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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended September 30, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from_____ to _____.

Commission File Number 001-38626

MESA AIR GROUP, INC.

(Exact name of registrant as specified in its charter)

NEVADA	**85-0302351**
(State of incorporation)	**(I.R.S. Employer Identification No.)**
410 NORTH 44TH STREET, SUITE 700 PHOENIX, ARIZONA 85008 **(Address of principal executive offices)**	**85008** **(Zip Code)**

(602) 685-4000

Registrant's telephone number, including area code

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange of Which Registered
Common Stock, no par value	MESA	Nasdaq Global Select Market

Securities registered pursuant to section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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	☐	Smaller reporting company	☐
		Emerging growth company	☒

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2020, the last business day of the registrant's most recently completed 3rd fiscal quarter, the aggregate market value the voting and non-voting stock held by non-affiliate of the registrant was approximately $121,825,139.

As of September 30, 2020, the registrant had 35,526,918 shares of common stock, no par value per share, issued and outstanding

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement relating to its 2021 annual meeting of shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

MESA AIR GROUP, INC.
ANNUAL REPORT ON FORM 10-K
For the Fiscal Year Ended September 30, 2020

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Cautionary Note Regarding Forward Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Many of the forward-looking statements are located in Part II, Item 7 of this Form 10-K under the heading "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Forward-looking statements can also be identified by words such as "*future,*" "*anticipates,*" "*believes,*" "*estimates,*" "*expects*", "*intends*," "*plans,*" "*predicts,*" "*will,*" "*would,*" "*could,*" "*can,*" "*may,*" and similar terms. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include but are not limited to, those discussed in Part I, Item 1A of this Annual Report on Form 10-K under the heading "*Risk Factors*." Unless otherwise stated, references to particular years, quarters, months or periods refer to our fiscal years ended September 30 and the associated quarters, months, and periods of those fiscal years. Each of the terms the "*Company,*" "*Mesa Airlines,*" "*we,*" "*us*" and "*our*" as used herein refers collectively to Mesa Air Group, Inc. and its wholly owned subsidiaries, unless otherwise stated. We do not assume any obligation to revise or update any forward-looking statements.

The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Some of the key factors that could cause actual results to differ from our expectations include:

- public health epidemics or pandemics such as COVID-19;
- the severity, magnitude and duration of the COVID-19 pandemic, including impacts of the pandemic and of business' and governments' responses to the pandemic on our operations and personnel, and on demand for air travel;
- the supply and retention of qualified airline pilots;
- the volatility of pilot attrition;
- dependence on, and changes to, or non-renewal of, our capacity purchase agreements;
- increases in our labor costs;
- reduced utilization (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) under our capacity purchase agreements;
- the direct operation of regional jets by our major airline partners;
- the financial strength of our major airline partners and their ability to successfully manage their businesses through the unprecedented decline in air travel attributable to the COVID-19 pandemic or any other public health epidemic;
- 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 to keep costs low and execute our growth strategies.

Additionally, the risks, uncertainties and other factors set forth above or otherwise referred to in the reports we have filed with the SEC may be further amplified by the global impact of the COVID-19 pandemic. While we may elect to update these forward-looking statements at some point in the future, whether as a result of any new information, future events, or otherwise, we have no current intention of doing so except to the extent required by applicable law.

PART I

ITEM 1. BUSINESS

General

Mesa Airlines is a regional air carrier providing scheduled passenger service to 102 cities in 39 states, the District of Columbia and Mexico. 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.

As of September 30, 2020, we operated a fleet of 146 aircraft with approximately 373 daily departures. We operate 54 CRJ-900 aircraft under our capacity purchase agreement with American (our "*American Capacity Purchase Agreement*") and 20 CRJ-700 and 60 E-175 aircraft under our capacity purchase agreement with United (our "*United Capacity Purchase Agreement*"). For our fiscal year ended September 30, 2020, approximately 52% of our revenues were earned under the American CPA and approximately 48% were earned under United CPA. All of our operating revenue in our 2020, 2019 and 2018 fiscal years was derived from operations associated with our American and United Capacity Purchase Agreements.

Our capacity purchase agreements provide us guaranteed monthly revenue for each aircraft under contract, a fixed fee for each block hour (measured from takeoff to landing, including taxi time) 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, to an extent, 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.

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.

COVID-19 Pandemic

COVID-19 has surfaced in nearly all regions around the world and resulted in travel restrictions and business slowdowns or shutdowns in affected areas. The COVID-19 pandemic negatively affected our revenue and operating results during fiscal 2020, and we expect that it will continue to have an impact on our financial condition and results of operations in the near term and may have a material impact on our financial condition, liquidity, and results of operations in future periods. See “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” for discussion regarding the impact of the COVID-19 pandemic on our financial results. Also, see “Part I. Item 1A. Risk Factors” for discussion of the risks and uncertainties associated with the COVID-19 pandemic.

