements, and the amount of the Remodeling Allowance utilized for Remodeling; plus (b) the unamortized (i.e., amortized on a straight line basis over the Extended Term with interest at the rate of 7% per annum) brokerage commission paid or payable by Landlord with respect to this Amendment; plus (c) an amount equal to the unamortized (i.e., amortized on a straight line basis over the

Extended Term with interest at the rate of 7% per annum) Abated Amount. One-half (1/2) of the Termination Consideration shall be paid by Tenant to Landlord concurrently with Tenant's delivery to Landlord of its Termination Notice and the remaining one-half (1/2) of the Termination Consideration shall be paid by Tenant to Landlord on or before that date which is seven (7) days prior to the Termination Date, Tenant agrees that the Termination Consideration is not in the nature of a penalty and represents the value of unamortized economic concessions granted to Tenant under this Lease, as well as consideration for the uncertainty in the amount of time Landlord will require in order to re lease the Existing Premises. If Tenant properly and timely exercises the Termination Option and properly and timely delivers the Termination Consideration to Landlord and satisfies ail obligations under the Amended Lease, including, without limitation, the provisions regarding surrender of the Existing Premises, all of which must be accomplished on or before the Termination Date, then the Amended Lease will terminate as of midnight, Arizona Time, on the Termination Date. Notwithstanding the foregoing, if Tenant elects to lease any space pursuant to Section XI above or otherwise adds any additional space to the Existing Premises following the date of this Amendment, the Termination Option shall be deemed void and of no further force or effect.

XIII. **No Other Options; Option Provisions**.

A. Tenant acknowledges and agrees that, except as expressly provided in this Amendment, it has (i) no rights and/or options to further extend or renew the Extended Term, (ii) no rights and/or options to terminate the Amended Lease early, and (iii) no rights and/or options to lease additional space within the Building or project of which the Building is a part.

B. The parties hereto acknowledge and agree that any option or other rights contained in this Amendment (collectively, the "Options," and individually, an "Option") which entitle Tenant to extend the Extended Term, expand/reduce the Existing Premises or terminate the Extended Term early, shall apply only to the Existing Premises and shall not be applicable to the Swing Space in any manner.

C. The Options are personal to the original Tenant executing this Amendment and may be exercised only by the original Tenant executing this Amendment while occupying the entire Existing Premises and without the intent of thereafter assigning the Amended Lease or subletting the Existing Premises and may not be exercised or be assigned, voluntarily or involuntarily, by any person or entity other than the original Tenant executing this Amendment. The Options are not assignable separate and apart from the Amended Lease, nor may the Options be separated from the Amended Lease in any manner, either by reservation or otherwise.

D. Tenant shall have no right to exercise any Option, notwithstanding any provision of the grant of Option to the contrary, and Tenant's exercise of the Option may be nullified by Landlord and deemed of no further force or effect, if Tenant shall be in default under the terms of the Amended Lease beyond any applicable cure period as of Tenant's exercise of the applicable Option or at any time after the exercise of such Option and prior to the commencement of the Option event.

XIV. **Signage**.

A. Subject to Landlord's prior reasonable approval, the sign criteria for the Building, all covenants, conditions, restrictions, laws, rules, regulations, and local ordinances affecting the project of which the Building is a part (collectively, the "Requirements"), and subject to Landlord obtaining the City of Phoenix's approval of a variance to the Building's Comprehensive Signage Plan which allows at least three (3) separate exterior signs at the top of the Building (the "CSP Variance") and Tenant obtaining any and all other necessary permits and approvals (collectively, the "Approvals"), Tenant shall have the non-exclusive right to have installed one (1) exterior sign at the top of the Building bearing Tenant's name or trade name or business logo (the "Building Top Sign") on the Southwest corner of the Building (the exact location to be designated by the Landlord); provided, however, if Tenant does not install the Building Top Sign within twenty-four (24) months after the approval of the CSP Variance, such right to install the Building Top Sign shall terminate. Tenant acknowledges that as of the date of this Amendment, only the existing exterior Building top sign utilized by Arcadis (as defined below) is permitted pursuant to the Requirements and the Building's Comprehensive Signage Plan. Tenant further acknowledges that it has been advised by Landlord that obtaining approval of the CSP Variance shall be necessary in order to install the Building Top Sign. Tenant shall comply, at Tenant's sole cost and expense, with any and all requirements of any CSP Variance granted by the City. If the CSP Variance is later revoked, then Landlord shall cause the Building Top Sign to be immediately removed and the underlying surfaces restored, at Tenant's sole cost and expense. If the application for the CSP Variance is denied or if the CSP Variance is granted for only one (1) additional Building Top Sign (i.e., one sign in addition to the existing exterior Building top sign utilized by Arcadis), then Tenant shall not have the right to install the Building Top Sign subject to the terms of this Section XIV unless the other tenant located within the Building with Building top signage rights superior to Tenant's rights under this Section XIV.A (i.e., Health Choice of Arizona, Inc., and its successors or assigns) elects, in its sole discretion, not to install its Building top signage. Notwithstanding the foregoing, if Tenant does not install the Building Top Sign granted under this Section XIV.A within twenty-four (24) months after having been informed by Landlord that Tenant is entitled to install such sign, Tenant's rights to install the Building Top Sign shall terminate.

B. Tenant shall be solely responsible for payment of any and all costs and expenses arising from the Building Top Sign, including, without limitation, all design, fabrication and permitting costs, license fees, installation, maintenance, repair and removal costs. The Building Top Sign shall be subject to any and all Requirements and Approvals applicable to such sign. Landlord shall maintain and repair the Building Top Sign at Tenant's expense. Upon the expiration or earlier termination of the Amended Lease, Landlord shall, at Tenant's sole cost and expense, (i) cause all of Tenant's signs to be removed from the exterior and interior of the Building and the common areas, (ii) repair any damage caused by the removal of Tenant's signs, and (iii) restore the underlying surfaces to the condition existing prior to the installation of Tenant's signs.

C. The sign rights granted under this Section XIV are personal to the original Tenant executing this Amendment and any of its affiliates that either assume original

Tenant's obligations under the Amended Lease or sublet any portion of the Premises pursuant to the terms of the Amended Lease and may not be assigned (voluntarily or involuntarily) to any person or entity, assigned separate and apart from the Amended Lease, and/or separated from the Lease in any manner, either by reservation or otherwise.

XV. **Miscellaneous**.

A. This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any rent abatement, improvement allowance, leasehold improvements, or other work to the Existing Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.

B. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

C. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

D. Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

E. The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

F. Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment other than Cushman and Wakefield of Arizona, inc., representing Tenant, and Transwestern, representing Landlord (collectively, "Brokers"). Tenant agrees to indemnify, defend and hold Landlord, its members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of any brokers (other than Brokers) claiming to have represented Tenant in connection with this Amendment.

G. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same Amendment.

[SIGNATURES ARE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

LANDLORD:

PHOENIX OFFICE GRAND AVENUE PARTNERS, LLC,
a Delaware limited liability company

By: **PEARLMARK PHOENIX GATEWAY, L.L.C.**,
a Delaware limited liability company,
its Administrative Member

By: /s/ Timothy E. McChesney

Name: Timothy E. McChesney

Title: Managing Director

TENANT:

MESA AIR GROUP, INC.,
a Nevada corporation

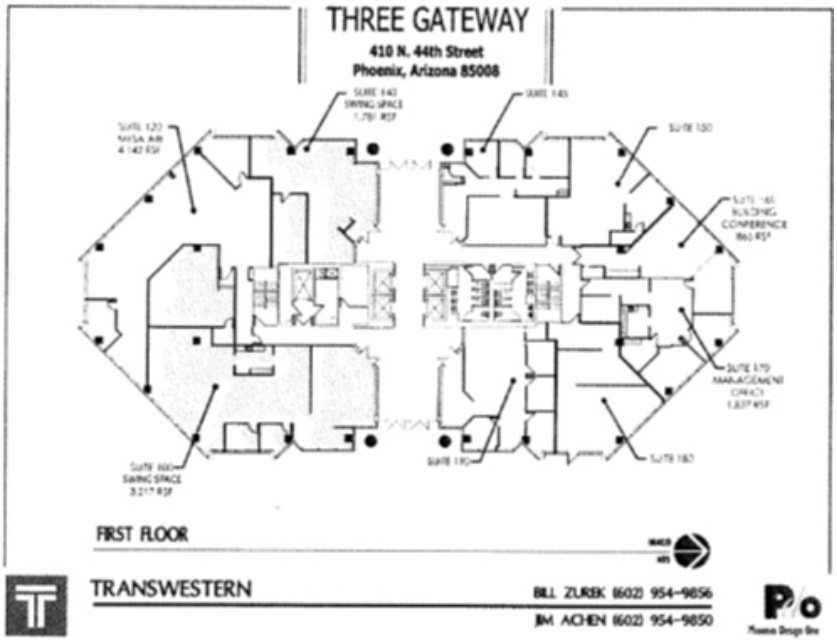
By: /s/ Michael J. Lotz

Name: Michael J. Lotz

Title: President & COO

EXHIBIT A

OUTLINE AND LOCATION OF SWING SPACE



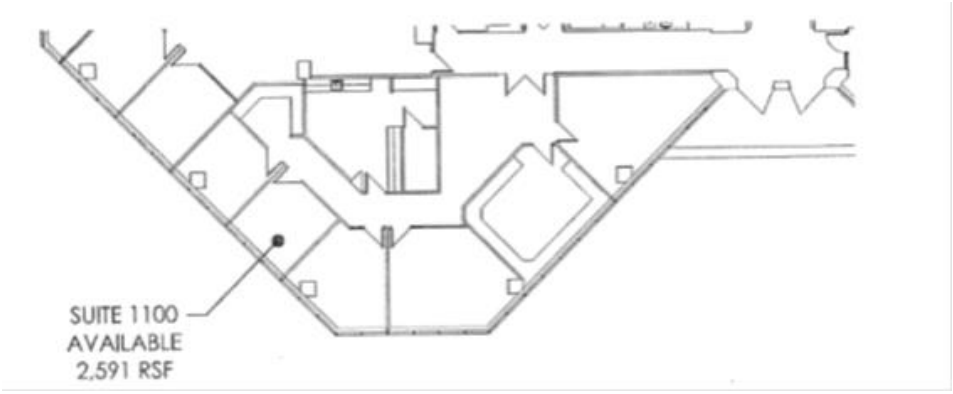


EXHIBIT A
2

EXHIBIT B

LETTER OF CREDIT

1. **Delivery of Letter of Credit**. Any L-C delivered by Tenant pursuant to this Amendment shall be issued by a money-center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a local Phoenix, Arizona office which will negotiate a letter of credit, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approved, issuing bank being referred to herein as the "Bank"), which Bank must have a short term Fitch Rating which is not less than "F1", and a long term Fitch Rating which is not less than "A" (or in the event such Fitch Ratings are no longer available, a comparable rating from Standard and Poor's Professional Rating Service or Moody's Professional Rating Service) (collectively, the "Bank's Credit Rating Threshold"), and which L-C shall be in the form of **Schedule 1** attached hereto. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (it) be maintained in effect, whether through renewal or extension, for the period commencing on the Effective Date of this Amendment and continuing until the date (the "L-C Expiration Date") that is no less than one hundred twenty (120) days after the expiration of the Lease Term, as the same may be extended, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least sixty (60) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the International Standby Practices-ISP 98, International- Chamber of Commerce Publication #590. Landlord, or its then managing agent, shat! have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of the Amended Lease, or (B) Tenant has filed a voluntary petition under the U.S. Bankruptcy Code or any state bankruptcy code (collectively, "Bankruptcy Code"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code, or (D) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date, or (E) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (F) Tenant executes an assignment for the benefit of creditors, or (G) if (1) any of the Bank's Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are no longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit, conforming in all respects to the requirements of this **Exhibit B** (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this Section 1 above), in the amount of the L-C Amount, within ten (10) days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in the Amended Lease to the contrary) (each of the foregoing being an "L-C Draw Event"). The L-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this **Exhibit B**, and, within ten (10) days following Landlord's notice to Tenant of such receivership or conservatorship (the "L-C FDIC

Replacement Notice"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this **Exhibit B**. If Tenant fails to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Section 1, then, notwithstanding anything in the Amended Lease to the contrary, Landlord shall have the right to declare Tenant in default of the Amended Lease for which there shall be no notice or grace or cure periods being applicable thereto (other than the aforesaid ten (10) day period). Tenant shall be responsible for the payment of any and all costs incurred with the review of any replacement L-C (including without limitation Landlord's reasonable attorneys' fees), which replacement is required pursuant to this **Exhibit B** or is otherwise requested by Tenant.

2. **Application of L-C**. Tenant hereby acknowledges and agrees that Landlord is entering into this Amendment in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may, but without obligation to do so, and without notice to Tenant, draw upon the L-C, in part or in whole, to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of the Amended Lease. The use, application or retention of the L-C, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by the Amended Lease or by any applicable law, it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees not to interfere in any way with payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw upon the L-C. No condition or term of the Amended Lease shall be deemed to render the L-C conditional to justify the issuer of the L-C in failing to honor a drawing upon such L-C in a timely manner. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U.S. Bankruptcy Code or otherwise.

3. **L-C Amount; Maintenance of L-C by Tenant; Liquidated Damages**.

3.1 L-C Amount. The L-C Amount shall be equal to the applicable amount set forth in Section IV.B of this Amendment.

3.2 In General. If, as a result of any drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within five (5) days thereafter, provide Landlord with additional letter(s) of credit

in an amount equal to the deficiency, and any such additional letter(s) of credit shall comply with all of the provisions of this Amendment and this **Exhibit B**, and if Tenant fails to comply with the foregoing, the same shall be subject to the terms of Section 3.3 below. Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than sixty (60) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its sole discretion. If Tenant exercises an option to extend the Lease Term, then, not later than one hundred twenty (120) days prior to the commencement of the applicable option term, Tenant shall deliver to Landlord a new L-C or certificate of renewal or extension evidencing the L-C Expiration Date as one hundred twenty (120) days after the expiration of the applicable option term. However, if the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this **Exhibit B**, Landlord shall have the right to either (x) present the L-C to the Bank in accordance with the terms of this **Exhibit B**, and the proceeds of the L-C may be applied by Landlord against any rent payable by Tenant under the Amended Lease that is not paid when due and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under the Amended Lease, or (y) pursue its remedy under Section 3.3 below. In the event Landlord elects to exercise its rights under the foregoing item (x), (I) any unused proceeds shall constitute the property of Landlord (and not Tenant's property or, in the event of a receivership, conservatorship, or a bankruptcy filing by Tenant, property of such receivership, conservatorship or Tenant's bankruptcy estate) and need not be segregated from Landlord's other assets, and (II) Landlord agrees to pay to Tenant within thirty (30) days after the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any rent payable by Tenant under the Amended Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under the Amended Lease; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of Tenant's creditors, under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused L-C proceeds until either all preference issues relating to payments under the Amended Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed.