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. 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.

Minimize 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 lease obligations or projected negative equity existing beyond the term of that aircraft's corresponding capacity purchase agreement. 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*."

Aircraft Fleet

We fly only large regional jets manufactured by Bombardier Aerospace (“Bombardier”) and Embraer S.A. ("*Embraer*"). Bombardier and Embraer are the primary manufacturers of regional jets operated in the United States, which allows us to enjoy operational, recruiting and cost advantages over other regional airlines that operate smaller regional aircraft from less prominent manufacturers.

As of September 30, 2020, we had 146 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)[1]	Canadair Regional Jet-200 (50 seats)[2]	Boeing 737 (Cargo)	Total
American Eagle	—	—	54	—	—	54
United Express	60	20	—	—	—	80
DHL	—	—	—	—	1	1
Subtotal	60	20	54	—	1	135
Unassigned	—	—	10	1	—	11
Total	60	20	64	1	1	146

(1) As of September 30, 2020, the Company is utilizing ten aircraft to support our American Capacity Purchase Agreement.
(2) CRJ-200 is an operational spare not assigned for service under our capacity purchase agreements.

The following table lists the aircraft we own and lease as of September 30, 2020:

Type of Aircraft	Owned	Leased		Total	Passenger Capacity
E-175 Regional Jet	18	42	(1)	60	76
CRJ-900 Regional Jet	48	16		64	76/79
CRJ-700 Regional Jet	18	2		20	70
CRJ-200 Regional Jet	1	—		1	50
Boeing 737 Cargo Jet		1	(2)	1	
Total	85	61		146	

(1) These aircraft are owned by United and leased to us at nominal amounts.
(2) This aircraft is subleased to us by DHL.

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.

Capacity Purchase Agreements

Our capacity purchase agreements consist of the following:

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

The financial arrangement underlying our 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 insurance. Other expenses, including fuel and ground operations are directly paid to suppliers by our major airline partners. We believe we are 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 available seat miles ("*ASMs*") flown and contract revenue recognized under our capacity purchase agreements for our fiscal years ended September 30, 2020 and 2019, respectively:

	Year Ended September 30, 2020			Year Ended September 30, 2019		
	Available Seat Miles	Contract Revenue	Contract Revenue per ASM	Available Seat Miles	Contract Revenue	Contract Revenue per ASM
		(in thousands)			(in thousands)	
American	3,212,283	$ 276,870	¢ 8.62	4,735,534	$ 376,506	¢ 7.95
United	4,369,223	$ 229,720	¢ 5.26	6,128,089	$ 306,328	¢ 5.00
Total	7,581,506	$ 506,590	¢ 6.68	10,863,623	$ 682,834	¢ 6.29

American Capacity Purchase Agreement

As of September 30, 2020, the Company operated 54 CRJ-900 aircraft for American under our American Capacity Purchase Agreement. In exchange for providing flight services under our 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 our 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 utilization credits which are required to be paid if the Company does not operate at minimum levels of flight operations. In prior periods, the FAA Qualification Standards (as defined below) 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 our American Capacity Purchase Agreement.

On June 11, 2020, the Company entered into the Twenty-First Amendment to the American Capacity Purchase Agreement effective April 1, 2020. The amendments included the addition of utilization-based credits, entitling American to payment credits for the period April 1, 2020 through September 30, 2020, based upon the achievement of agreed upon aircraft utilization thresholds, subject to Mesa's receipt of previously approved funds under the CARES Act.

At September 30, 2020, our American Capacity Purchase Agreement was scheduled to terminate with respect to different tranches of aircraft between 2021 and 2025, unless otherwise extended or amended. As of the date of this filing, we have entered into an Amended and Restated Capacity Purchase Agreement, dated November 19, 2020 (the "*Amended and Restated American Capacity Purchase Agreement*"), which is effective January 1, 2021 and amends and restates our existing Capacity Purchase Agreement with American dated March 20, 2001 (as theretofore amended). This Amended and Restated Capacity Purchase Agreement covers 40 aircraft and provides for a new five-year term ending December 31, 2025. The Amended and Restated American Capacity Purchase Agreement is subject to termination prior December 31, 2025, 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 our American Capacity Purchase Agreement, subject to certain notice and cure rights;
- If our FAA or DOT certification used in connection with our scheduled flights is for any reason suspended, revoked or materially impaired or otherwise not in full force and effect and we have not resumed operations, 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 rate or our controllable on the time departures fall below certain levels for a specified period of time, subject to our right to cure; or
- Upon the occurrence of a force majeure event (as defined in the Capacity Purchase Agreement) that lasts for a specified period of consecutive days and affects our ability to operate scheduled flights, including a future epidemic or pandemic;
- If a labor dispute affects our ability to operate over a specified number of days or we operate in violation of any existing American collective bargaining agreement; or
- Upon a change in our ownership or control without the written approval of American.

At September 30, 2020, under the terms of the American Capacity Purchase Agreement American had the right, in lieu of termination to withdraw up to an aggregate of 14 aircraft from service there under. Upon any such withdrawal, American's payments to us would be correspondingly reduced by the number of withdrawn aircraft. As of September 30, 2020, American exercised its right to permanently withdraw ten aircraft from the American Capacity Purchase Agreement due to the Company's failure to meet certain performance metrics.

Under the Amended and Restated American Capacity Purchase Agreement, American has the option in its sole discretion to withdraw up to: (i) 10 aircraft during calendar year 2021, provided that for the 6-month period ending June 30, 2021, American may only exercise this right if the number of mainline narrow body aircraft in American's fleet has been reduced by a specified number of aircraft during such period, (ii) five aircraft during each of calendar years 2022 and 2023, and (iii) during the period from January 1, 2024 to July 31, 2024, American can remove the first 20 aircraft to the extent not otherwise removed in 2021 – 2023, and thereafter they have the right to remove the last 20 aircraft;

United Capacity Purchase Agreement

As of September 30, 2020, we operated 20 CRJ-700 and 60 E-175 aircraft for United under our United Capacity Purchase Agreement. In exchange for providing the flight services under our 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.

Under our United Capacity Purchase Agreement, United owns 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, auxiliary power units ("*APUs*") and component maintenance for the 42 E-175 aircraft owned by United. Our 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. If United elects to terminate our 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 aircraft ownership and associated debt with respect to such aircraft through the end of the term of the agreement.

On November 26, 2019, we amended and restated our United Capacity Purchase Agreement to, among other things, incorporate the terms of the 14 prior amendments to that Agreement and to extend the term thereof through the addition of twenty (20) new Embraer E175LL aircraft to the scope of such Agreement. Under this amendment and restatement, these new aircraft were to be financed and owned by us and operated for a period of twelve (12) years from the in-service date. Deliveries of the new E175LL aircraft were scheduled to begin in May 2020. In March 2020, the deliveries of the new E175LL aircraft were negotiated between United and Embraer to begin in September 2020 and be completed by the quarter ended June 30, 2021. Commencing five (5) years after the actual in-service date, United has the right to remove the E175LL aircraft from service by giving us notice of 90 days or more, subject to certain conditions, including the payment of certain wind-down expenses plus, if removed prior to the ten (10) year anniversary of the in-service date, certain accelerated margin payments.

In addition to adding the 20 new E175LL aircraft to the amended and restated United Capacity Purchase Agreement, we extended the term of our 42 E-175 aircraft leased from United for an additional five (5) years, which now expire between 2024 and 2028. In addition, we own 18 E-175 aircraft that expire in 2028. As part of the amended and restated United Capacity Purchase Agreement, we agreed to lease our CRJ-700 aircraft to another United Express service provider for a term of seven (7) years. We will continue to operate such aircraft until they are transitioned to the new service provider. United has a right to purchase the CRJ-700 aircraft at the then fair market value.

On November 4, 2020, we amended and restated our United Capacity Purchase Agreement to, among other things, amend the ownership by United, in lieu of Mesa Airlines, of the 20 new E175LL aircraft. Under this new amendment, these aircraft will be now financed by United and leased to the Company to operate for a period of twelve (12) years from the in-service date. We agreed to adjusted rates to account for the change in ownership of the E175LL aircraft, granted United relief from certain provisions related to minimum utilization until December 31, 2021 and the additional right to remove one or more E175LL aircraft in the event that we fail to meet certain financial covenants. We also agreed to a one-time provision for United to prepay $85.0 million under the United Capacity Purchase Agreement for our future performance (the “Prepayment”) and the application of certain discounts to certain payment obligations of United under the United Capacity Purchase Agreement. Weekly payments under the United CPA will be discounted following the Prepayment until repaid. Until the Prepayment is fully expended, weekly amounts due from United under the United CPA will be applied toward the balance of the Prepayment. This period is estimated to continue for approximately 4 months following funding of the Prepayment. The terms of the Prepayment also include affirmative and negative covenants and events of default customary for transactions of this type. Proceeds from the Prepayment were used to retire debt on certain airframes and engines that now serve as collateral under the term loan facility provided to Mesa Airlines by the U.S. Treasury as further discussed in Note 18.

Our United Capacity Purchase Agreement is subject to early termination under various circumstances noted above and 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 our 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

Airlines are subject to extensive regulation. We have a FAA mandated and approved maintenance program. 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. We also outsource certain aircraft maintenance and other operating functions. We use competitive bidding among qualified vendors to procure these services. We have 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 a 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.