3.3 FAILURE TO MAINTAIN; REPLACE AND/OR REINSTATE L-C; LIQUIDATED DAMAGES. IN THE EVENT THAT TENANT FAILS, WITHIN (I) THAT PERIOD SET FORTH IN SECTION 3.2 ABOVE, OR (II) THAT PERIOD SET FORTH IN THE L-C FDIC REPLACEMENT NOTICE, TO PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE

DEFICIENCY OR A REPLACEMENT L-C (AS APPLICABLE), THEN TENANTS MONTHLY INSTALLMENT OF BASE RENT SHALL BE INCREASED BY ONE HUNDRED FIFTY PERCENT (150%) OF ITS THEN EXISTING LEVEL DURING THE PERIOD COMMENCING ON THE DATE WHICH IS THE LAST DAY OF THE PERIOD IDENTIFIED IN SECTION 3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE), AND ENDING ON THE EARLIER TO OCCUR OF (X) THE DATE TENANT PROVIDES LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY AS CONTEMPLATED BY THE TERMS OF SECTION 3.2 ABOVE, OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE), OR (Y) THE DATE WHICH IS NINETY (90) DAYS AFTER THE LAST DAY OF THE PERIOD IDENTIFIED IN SECTION 3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE). IN THE EVENT THAT TENANT FAILS, DURING SUCH NINETY (90) DAY PERIOD FOLLOWING THE LAST DAY OF THE PERIOD IDENTIFIED IN SECTION 3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE), TO PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY OR A REPLACEMENT L-C (AS APPLICABLE), THEN TENANT'S MONTHLY INSTALLMENT OF BASE RENT SHALL BE INCREASED BY TWO HUNDRED PERCENT (200%) OF ITS THEN EXISTING LEVEL DURING THE PERIOD COMMENCING ON THE DATE WHICH IS NINETY (90) DAYS AFTER THE LAST DAY OF THE PERIOD IDENTIFIED IN SECTION 3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE) AND ENDING ON THE DATE SUCH ADDITIONAL L-C(S) ARE ISSUED IN AN AMOUNT EQUAL TO THE DEFICIENCY OR SUCH A REPLACEMENT L-C IS ISSUED (AS APPLICABLE) PURSUANT TO THE TERMS OF SECTION 3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE). THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY LANDLORD AS A RESULT OF TENANT'S FAILURE TO TIMELY PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY AS REQUIRED IN SECTION 3.2, OR A REPLACEMENT L-C AS CONTEMPLATED BY THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE), AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AMENDMENT, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION 3.3 REPRESENT A REASONABLE ESTIMATE OF THE DAMAGES • WHICH LANDLORD WILL INCUR AS A RESULT OF SUCH FAILURE, PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT WAIVE OR AFFECT LANDLORD'S RIGHTS AND TENANT'S INDEMNITY OBLIGATIONS UNDER OTHER SECTIONS OF THE AMENDED LEASE (EXCEPT THAT THE PARTIES SPECIFICALLY AGREE THAT THE FOREGOING PROVISION WAS AGREED TO IN LIEU OF MAKING FAILURE TO PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY OR A REPLACEMENT L-C (AS APPLICABLE) A DEFAULT UNDER THE AMENDED LEASE). THE PARTIES HAVE SET FORTH THEIR INITIALS BELOW TO INDICATE THEIR AGREEMENT WITH THE LIQUIDATED DAMAGES PROVISION CONTAINED IN THIS SECTION 3.3.

LANDLORD'S INITIALS	TENANT'S INITIALS

4. **Transfer and Encumbrance**. The L-C shall also provide that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all or any portion of its interest in and to the L-C to another party, person or entity, regardless of whether or not such transfer is from or as a part of the assignment by Landlord of its rights and interests in and to the Amended Lease. In the event of a transfer of Landlord's interest in under the Amended Lease, Landlord shall transfer the L-C, in whole or in part, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and, Tenant shall be responsible for paying the Bank's transfer and processing fees in connection therewith.

5. **L-C Not a Security Deposit**. Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context (the "Security Deposit Laws"), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes all provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in this **Exhibit B** and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of the Amended Lease, including any damages Landlord suffers following termination of the Amended Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of the Amended Lease.

6. **Non-Interference By Tenant**. Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of the Amended Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner. Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C.

7. **Waiver of Certain Relief**. Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the L-C:

7.1 A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any L-C or the Bank's honoring or payment of sight draft(s); or

7.2 Any attachment, garnishment, or levy in any manner upon either the proceeds of any L-C or the obligations of the Bank (either before or after the presentment to the Bank of sight drafts drawn under such L-C) based on any theory whatever.

8. **Remedy for Improper Drafts**. Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any L-C shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, together with interest at the Default Rate and reasonable actual out-of-pocket attorneys' fees, provided that at the time of such refund, Tenant increases the amount of such L-C to the amount (if any) then required under the applicable provisions of the Amended Lease. Tenant acknowledges that the presentment of sight drafts drawn under any L-C, or the Bank's payment of sight drafts drawn under such L-C, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) business days after demand, Tenant shall have the right to deduct the amount thereof together with interest thereon at the Default Rate from the next installment(s) of Base Rent.

[END OF EXHIBIT B]

SCHEDULE 1 TO EXHIBIT B

FORM OF LETTER OF CREDIT

(Letterhead of a money center bank acceptable to the Landlord)

FAX NO. [(_____) _____- _____] [Insert Bank Name And Address]
SWIFT: [insert No., if any]

DATE OF ISSUE:

BENEFICIARY:
[insert Beneficiary Name And Address]

APPLICANT:
[Insert Applicant Name And Address]

LETTER OF CREDIT NO. _____

EXPIRATION DATE:
_____ AT OUR COUNTERS

AMOUNT AVAILABLE:
USD[Insert Dollar Amount]
(U.S. DOLLARS [insert Dollar Amount])

LADIES AND GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO._____ IN YOUR FAVOR FOR THE ACCOUNT OF [Insert Tenant's Name], A [Insert Entity Type], UP TO THE AGGREGATE AMOUNT OF USD[Insert Dollar Amount] ([insert Dollar Amount] U.S. DOLLARS) EFFECTIVE IMMEDIATELY AND EXPIRING ON (Expiration Date) AVAILABLE BY PAYMENT UPON PRESENTATION OF YOUR DRAFT AT SIGHT DRAWN ON [Insert Bank Name] WHEN ACCOMPANIED BY THE FOLLOWING DOCUMENT(S):

1. THE ORIGINAL OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND AMENDMENT(S), IF ANY.

2. BENEFICIARY'S SIGNED STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED REPRESENTATIVE OF [Insert Landlord's Name], A [Insert Entity Type] ("LANDLORD") STATING THE FOLLOWING:

"THE UNDERSIGNED HEREBY CERTIFIES THAT THE LANDLORD, EITHER (A) UNDER THE LEASE (DEFINED BELOW), OR (B) AS A RESULT OF THE TERMINATION OF SUCH LEASE, HAS THE RIGHT TO DRAW DOWN THE AMOUNT OF USD_IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), OR SUCH AMOUNT CONSTITUTES DAMAGES OWING BY THE TENANT UNDER SUCH LEASE TO BENEFICIARY RESULTING FROM THE BREACH OF SUCH LEASE BY THE TENANT THEREUNDER, AND SUCH AMOUNT REMAINS UNPAID AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT WE HAVE RECEIVED A WRITTEN NOTICE OF [Insert Bank Name]'S ELECTION NOT TO EXTEND ITS STANDBY

LETTER OF CREDIT NO. _____ AND HAVE NOT RECEIVED A REPLACEMENT LETTER OF CREDIT WITHIN AT LEAST SIXTY (60) DAYS PRIOR TO THE PRESENT EXPIRATION DATE."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. _____ AS THE RESULT OF THE FILING OF A VOLUNTARY PETITION UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE BY THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. _____ AS THE RESULT OF AN INVOLUNTARY PETITION HAVING BEEN FILED UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE AGAINST THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."HAVING BEEN FILED UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE AGAINST THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

SPECIAL CONDITIONS:

PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS MAY BE MADE UNDER THIS STANDBY LETTER OF CREDIT, PROVIDED, HOWEVER, THAT EACH SUCH DEMAND THAT IS PAID BY US SHALL REDUCE THE AMOUNT AVAILABLE UNDER THIS STANDBY LETTER OF CREDIT.