Line maintenance consists of routine daily and weekly scheduled maintenance checks on our aircraft. Line maintenance is performed at certain locations throughout our system 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 28 months, on average across our fleet. 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; Endeavor Air, Inc. (owned by Delta) ("*Endeavor*"); Envoy Air, Inc. ("*Envoy*"), PSA Airlines, Inc. ("*PSA*") and Piedmont Airlines, Inc. ("*Piedmont*") (Envoy, PSA and Piedmont are owned by American); Horizon Air Industries, Inc. (owned by Alaska Air Group, Inc.) ("*Horizon*"); SkyWest Inc., parent of SkyWest Airlines, Inc.; Republic Airways Holdings Inc.; and Trans States Airlines, Inc.

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.

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 in the summer months and are unfavorably affected by increased fleet maintenance and by inclement weather during the winter months.

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.

Human Capital Management

As of September 30, 2020, we employed approximately 3,200 employees, consisting of 1,275 pilots or pilot recruits, 1,118 flight attendants, 52 flight dispatchers, 466 mechanics and 289 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 Airline Transport Pilot ("*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. 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 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. Since the COVID-19 Pandemic, we have not experienced a shortage and meeting current demand.

As of September 30, 2020, approximately 74.8% 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	1,275	Air Line Pilots Association	7/13/2021
Flight Attendants	1,118	Association of Flight Attendants	10/1/2021
Dispatchers	52	N/A	
Mechanics	466	N/A	
Administrative	289	N/A	

The Railway Labor Act ("*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 National Mediation Board ("*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.

Refer to “Impact of COVID-19 Pandemic” included in “Item 7. Management's Discussion And Analysis Of Financial Condition And Results Of Operations” for information on Human Capital Management actions taken by the Company in response to the COVID-19 pandemic.

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 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
Training Center	Phoenix, Arizona	Leased	23,783
Parts/Stores	Phoenix, Arizona	Leased	12,000
Hangar	Phoenix, Arizona	Leased	22,467
Office, Hangar and Warehouse	El Paso, Texas	Leased	31,292
Office, Hangar	Dallas, Texas	Leased	30,440
DFW Parts	Dallas, Texas	Leased	8,143
Hangar	Houston, Texas	Leased	74,524
Hangar	Louisville, Kentucky	Leased	26,762
Hangar	Dulles, Washington	Leased	28,451
TUS Warehouse	Tucson, Arizona	Leased	5,370

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 September 30, 2020, there were no outstanding warrants to purchase our common stock.

Government Regulation

Aviation Regulation

The DOT and FAA have regulatory authority over air transportation in the United States and all international air service is subject to certain U.S. federal requirements and approvals, as well as the regulatory requirements of the appropriate authorities of the foreign countries involved. 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, Cuba and the Bahamas are governed by bilateral air transport agreements between the United States and such countries. Changes in U.S., Mexican, Canadian, Cuban or Bahamian aviation policies could result in the alteration or termination of the corresponding air transport agreement, or otherwise affect our operations to and from these countries. In particular, there is still a degree of uncertainty about the future of scheduled commercial flight operations between the United States and Cuba as a result of changes in diplomatic relations between the two governments, as well as travel and trade restrictions implemented by the U.S. government in 2017. We are largely sheltered from the economic impact changes to existing "*open skies*" agreements or volatility in U.S., Mexican, Canadian, Cuban or Bahamian aviation polices because our major airline partners control route selection and scheduling under our capacity purchase agreements.

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. 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 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.

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

The Company is subject to two putative class action lawsuits alleging federal securities law violations in connection with its initial public offering in August 2018 (“IPO”) — one in the Superior Court of the State of Arizona and one in U.S. District Court of Arizona. These purported class actions were filed in March and April 2020 against the Company, certain current and former officers and directors, and certain underwriters of the Company’s IPO. The state and federal lawsuits each make the same or similar allegations of violations of the Securities Act of 1933, as amended, for allegedly making materially false and misleading statements in, or omitting material information from, our IPO registration statement. The plaintiffs seek unspecified monetary damages and other relief. We do not currently believe that this matter is likely to have a material adverse impact on our consolidated results of operations, cash flows, or our financial position. However, any litigation is inherently uncertain, and any judgment or injunctive relief entered against us or any adverse settlement could materially and adversely impact our business, results of operations, financial condition, and prospects.

In addition, from time to time the Company may become involved in legal proceedings or be subject to claims arising in the ordinary course of its business. Although the results of such litigation and claims cannot be predicted with certainty, the Company currently believes that the final outcome of these ordinary course matters will not have a material adverse effect on its business, operating results, financial condition or cash flows. Regardless of the outcome, any such litigation and claims can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

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 Airlines' 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 Annual Report on Form 10-K.

Mesa Airlines, the Mesa Airlines logo and our other registered or common law trade names, trademarks, or service marks appearing in this Annual Report on Form 10-K are our intellectual property. This Annual Report on Form 10-K contains additional trade names, trademarks, and service marks of other companies that are the property of their respective owners. We do not intend our use or display of other companies' trade names, trademarks, or service marks to imply a relationship with, or endorsement or sponsorship of us, by these companies. We have omitted the ® and ™ designations, as applicable, for the trademarks used in this Annual Report on Form 10-K.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), are filed with the Securities and Exchange Commission (the "*SEC*"). We are subject to the informational requirements of the Exchange Act, and we file or furnish reports, proxy statements and other information with the SEC. Such reports and other information we file with the SEC are available free of charge at http://investor.mesa-air.com/financial-information/sec-filings when such reports are available on the SEC's website. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. We periodically provide other information for investors on our corporate website, www.mesa-air.com, and our investor relations website, investor.mesa-air.com. This includes press releases and other information about financial performance, information on corporate governance and details related to our annual meeting of shareholders. The information contained on the websites referenced in this Annual Report on Form 10-K is not incorporated by reference into this filing. Further, our references to website URLs are intended to be inactive textual references only.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. Certain factors may have a material adverse effect on our business, financial condition, and results of operation. You should carefully consider the risks and uncertainties described below, together with all of the other information included in this Annual Report on Form 10-K, including our financial statements and the related notes, and in our other filings with the SEC. Our business, financial condition, operating results, cash flow and prospects could be materially and adversely affected by any of these risks or uncertainties. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Business

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 airline partners. American accounted for approximately 52% and 53% of our total revenue for our fiscal years ended September 30, 2020 and 2019, respectively. United accounted for approximately 48% and 47% of our revenue for our fiscal years ended September 30, 2020 and 2019, respectively. A termination of either our American or United capacity purchase agreements would have a material adverse effect on our business prospects, financial condition, results of operations, and cash flows. See “Item 1. Capacity Purchase Agreements” for additional information on our capacity purchase agreements with American and United.

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. Neither American nor United are under any obligation to renew their respective capacity purchase agreements with us. 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 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.

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. As a result of the unprecedented impact of the COVID-19 pandemic on the travel industry, in April 2020 we reported that our major airline partners asked us to reduce overall block hours in April by approximately 55%. We operated at significantly lower block hours over the remainder of fiscal 2020 and anticipate the schedule reductions of our major airline partners will continue into 2021. If our major airline partners do elect to continue to 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 our American Capacity Purchase Agreement.

Our 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 our 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 our United Capacity Purchase Agreement at United's election could reduce our revenues based on the number of flights and block hours flown for United.

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 impacted. 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, such as COVID-19, 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, our partners are not required to schedule any specified level of flight operations for our aircraft. 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.

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

The airline business is a capital intensive business and, as a result, we are highly leveraged. As of September 30, 2020, we had approximately $743.3 million in total long-term debt (including current portion of $189.3 million) including $6.9 million of finance lease obligations, and $12.1 million available for borrowing under our CIT Revolving Credit Facility. Substantially all of our long-term debt was incurred in connection with the acquisition of aircraft and aircraft engines. During our fiscal years ended September 30, 2020, 2019 and 2018, our principal debt service payments totaled $138.3 million, $244.1 million and $222.2 million, respectively, and our principal aircraft lease payments totaled approximately $112.1 million, $100.4 million and $64.6 million, respectively.

We also have significant long-term lease obligations primarily relating to our aircraft fleet. At September 30, 2020, we had 18 aircraft under lease (excluding aircraft leased from United), with an average remaining term of 4.2 years. As of September 30, 2020, future minimum lease payments due under all long-term operating leases were approximately $112.9 million and debt service obligations were $853.4 million, respectively, including finance lease obligations.

The Company's substantial level of indebtedness, its non-investment grade credit ratings and the availability of Company assets as collateral for future loans or other indebtedness, which available collateral would be reduced under other future liquidity-raising transactions and was reduced subsequent to our fiscal year ended September 30, 2020 as a result of the Company's CARES Act loan program borrowings, may make it difficult for the Company to raise additional capital if required to meet its liquidity needs on acceptable terms, or at all.

Although the Company's cash flows from operations and its available capital, including the proceeds from financing transactions, have been sufficient to meet its obligations and commitments to date, the Company's liquidity has been, and may in the future be, negatively affected by the risk factors discussed in this Annual Report on Form 10-K, including risks related to future results arising from the COVID-19 pandemic. If the Company's liquidity is materially diminished, the Company's cash flow available to fund its working capital requirements, capital expenditures and business development efforts may be materially and adversely affected.