ALL INFORMATION REQUIRED WHETHER INDICATED BY BLANKS, BRACKETS OR OTHERWISE, MUST BE COMPLETED AT THE TIME OF DRAWING. [Please Provide The Required Forms For Review, And Attach As Schedules To The Letter Of Credit.]

ALL SIGNATURES MUST BE MANUALLY EXECUTED IN ORIGINALS.

ALL BANKING CHARGES ARE FOR THE APPLICANT'S ACCOUNT.

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A PERIOD OF ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE EXPIRATION DATE WE SEND YOU NOTICE BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD. SAID NOTICE

WILL BE SENT TO THE ADDRESS INDICATED ABOVE, UNLESS A CHANGE OF ADDRESS IS OTHERWISE NOTIFIED BY YOU TO US IN WRITING BY RECEIPTED MAIL OR

COURIER. ANY NOTICE TO US WILL BE DEEMED EFFECTIVE ONLY UPON ACTUAL RECEIPT BY US AT OUR DESIGNATED OFFICE. IN NO EVENT, AND WITHOUT FURTHER NOTICE FROM OURSELVES, SHALL THE EXPIRATION DATE BE EXTENDED BEYOND A FINAL EXPIRATION DATE OF _____ (120 days from expiration of the Lease Term).

THIS LETTER OF CREDIT MAY BE TRANSFERRED SUCCESSIVELY IN WHOLE OR IN PART ONLY UP TO THE THEN AVAILABLE AMOUNT IN FAVOR OF A NOMINATED TRANSFEREE ("TRANSFEREE"), ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE IS IN COMPLIANCE WITH ALL APPLICABLE U.S. LAWS AND REGULATIONS. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S) IF ANY, MUST BE SURRENDERED TO US TOGETHER WITH OUR TRANSFER FORM (AVAILABLE UPON REQUEST) AND PAYMENT OF OUR CUSTOMARY TRANSFER FEES BY APPLICANT. IN CASE OF ANY TRANSFER UNDER THIS LETTER OF CREDIT, THE DRAFT AND ANY REQUIRED STATEMENT MUST BE EXECUTED BY THE TRANSFEREE AND WHERE THE BENEFICIARY'S NAME APPEARS WITHIN THIS STANDBY LETTER OF CREDIT, THE TRANSFEREE'S NAME IS AUTOMATICALLY SUBSTITUTED THEREFOR.

ALL DRAFTS REQUIRED UNDER THIS STANDBY LETTER OF CREDIT MUST BE MARKED: "DRAWN UNDER [insert Bank Name] STANDBY LETTER OF CREDIT NO. _____."

WE HEREBY AGREE WITH YOU THAT IF DRAFTS ARE PRESENTED TO [insert Bank Name] UNDER THIS LETTER OF CREDIT AT OR PRIOR TO [Insert Time – *(e.g.,* 11:00 AM)], ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS PRESENTED CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SUCCEEDING BUSINESS DAY. IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AFTER [Insert Time – (*e.g.*, 11:00 AM)], ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS CONFORM WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SECOND SUCCEEDING BUSINESS DAY. AS USED IN THIS LETTER OF CREDIT, "BUSINESS DAY" SHALL MEAN ANY DAY OTHER THAN A SATURDAY, SUNDAY OR A DAY ON WHICH BANKING INSTITUTIONS IN THE STATE OF ARIZONA ARE AUTHORIZED OR REQUIRED BY LAW TO CLOSE. IF THE EXPIRATION DATE FOR THIS LETTER OF CREDIT SHALL EVER FALL ON A DAY WHICH IS NOT A BUSINESS DAY THEN SUCH EXPIRATION DATE SHALL AUTOMATICALLY BE EXTENDED TO THE DATE WHICH IS THE NEXT BUSINESS DAY.

PRESENTATION OF A DRAWING UNDER THIS LETTER OF CREDIT MAY BE MADE ON OR PRIOR TO THE THEN CURRENT EXPIRATION DATE HEREOF BY HAND DELIVERY, COURIER SERVICE, OVERNIGHT MAIL, OR FACSIMILE. PRESENTATION BY FACSIMILE TRANSMISSION SHALL BE BY TRANSMISSION OF THE ABOVE REQUIRED SIGHT DRAFT DRAWN ON US TOGETHER WITH THIS LETTER OF CREDIT TO OUR FACSIMILE NUMBER, [Insert Fax Number – (_____) ____-_____], ATTENTION: [Insert Appropriate Recipient], WITH TELEPHONIC CONFIRMATION OF OUR RECEIPT OF SUCH FACSIMILE TRANSMISSION AT OUR TELEPHONE NUMBER [Insert Telephone Number – (_____) ____-_____] OR TO SUCH OTHER FACSIMILE OR TELEPHONE NUMBERS, AS TO WHICH YOU HAVE RECEIVED WRITTEN NOTICE FROM US AS BEING THE APPLICABLE SUCH NUMBER. WE AGREE TO NOTIFY YOU IN WRITING, BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE, OF ANY CHANGE IN SUCH DIRECTION. ANY

FACSIMILE PRESENTATION PURSUANT TO THIS PARAGRAPH SHALL ALSO STATE THEREON THAT THE ORIGINAL OF SUCH SIGHT DRAFT AND LETTER OF CREDIT ARE BEING REMITTED, FOR DELIVERY ON THE NEXT BUSINESS DAY, TO [Insert Bank Name] AT THE APPLICABLE ADDRESS FOR PRESENTMENT PURSUANT TO THE PARAGRAPH PRECEDING THIS ONE.

WE HEREBY ENGAGE WITH YOU THAT ALL DOCUMENT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT AT OUR OFFICE LOCATED AT [Insert Bank Name], [Insert Bank Address], ATTN: [Insert Appropriate Recipient], ON OR BEFORE THE EXPIRATION DATE OF THIS CREDIT, (Expiration Date).

IN THE EVENT THAT THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT IS LOST, STOLEN, MUTILATED, OR OTHERWISE DESTROYED, WE HEREBY AGREE TO ISSUE A DUPLICATE ORIGINAL HEREOF UPON RECEIPT OF A WRITTEN REQUEST FROM YOU AND A CERTIFICATION BY YOU (PURPORTEDLY SIGNED BY YOUR AUTHORIZED REPRESENTATIVE) OF THE LOSS, THEFT, MUTILATION, OR OTHER DESTRUCTION OF THE ORIGINAL HEREOF.

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS STANDBY LETTER OF CREDIT IS SUBJECT TO THE “INTERNATIONAL STANDBY PRACTICES” (ISP 98) INTERNATIONAL CHAMBER OF COMMERCE (PUBLICATION NO. 590).