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. The degree to which we are leveraged could have important consequences to holders of our securities, including the following:

- we must dedicate a substantial portion of cash flow from operations to the payment of principal and interest on applicable indebtedness, which, in turn, reduces funds available for operations and capital expenditures;
- our flexibility in planning for, or reacting to, changes in the markets in which we compete may be limited;
- we may be at a competitive disadvantage relative to our competitors with less indebtedness;
- we are rendered more vulnerable to general adverse economic and industry conditions;
- we are exposed to increased interest rate risk given that a portion of our indebtedness obligations are at variable interest rates; and
- our credit ratings may be reduced and our debt and equity securities may significantly decrease in value.

Additionally, 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. In addition, several of the Company's debt agreements contain affirmative and negative covenants that, among other things, restrict the ability of the Company and its subsidiaries to enter into, create, incur, assume or suffer to exist any liens. See Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, of this report for additional information regarding the Company's liquidity as of September 30, 2020.

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

Under our (i) credit and guaranty agreement with CIT ("*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) credit agreement with EDC, 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 facility, (iii) aircraft lease facility ("*RASPRO Lease Facility*") with RASPRO 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, and (iv) loan and guarantee agreement with the U.S. Treasury, we are required to comply with a minimum collateral coverage ratio, measured monthly during the term of such credit facility, and a minimum liquidity level, measured at the close of any business day during the term of such credit facility.

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 the CIT Revolving 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 loss of key personnel upon whom we depend to operate our business or the inability to attract additional qualified personnel could adversely affect our business.

We believe that our future success will depend in large part on our ability to retain or attract highly qualified management, technical and other personnel. We may not be successful in retaining key personnel or in attracting other highly qualified personnel. Among other things, the CARES Act imposes significant restrictions on executive compensation, which will remain in place through the date that is one year after the amounts outstanding under our Loan and Guarantee Agreement with the U.S. Treasury are fully repaid. Such restrictions, over time, will likely result in lower executive compensation in the airline industry than is prevailing in other industries which may present retention challenges in the case of executives presented with alternative, non-airline opportunities. Any inability to retain or attract significant numbers of qualified management and other personnel would have a material adverse effect on our business, results of operations and financial condition.

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

The FAA Qualification Standards (and associated regulations) related to pilot qualification and flight training standards discussed in "Item 1. Government Regulation" 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, which has substantially increased our labor costs and may continue to negatively impact our operations and financial condition.

In prior periods, the FAA Qualification Standards 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 issued credits to American pursuant to the terms of our American Capacity Purchase Agreement. In February 2018, we mutually agreed with United to temporarily remove two aircraft from service under our United Capacity Purchase Agreement. These aircraft were placed back into service under our United Capacity Purchase Agreement five months later when we were able to fully staff our flight operations. If we are unable to maintain a sufficient number of qualified pilots to operate our scheduled flights, it could lead to, or we may need to request, reduced flight schedules with our major airline partners, which would result in 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. In prior periods, these factors caused our pilot attrition rates to be higher than our ability to hire and retain replacement pilots, resulting in our inability to provide flight services at or exceeding the minimum flight operating levels expected by our major airline partners. If our attrition rates are higher than our ability to hire and retain replacement pilots, 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 and our operations and financial results could be materially and adversely affected.

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.

As a result of the 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.

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 (owned by Delta), Envoy (owned by American), PSA (owned by American), Piedmont (owned by American) and Horizon (owned by Alaska). 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. In particular, American, which procures approximately 40% of its regional flying from its wholly owned regional subsidiaries, has expressed a goal of increasing their share to a majority of American's regional flying over time. We have no guarantee that in the future our major airline partners will choose to enter into contracts with us, or renew their existing agreements 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 to "*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.

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.

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

As of September 30, 2020, we had approximately $1,212.4 million of property and equipment and related assets, net of accumulated depreciation, of which, $1,005.0 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 the 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 our fiscal year ended September 30, 2020, approximately $41.9 million, or 8.3%, of our operating costs under our capacity purchase agreements 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 capacity purchase agreements, 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 September 30, 2020, approximately 74.8% 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 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 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 our 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 commitments that extend beyond our existing capacity purchase agreement contractual terms on certain aircraft.

We currently have aircraft with leases extending past the term of their corresponding capacity purchase agreement. 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 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. 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. 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 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 aircraft 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 4.9, 14.0 and 16.7 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 will 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 agreements 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 utilize in our operations. 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-700, CRJ-900 and E-175 aircraft. 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.

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, 2020, we had aggregate federal and state net operating loss carryforwards of approximately $512.4 million and $222.0 million, which expire in fiscal years 2027-2038 and 2021-2040, respectively, with approximately $3.1 million of state net operating loss carryforwards that expired in 2020 which had a full valuation allowance against them. 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. However, US federal net operating losses generated in fiscal years 2019 and forward are not subject to expiration and, if not utilized by fiscal 2021, are only available to offset eighty percent of taxable income each year due to changes in tax law attributable to the passage of Tax Cuts and Jobs Act. In addition, if a corporation undergoes an "*ownership change*" (generally defined as a greater than 50% 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 "*Code*"), 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 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. See *"—Our corporate charter limits certain transfers of our stock, these limits are intended to preserve our ability to use our net operating loss carryforwards, and these limits could have an effect on the market price of our common stock."*

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

Our growth strategy includes, among other things, providing regional flying to other 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 airlines with hub cities that overlap with our existing airline partners; and
- enter into relationships with third parties to carry their cargo on terms that are acceptable to us, as we did with DHL Express in October 2020.