Very truly yours,

(Name of Issuing Bank)

By: _____

[END OF SCHEDULE 1 TO EXHIBIT B]

LEASE AMENDMENT TWELVE

THIS LEASE AMENDMENT TWELVE (this "Amendment") is made and entered into as of November ___, 2014 (the "Effective Date"), by and between **PHOENIX OFFICE GRAND AVENUE PARTNERS, LLC,** a Delaware limited liability company ("Landlord"), and **MESA AIR GROUP, INC.,** a Nevada corporation ("Tenant").

RECITALS

A. Landlord (as successor in interest to DMB Property Ventures Limited Partnership and Transwestern Phoenix Gateway, L.L.C.) and Tenant are parties to that certain Lease dated October 16, 1998 (the "Original Lease"), which lease has been previously amended by instruments dated (i) March 9, 1999, (ii) November 8, 1999, (iii) November 7, 2000, (iv) May 15, 2001, (v) October 11, 2002, (vi) April 1, 2003, (vii) April 15, 2005, (viii) October 12, 2005, (ix) November 4, 2010 (the "Ninth Amendment"), (x) February 6, 2014 and (xi) July 31, 2014 (the "Eleventh Amendment" and collectively with all of the above described agreements, the "Lease"). Pursuant to the Lease, Landlord has leased to Tenant space currently containing (a) approximately 31,179 square feet of rentable area (the "Existing Premises") on the first (1st), seventh (7th) and eleventh (11th) floors of the building commonly known as Three Gateway and located at 410 North 44th Street, Phoenix, Arizona (the "Building"), and (b) approximately 7,589 square feet of rentable area on the first (1st) and eleventh (11th) floor of the Building (i.e., as more particularly described in the Eleventh Amendment as the "Swing Space").

B. Tenant has requested that additional space containing approximately 2,591 square feet of rentable area described as Suite No. 1100 (i.e., a portion of the Swing Space) on the eleventh (11th) floor of the Building shown on **Exhibit A** hereto (collectively, the "Expansion Space") be added to the Existing Premises immediately following the Swing Space Termination Date (as defined in Section VII of the Eleventh Amendment) and that the Lease be appropriately amended and Landlord is willing to do the same on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

I. **Expansion Effective Date; Early Occupancy**.

A. Effective as of July 1, 2015 (the "Expansion Effective Date"), the Premises as defined in the Lease (excluding the Swing Space), is increased from 31,179 square feet of rentable area to 33,770 square feet of rentable area by the addition of the Expansion Space, and from and after the Expansion Effective Date, the Existing Premises and the Expansion Space, collectively, shall be deemed the Premises, as defined in the Lease. The term for the Expansion Space (the "Expansion Space Term") shall commence on the Expansion Effective Date and end on the Extended Termination Date, i.e., November 30, 2025. The Expansion Space is subject to all the terms and conditions of the Lease except as expressly modified herein and except that Tenant shall not be entitled to receive any allowances, abatements or other financial concessions granted with respect to the Existing Premises or Swing Space unless such

concessions are expressly provided for herein with respect to the Expansion Space.

B. Notwithstanding that the Expansion Space Term has not commenced, Tenant shall have the right to remain in possession of the Expansion Space following the Swing Space Termination Date (defined below) and prior to the Expansion Effective Date for the purpose of performing any improvements therein and/or installing furniture, equipment or other personal property of Tenant or for the purpose of operating Tenant's business from the Expansion Space. Such early occupancy shall be subject to all of the terms and conditions of the Amended Lease, except that Tenant shall not be required to pay rent applicable to the Expansion Space with respect to the period of time prior to the Expansion Effective Date.

II. **Base Rent**. In addition to Tenant's obligation to pay Base Rent for the Existing Premises, Tenant shall pay Landlord Base Rent for the Expansion Space during the Expansion Space Term as follows:

Period	Annual Base Rate per Rentable Square Foot	Annual Base Rent	Monthly Installments of Base Rent
7/1/15 – 6/30/16	$26.50	$68,661.48	$5,721.79
7/1/16 – 6/30/17	$27.15	$70,345.68	$5,862.14
7/1/17 – 6/30/18	$27.80	$72,029.76	$6,002.48
7/1/18 – 6/30/19	$28.45	$73,713.96	$6,142.83
7/1/19 – 6/30/20	$29.10	$75,398.16	$6,283.18
7/1/20 – 6/30/21	$29.75	$77,082.24	$6,423.52
7/1/21 – 6/30/22	$30.40	$78,766.44	$6,563.87
7/1/22 – 6/30/23	$31.05	$80,450.52	$6,704.21
7/1/23 – 6/30/24	$31.70	$82,134.72	$6,844.56
7/1/24 – 6/30/25	$32.35	$83,818.80	$6,984.90
7/1/25 – 11/30/25	$33.00	$85,503.00	$7,125.25

All such Base Rent, plus applicable sales, rent and use taxes, shall be payable by Tenant in accordance with the terms of the Lease as amended hereby (the "Amended Lease").

III. **Base Rent Abatement**. Provided Tenant is not in default under the Amended Lease beyond any applicable cure period, Landlord hereby agrees to abate Tenant's obligation to pay Base Rent applicable to the Expansion Space only during the first 9-months of the Expansion Space Term (such total amount of abated Base Rent plus any Applied Allowance (as defined below), if any, being hereinafter referred to collectively as the "Abated Amount"). During such abatement period, Tenant will still be responsible for the payment of all other monetary obligations under the Amended Lease. Tenant acknowledges that any default by Tenant under the Amended Lease will cause Landlord to incur costs not contemplated hereunder, the exact amount of such costs being

extremely difficult and impracticable to ascertain, therefore, should Tenant at any time during the remaining term be in default beyond any applicable cure period, then the total unamortized sum of such Abated Amount (amortized on a straight line basis over the 120- month Extended Term described in Section I of the Eleventh Amendment) so conditionally excused shall become immediately due and payable by Tenant to Landlord and any remaining Abated Amount shall no longer be available to Tenant as a rent credit from the date of such default. Tenant acknowledges and agrees that nothing in this paragraph is intended to limit any other remedies available to Landlord at law or in equity under applicable law, in the event Tenant defaults under the Amended Lease beyond any applicable cure period.

IV. **Tenant's Share; Expenses and Taxes**. For the period commencing on the Expansion Effective Date and ending on the Extended Termination Date, (a) Tenant's Share for the Expansion Space is 1.19%, and (b) Tenant shall pay for Tenant's Share of Property expenses, real estate taxes and such other amounts with respect to the Expansion Space in accordance with the terms of the Lease, i.e., during such period, the Base Year for the computation of Tenant's Share of Property expenses, real estate taxes and such other amounts with respect to the Expansion Space is 2016.

V. **Improvements to Expansion Space**.

A. **Condition of Expansion Space**. Tenant is in possession of the Expansion Space pursuant to the terms of Section VII of the Eleventh Amendment (i.e., the Expansion Space is part of the Swing Space) and agrees to accept the same on the Expansion Effective Date in its "as is" condition without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements, except as may be expressly provided otherwise in this Amendment.