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 additional 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 outbreak and global spread of COVID-19 has resulted in a severe decline in demand for air travel, which has adversely impacted the business of our airline partners, American and United and in turn has had an adverse impact that has been material to our business, operating results, financial condition and liquidity. The duration and severity of the COVID-19 pandemic, and similar public health threats that we may face in the future, could result in additional adverse effects on our business, operating results, financial condition and liquidity.

The COVID-19 outbreak, along with the measures governments and private organizations worldwide have implemented in an attempt to contain the spread of this pandemic, has resulted in a severe decline in demand for air travel, which has adversely affected the business of our major airline partners, American and United, from whom we derive substantially all of our operating revenue, and in turn has adversely affected our business, operations and financial condition to an unprecedented extent.

In response to this material deterioration in demand, both American and United made significant cuts in capacity in their domestic and international schedules beginning in the second calendar quarter of 2020.

These capacity reductions impacted flights operated by the Company. As a result of this decline in demand and capacity reductions, the Company experienced a material decline in demand in block hours from both of its major airline partners and operated at significantly lower block hours in the second half of fiscal year 2020. The Company believes that the initiatives and measures put in place to limit the spread of the virus has and will continue to have a materially adverse impact on its business. While there has been a modest demand recovery, the Company anticipates similar schedule reductions may continue for the foreseeable future.

In response to the foregoing events, we implemented cost saving initiatives, including reducing employee-related costs through voluntary unpaid leaves, compensation reductions for executive level employees, a company-wide hiring freeze, delaying non-essential heavy maintenance expense and reducing or suspending discretionary spending. We have also taken steps to increase liquidity and strengthen our financial position, including reducing planned heavy engine and airframe maintenance, working with major partners and OEMs to delay the timing of the delivery of our future aircraft and spare engine deliveries, and drawing $23 million under our previously undrawn revolving credit facility. While the severity, magnitude and duration of the COVID-19 pandemic remain uncertain, there can be no assurance that these actions will be sufficient to sustain our business operations through the uncertain duration of this pandemic.

We have also taken and intend to take additional actions to improve our financial position, including measures to improve liquidity, such as obtaining financial assistance under the CARES Act. In April 2020, we were granted $92.5 million in emergency relief through the Payroll Support Program (“PSP”) of the CARES Act, all of which was received by the Company as of September 30, 2020. In September 2020, we were notified that, based on funding availability, recipients that were currently in compliance with executed PSP agreements would receive an approximate 2% increase in their award amount. As a result, we were granted an additional $2.7 million through the PSP for a total grant of $95.2 million, which was received in October 2020. Under the terms of this financial assistance, we are required to comply with certain provisions of the CARES Act, including the requirement that funds provided pursuant to the PSP be used exclusively for the continuation of payment of employee wages, salaries and benefits; the requirement against involuntary furloughs and reductions in employee pay rates and benefits through September 2020; the requirement of continuing essential air service; restrictions on share repurchases and dividends; and limits on the payment of certain executive compensation. The substance and duration of these restrictions may materially affect our operations, and we may not be successful in managing these impacts for the duration of the restrictions. In particular, limitations on executive compensation, which, depending on the form of aid, could extend up to six years, may impact the Company's ability to attract and retain senior management or attract other key employees during this critical time.

On October 30, 2020, the Company entered into a five-year Loan and Guarantee Agreement with the U.S. Department of the Treasury (the “U.S. Treasury”), which provided the Company with a secured loan facility to borrow up to $200.0 million under the CARES Act. On October 30, 2020, the Company borrowed $43.0 million under the facility and on November 13, 2020, the Company borrowed an additional $152.0 million. No additional amounts are available for borrowing under this loan facility. Similar to the terms of the PSP, the Company is required to comply with certain provisions of the CARES Act, including the requirement of continuing essential air service; restrictions on share repurchases and dividends; and limits on the payment of certain executive compensation. The substance and duration of these restrictions may materially affect our operations, and we may not be successful in managing these impacts for the duration of the restrictions.