B. **Responsibility for Improvements to Expansion Space**. Provided Tenant is not in default under the Amended Lease beyond any applicable cure period, Landlord hereby grants to Tenant an allowance of $40.00 per square foot of rentable area located within the Expansion Space, i.e., $103,640.00 (the "Allowance") based upon the Expansion Space containing 2,591 square feet of rentable area, to improve/refurbish the Expansion Space (the "Tenant Improvements") pursuant to Section 10 of the Original Lease; provided, however, (i) if any portion of the above described Allowance has not been utilized by Tenant prior to July 31, 2016, then such unexpended portion shall revert to Landlord and no longer be available to Tenant, and (ii) Tenant shall have the right to apply any available portion of the Allowance (not to exceed $15.00 per square foot of rentable area located within the Existing Premises, i.e., $38,865.00 (the "Applied Allowance") based upon the Existing Premises containing 2,591 square feet of rentable area) against any costs incurred by Tenant directly for its cost of furniture, fixtures and/or equipment or Base Rent abatement. Any costs incurred by Tenant in excess of the Allowance in connection with the performance of the Tenant Improvements shall be the sole responsibility of Tenant. Following Tenant's substantial completion of the Tenant Improvements, Landlord shall reimburse Tenant for the reasonable, actual, third- party, out-of-pocket costs (which costs may include, without limitation, labor and materials costs, professional fees (such as engineers, architects, space planners and interior designers and permitting fees) incurred by Tenant in performing the

Tenant Improvements (up to the amount of the Allowance) within thirty (30) days following Landlord's receipt from Tenant of evidence reasonably satisfactory to Landlord that Tenant has paid for and completed the Tenant Improvements in full and in accordance with the terms hereof and that there will be no liens recorded against the Building arising out of or relating to such Tenant Improvements; provided, however, so long as Tenant is not in default beyond any applicable cure period, Tenant may, at its sole option, elect to have such Allowance disbursed in accordance with Subsection V,E. below. For purposes of this Section V, the phrase "substantial completion" or "substantially completed" shall mean that the applicable improvements (i.e., the Tenant Improvements, the Refurbishmerits, etc., as the case may be) have been completed except for such incomplete items as would not materially interfere with the use of the Expansion Space for general office use.

C. **Additional Allowances**. Provided Tenant is not in default under the Amended Lease beyond any applicable cure period, Landlord hereby grants to Tenant the following additional allowances in addition to the above described Allowance: (i) $0.15 per square foot of rentable area located within the Expansion Space, i.e., $388.65 (the "Space Planning Allowance") based upon the Expansion Space containing 2,591 square feet of rentable area, to prepare the space plans associated with the above described Tenant Improvements (the "Space Planning"); (ii) $7.50 per square foot of rentable area located within the Expansion Space, i.e., $19,432.50 (the "Refurbishment Allowance") based upon the Expansion Space containing 2,591 square feet of rentable area, to refurbish the Expansion Space pursuant Section 10 of the Original Lease (the "Refurbishments") or apply towards Base Rent on or after the expiration of the eighty-fifth (85th) month of the Extended Term; and (iii) $2.00 per square foot of rentable area located within the Expansion Space, i.e., $5,182.00 (the "Moving Allowance") based upon the Expansion Space containing 2,591 square feet of rentable area, to reimburse Tenant for those costs incurred by Tenant to move into the Expansion Space (the "Moving"); provided, however, if any portion of (a) the Space Planning Allowance is not utilized by Tenant prior to the substantial completion of the Tenant Improvements, or (b) the Refurbishment Allowance is not utilized by Tenant prior to the expiration of the one hundred eighth (108th) month of the Extended Term (the "Refurbishment Allowance Expiration Date"), or (c) the Moving Allowance is not utilized by Tenant prior to that date which ninety (90) days following the substantial completion of the Tenant Improvements, then such unexpended portion(s) of the above described Additional Allowance(s) (as defined below) shall revert to Landlord and no longer be available to Tenant. The Space Planning Allowance, Refurbishment Allowance and Moving Allowance may be collectively referred to herein as the "Additional Allowances" or individually as an "Additional Allowance" and the Space Planning, the Refurbishments and the Moving may be collectively referred to herein as the "Additional Work". Any costs incurred by Tenant in excess of an Additional Allowance in connection with the performance of the applicable Additional Work shall be the sole responsibility of Tenant. Following Tenant's substantial completion of any of the above described categories of Additional Work, Landlord shall reimburse Tenant for the reasonable, actual, third-party, out-of-pocket costs (which costs may include, without limitation, labor and materials costs, professional fees (such as engineers, architects, space planners and interior designers and permitting fees) incurred by Tenant in performing the applicable

Additional Work (up to the *amount* of the applicable Additional Allowance) within thirty (30) days following Landlord's receipt from Tenant of evidence reasonably satisfactory to Landlord that Tenant has paid for and completed the applicable category of Additional Work in full and in accordance with the terms hereof and that there will be no liens recorded against the Building arising out of or relating to such applicable Additional Work; provided, however, so long as Tenant is not in default beyond any applicable cure period, Tenant may, at its sole option, elect to have any of such Additional Allowances disbursed in accordance with Subsection V.E. below.

D. **Refurbishment Allowance Buyout Option**. Notwithstanding anything in this Section V to the contrary, at any time prior to the Refurbishment Allowance Expiration Date, Landlord shall have the option to make a cash payment (the "Refurbishment Allowance Buyout Payment") to Tenant in the amount of the remaining Refurbishment Allowance, discounted at the rate of five percent (5%) per annum from the Refurbishment Allowance Expiration Date to the first day of the month during which the Refurbishment Allowance Buyout Payment is made. Upon Landlord's tender of such Refurbishment Allowance Buyout Payment, Tenant shall no longer be entitled to the Refurbishment Allowance pursuant to Section V.C above. Landlord shall exercise its option to buy-out the Refurbishment Allowance by delivering at least ten (10) days' prior written notice thereof to Tenant, and shall make the Refurbishment Allowance Buyout Payment to Tenant on or about the date set forth in such notice. The amount of the Refurbishment Allowance Buyout Payment shall be calculated as follows: Landlord, acting reasonably and in good faith, shall estimate the total amount of the remaining Refurbishment Allowance, which estimate shall be based on the actual remaining Refurbishment Allowance pursuant to Section V.C above.

E. **Monthly Disbursement**. Subject to Subsection V.D above, so long as Tenant is not in default under the Amended Lease beyond any applicable cure period, Tenant may elect for Landlord to either: (a) disburse the Allowance pursuant to Subsection V.B above and/or disburse the Additional Allowance pursuant to Subsection V.C above, i.e., disburse the applicable allowance(s) only upon substantial completion of the applicable work/improvements, or (b) disburse the Allowance and/or category of Additional Allowance on a monthly basis in accordance with this Subsection V.E. If Tenant elects to have the Allowance and/or any category of Additional Allowance disbursed pursuant to this subsection, Tenant shall submit to Landlord, on or before the 5th day of each month, an invoice ("Tenant's Invoice") accompanied by documentation reasonably satisfactory to Landlord evidencing the costs incurred and paid by Tenant in connection with the Tenant Improvements and/or category of Additional Work (as applicable), Tenant's payment therefor, and the absence of liens (including a certification from Tenant's contractor that such work has been performed and completed) (the "Cost Documentation"). Within thirty (30) days after Landlord's receipt of Tenant's Invoice and the Cost Documentation, and so long as Tenant is not in default under the Amended Lease beyond any applicable cure period, Landlord shall disburse to Tenant the portion of the applicable Allowance or Additional Allowance equal to ninety percent (90%) of the amount set forth in Tenant's Invoice; provided, however, Landlord shall retain ten percent (10%) of the Allowance (the "Remaining Allowance") and each Additional Allowance (each, a "Remaining Additional Allowance"), as applicable, until the

Tenant Improvements or category of Additional Work, as applicable, has been substantially completed in its entirety. Any Tenant's Invoice received by Landlord after the 5th day of the month shall be paid concurrently with the payment made for the following month's Tenant's Invoice. Provided Tenant is not in default under the Amended Lease beyond any applicable cure period, Landlord shall disburse the Remaining Allowance or Remaining Additional Allowance, as applicable, within thirty (30) days after Landlord's receipt of notice that the Tenant Improvements or applicable category of Additional Work has been substantially completed in its entirety, and Landlord's receipt of Tenant's Invoice and Cost Documentation therefor.

VI. **Extension Option**. Landlord and Tenant acknowledge and agree that the terms of Section 8 of the Ninth Amendment (as amended by the terms of Section X of the Eleventh Amendment) shall apply to the entire Premises (i.e., the Existing Premises and the Expansion Space collectively).

VII. **Revised Option to Terminate**. Landlord and Tenant acknowledge and agree that Section XII of the Eleventh Amendment is hereby deleted in its entirety and deemed of no further force and effect (it being the intent of the parties hereto to recognize that this Section VII now governs the terms upon which Tenant shall have the right to terminate and cancel the Amended Lease early). Subject to the terms of this Section VII, Tenant will have a one-time option to terminate and cancel the Amended Lease (the "Termination Option"), effective as of November 30, 2022 (the "Termination Date"), by delivering to Landlord, on or before November 30, 2021, written notice of Tenant's exercise of its Termination Option (the "Termination Notice"). As a condition to the effectiveness of Tenant's exercise of its Termination Option, and in addition to Tenant's obligation to satisfy all obligations arising under the Amended Lease through to the Termination Date, Tenant must timely pay to Landlord cash (or its equivalent) in the total amount of One Million Nineteen Thousand Three Hundred Seventy-Two and 30/100 Dollars ($1,019,372.30) (the "Termination Consideration"), which amount comprises the following items: (a) an amount equal to the unamortized (i.e., amortized on a straight line basis over the Extended Term with interest at the rate of 7% per annum) cost of Landlord's Work (as defined in the Eleventh Amendment), the amount of the Space Planning Allowance utilized for Space Planning pursuant to both the Eleventh Amendment and this Amendment, the amount of the Allowance utilized for the Tenant Improvements pursuant to both the Eleventh Amendment and this Amendment, the amount of the Remodeling Allowance utilized for Remodeling pursuant to the Eleventh Amendment, and the Moving Allowance utilized for Moving pursuant to this Amendment; plus (b) the unamortized (i.e., amortized on a straight line basis over the Extended Term with interest at the rate of 7% per annum) brokerage commission paid or payable by Landlord with respect to both the Eleventh Amendment and this Amendment; plus (c) an amount equal to the unamortized (i.e., amortized on a straight line basis over the Extended Term with interest at the rate of 7% per annum) Abated Amount pursuant to both the Eleventh Amendment and this Amendment. One-half (1/2) of the Termination Consideration shall be paid by Tenant to Landlord concurrently with Tenant's delivery to Landlord of its Termination Notice and the remaining one-half (1/2) of the Termination Consideration shall be paid by Tenant to Landlord on or before that date which is seven (7) days prior to the Termination Date. Tenant agrees that the Termination Consideration is not in the nature of a penalty and represents the value of unamortized economic concessions granted to Tenant under this Lease, as well as consideration for the uncertainty in the amount of time Landlord will require in order to release the

Premises, If Tenant properly and timely exercises the Termination Option and properly and timely delivers the Termination Consideration to Landlord and satisfies all obligations under the Amended Lease, including, without limitation, the provisions regarding surrender of the Premises, all of which must be accomplished on *or* before the Termination Date, then the Amended Lease will terminate as of midnight, Arizona Time, *on* the Termination *Date.* Notwithstanding the foregoing, if Tenant elects to lease any space pursuant to Section XI of the Eleventh Amendment or otherwise adds any additional space to the Premises following the date of this Amendment, the Termination Option shall be deemed void and of no further force or effect.

VIII. **Parking**. Commencing as of the date hereof and continuing for the remainder of the Swing Space Term and the duration of the Expansion Space Term, Tenant shall be entitled to use the following parking spaces related to Tenant's leasing of the Expansion Space and subject to the terms of the Lease: (a) three (3) covered reserved spaces; (b) six (6) covered unreserved spaces; and (c) three (3) rooftop unreserved spaces (collectively, the "Expansion Space Parking Spaces"). Tenant shall pay Landlord, as additional rent under the Amended Lease, the then current prevailing rate charged by Landlord for the Expansion Space Parking Spaces; provided, however, so long as Tenant is not in default under the Amended Lease beyond any applicable cure period, all such parking fees related to the Expansion Space Parking Spaces shall be abated for the remainder of the Swing Space Term and the duration of the Expansion Space Term. Additionally, Landlord agrees that from and after the date of this Amendment, Landlord shall not charge Tenant for its entire allocation of parking spaces (i.e., all parking spaces applicable to the entire Premises) in excess of the then current prevailing rate charged by Landlord for each classification of parking spaces (i.e., covered reserved, covered unreserved and rooftop parking spaces) serving the project of which the Building is a part.

IX. **No Other Options; Option Provisions**.

A. Tenant acknowledges and agrees that, except as expressly provided in this Amendment, it has (i) no rights and/or options to further extend or renew the Extended Term, and (ii) no rights and/or options to terminate the Amended Lease early.

B. The parties hereto acknowledge and agree that any option or other rights contained in this Amendment (collectively, the "Options," and individually, an "Option") which entitle Tenant to extend the Extended Term or terminate the Extended Term early, shall apply only to the" Existing Premises and the Expansion Space collectively and shall not be applicable to the Existing Premises and/or the Expansion Space individually.

C. The Options are personal to the original Tenant executing this Amendment and may be exercised only by the original Tenant executing this Amendment while occupying the entire Premises and without the intent of thereafter assigning the Amended Lease or subletting the Premises and may not be exercised or be assigned, voluntarily or involuntarily, by any person or entity other than the original Tenant executing this Amendment. The Options are not assignable separate and apart from the Amended Lease, nor may the Options be separated from the Amended Lease in any manner, either by reservation or otherwise.

D. Tenant shall have no right to exercise any Option, notwithstanding any provision of the grant of Option to the contrary, and Tenant's exercise of the Option may be nullified by Landlord and deemed of no further force or effect, if Tenant shall be in default under the terms of the Amended Lease beyond any applicable cure period as of Tenant's exercise of the applicable Option or at any time after the exercise of such Option and prior to the commencement of the Option event.

X. **Miscellaneous**.

A. This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.

B. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

C. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

D. Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

E. The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

F. Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment other than Cushman and Wakefield of Arizona, Inc., representing Tenant, and Transwestern, representing Landlord (collectively, "Brokers"). Tenant agrees to indemnify, defend and hold Landlord, its members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of any brokers (other than Brokers) claiming to have represented Tenant in connection with this Amendment.

G. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same Amendment.

[SIGNATURES ARE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

LANDLORD:

PHOENIX OFFICE GRAND AVENUE PARTNERS, LLC,
a Delaware limited liability company

By: **PEARLMARK PHOENIX GATEWAY, L.L.C.,**
a Delaware limited liability company,
its Administrative Member

By: /s/ Timothy E. McChesney

Name: Timothy E. McChesney

Title: Managing Director

TENANT:

MESA AIR GROUP INC.,
a Nevada corporation

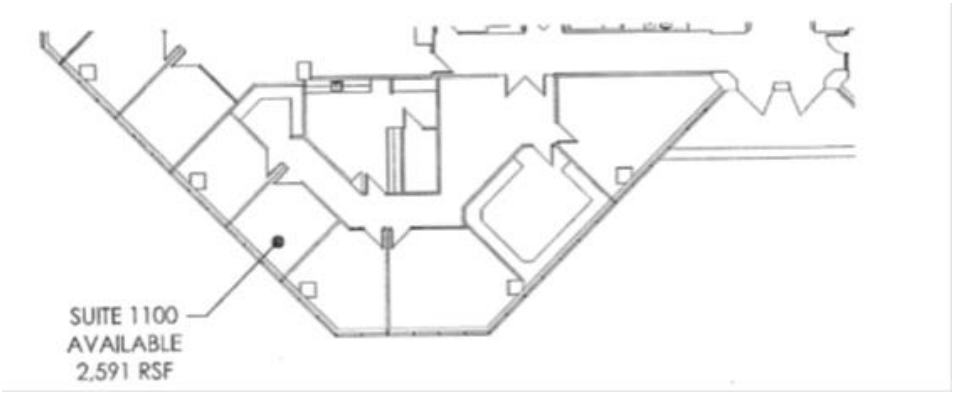
By: /s/ Michael J. Lotz

Name: Michael J. Lotz

Title: President & COO

EXHIBIT A

OUTLINE AND LOCATION OF EXPANSION SPACE



MESA AIR GROUP

Contract Summary and Approval Form

OVERVIEW

Party: Mesa Airlines, Inc.	**Counterparty:** Phoenix Office Grand Avenue Partners	
Contract Name: Lease Amendment Twelve		
Department: Legal	**Contract Initiator:**	**Department Head:** Brian Gillman
Process Began: 10/23/14	**Process must be completed by:** 10/31/14	
Description: Amendment to expand and lease additional space on 11th floor		

TERM

Effective Date: Upon signature	**End Date:** 11/30/25
Termination Clause: Section 7	**Cancellation cost/fee:** $0
Renewal Options: N/A	**Exclusive Agreement:**

FINANCIAL HIGHLIGHTS

Fee: $Section 2 **Monthly Payment** **Annual Payment** ☐ **Other**		
Security Deposit: $	**Est. Annual Spend:** $	**Budget:** Yes
Economic Summary/Justification Attached ☐ (Provided by Contract Initiator)		

RISK

Indemnification & Liability:	
Approved by AON ☐ **N/A**	**Certificate of Insurance:** Yes

APPROVALS

CEO: Jonathan Ornstein	**President:** Mike Lotz
COO: Paul Foley N/A	**General Counsel:** Brian Gillman Approved via Email
VP of Finance: Darren Zapfe Approved via Email	**Sr. VP of MX & Ops:** Gary Appling N/A

COMMENTS

Efflandt, Jennifer

From: Gillman, Brian
Sent: Monday, November 10, 2014 8:43 PM
To: Michael DeSantis; Efflandt, Jennifer
Cc: Lotz, Michael
Subject: RE: Mesa_Air_12th_Amendment_to_Lease___Oaktree_-_Phoenix - 11 03 2014.doc

No further comments. I'm signed off ... JE, please route for signature.

Brian

From: Michael DeSantis [mailto:Michael.DeSantis@cushwake.com]
Sent: Monday, November 10, 2014 3:42 PM
To: Efflandt, Jennifer
Cc: Gillman, Brian; Lotz, Michael
Subject: FW: Mesa_Air_12th_Amendment_to_Lease___Oaktree_-_Phoenix - 11 03 2014.doc

See attached – I believe this is now good to go

E. Michael DeSantis – Lic. #00803921
Executive Vice President,
Brokerage

T +1 (310) 556 1805
O +1 (310) 595 2205
M +1 (310) 871 8086
F +1 (310) 203 9157
Michael.DeSantis@cushwake.com

Cushman & Wakefield of California, Inc. – Lic. #00616335
10250 Constellation Boulevard, Suite 2200
Los Angeles, CA 90067

From: Nielsen, Brad [mailto:bnielsen@allenmatkins.com]
Sent: Monday, November 10, 2014 2:35 PM
To: William Zurek
Cc: Michael DeSantis
Subject: RE: Mesa_Air_12th_Amendment_to_Lease___Oaktree_-_Phoenix - 11 03 2014.doc

Bill and Mike – Attached is a final revised draft of the Amendment in clean PDF and black-lined format.

Please let me know if you need anything else.

Brad

Efflandt, Jennifer

From: Zapfe, Darren
Sent: Monday, October 27, 2014 9:45 AM
To: Efflandt, Jennifer
Subject: RE: Lease Amendment Twelve

Approved.

Darren Zapfe, CPA
Vice President, Finance
Darren.Zapfe@mesa-air.com
(O) 602.685.4450 (C) 602.790.6090
Minutes Matter at Mesa - On Time Pays.

-----Original Message-----
From: Efflandt, Jennifer
Sent: Monday, October 27, 2014 9:27 AM
To: Zapfe, Darren
Subject: Lease Amendment Twelve

Darren,
Please find attached an amendment to lease additional space at corporate on the 11th floor. We have been negotiating terms and we are now at a point to circulate for approvals. Please let me know if you have any questions or concerns.

Thank you,
Jennifer

-----Original Message-----
From: ecopy@mesa-air.com [mailto:ecopy@mesa-air.com]
Sent: Monday, October 27, 2014 8:25 AM
To: Efflandt, Jennifer
Subject:

This E-mail was sent from "RNPF5FE62" (Aficio MP 4000).

Scan Date: 10.27.2014 09:24:48 (-0600)
Queries to: ecopy@mesa-air.com

Efflandt, Jennifer

From: Michael DeSantis <Michael.DeSantis@cushwake.com>
Sent: Thursday, October 23, 2014 10:03 AM
To: Efflandt, Jennifer
Subject: FW: Mesa Expansion - Twelfth Amendment
Attachments: OC-#1041914-v3-Mesa_Air_12th_Amendment_to_Lease__Oaktree_-_Phoenix.doc

My comments are in the email text below

E. Michael DeSantis – Lic. #00803921
Executive Vice President,
Brokerage

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O +1 (310) 595 2205
M +1 (310) 871 8086
F +1 (310) 203 9157
Michael.DeSantis@cushwake.com

Cushman & Wakefield of California, Inc. – Lic. #00616335
10250 Constellation Boulevard, Suite 2200
Los Angeles, CA 90067

From: Michael DeSantis
Sent: Wednesday, October 15, 2014 1:24 PM
To: 'Gillman, Brian'
Cc: 'Efflandt, Jennifer'
Subject: FW: Mesa Expansion - Twelfth Amendment

My only comments to this amendment are in Section I.B. It should be revised to say that you can remain in possession of the Expansion Space for any purposes (including commencing buss operations) which includes the purpose of performing any improvements, etc. Everything after "Expansion Effective Date" in the 2nd sentence of that paragraph should be deleted. I am still trying to confirm the termination amount – the remodeling allowance shouldn't be part of the termination amount since comes after the termination – lets discuss when u get a chance

E. Michael DeSantis – Lic. #00803921
Executive Vice President,
Brokerage

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O +1 (310) 595 2205
M +1 (310) 871 8086
F +1 (310) 203 9157
Michael.DeSantis@cushwake.com

Cushman & Wakefield of California, Inc. – Lic. #00616335
10250 Constellation Boulevard, Suite 2200
Los Angeles, CA 90067

From: Nielsen, Brad [mailto:bnielsen@allenmatkins.com]
Sent: Tuesday, October 14, 2014 11:37 AM
To: Michael DeSantis; William Zurek
Subject: RE: Mesa Expansion - Twelfth Amendment

Exhibit 21.1

List of Subsidiaries of Mesa Air Group, Inc.

Subsidiaries	Jurisdiction of Incorporation or Organization
Mesa Airlines, Inc.	Arizona
Mesa Air Group—Airline Inventory Management, LLC	Arizona