The full extent of the ongoing impact of COVID-19 on our future operational and financial performance will depend on future developments, many of which are outside our control, including the effectiveness of the mitigation strategies discussed above, the severity, magnitude, duration and spread of COVID-19, including any recurrence of the pandemic, and related travel advisories and restrictions, the impact of COVID-19 on overall long-term demand for air travel, the impact on demand and capacity which could result from government mandates on air service including, for instance, any requirement for passengers to wear masks while traveling or have their temperature checked or have administered other tests or examinations prior to entering an airport or boarding an airplane, or which would limit the number of seats that can be

occupied on an aircraft to allow for social distancing, and the impact of COVID-19 on the financial health and operations of our major airline partners and future governmental actions, all of which are highly uncertain and cannot be predicted.

In addition, an outbreak of another disease or similar public health threat, or fear of such an event, that affects travel demand, travel behavior or travel restrictions could adversely impact our business, financial condition and operating results. Outbreaks of other diseases could also result in increased government restrictions and regulation, such as those actions described above or otherwise, which could adversely affect our operations.

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 Co. and AirTran Airways 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, as described in “Item 1. Government Regulation.” 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 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.

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.

The market price of our common stock may fluctuate substantially due to a variety of factors, many of which are beyond our control, including: (i) announcements concerning our major airline partners, competitors, the airline industry or the economy in general; (ii) strategic actions by us, our major airline partners, or our competitors, such as acquisitions or restructurings; (iii) media reports and publications about the safety of our aircraft or the aircraft type we operate; (iv) new regulatory pronouncements and changes in regulatory guidelines; (v) announcements concerning the availability of the type of aircraft we use; (vi) significant volatility in the market price and trading volume of companies in the airline industry; (vii) changes in financial estimates or recommendations by securities analysts or failure to meet analysts' performance expectations; (viii) sales of our common stock or other actions by insiders or investors with significant shareholdings, including sales by our principal shareholders; and (ix) 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.

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

As of November 13, 2020, we had outstanding warrants to purchase an aggregate of 4,899,497 shares of our common stock, all of which were issued to the U.S. Treasury pursuant to the terms of the Loan and Guarantee Agreement dated October 30, 2020. The warrants have a term of five years from the date of issuance and an initial exercise price of $3.98 per share. Any future warrant exercises by the U.S. Treasury, or any authorized transferee of the U.S. Treasury, will be dilutive to our existing common shareholders. Under the terms of the warrant agreement governing such warrants, we are obligated to file a shelf registration to register the resale of such warrants and the shares of common stock issuable thereunder. Upon the effectiveness of this registration statement, all of the shares of common stock issuable upon exercise of such warrants will be freely tradeable without restrictions or further registration under the Securities Act of 1933, as amended. 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 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 second amended and restated articles of incorporation and amended and restated bylaws contain provisions that, among other things:

- authorize our Board of Directors, without shareholder approval, to designate and fix the voting powers, designations, preferences, limitations, restrictions and relative rights of one re more series of preferred stock so designated, or right to acquire such preferred stock;
- that could dilute the interest of, or impair the voting power of, holders of our common stock and could also have the effect 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 or special 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 appoint a director to fill a vacancy created by the expansion of our 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 number of directors constituting our Board of Directors to within a set range, and give our Board of Directors exclusive authority to increase or decrease the number of directors within such range, which may prevent shareholders from being able to fill vacancies on our Board of Directors; and
- restrict the ability of shareholders to call special meetings of shareholders.

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 second amended and restated articles of incorporation restrict the ownership and voting of shares of our common stock by people and entities who are not "*citizens of the United States*" as that term is defined in 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% of the voting interest is owned or controlled by persons who are citizens of the United States. Our second amended and restated articles of incorporation prohibits any non-U.S. citizen from owning or controlling more than 24.9% of the aggregate votes of all outstanding shares of our common stock or 49.0% of the total number of outstanding shares of our capital stock. The restrictions imposed by the above-described ownership caps are applied to each non-U.S. citizen in reverse chronological order based on the date of registration on our foreign stock record. At no time may shares of our capital stock held by non-U.S. citizens be voted unless such shares are reflected on the foreign stock record. The voting rights of non-U.S. citizens having voting control over any shares of our capital stock are subject to automatic suspension to the extent required to ensure that we are in compliance with applicable law. In the event any transfer or issuance of shares of our capital stock to a non-U.S. citizen would result in non-U.S. citizens owning more than the above-described cap amounts, such transfer or issuance will be void and of no effect.

As of September 30, 2020, we had no outstanding warrants to purchase of our common stock. We are currently in compliance with all applicable foreign ownership restrictions.

Our corporate charter limits certain transfers of our stock, which limits are intended to preserve our ability to use our net operating loss carryforwards, and these limits could have an effect on the market price and liquidity of our common stock.

To reduce the risk of a potential adverse effect on our ability to use our net operating loss carryforwards for federal income tax purposes, our second amended and restated articles of incorporation prohibit the transfer of any shares of our capital stock that would result in (i) any person or entity owning 4.75% or more of our then-outstanding capital stock, or (ii) an increase in the percentage ownership of any person or entity owning 4.75% or more of our then-outstanding capital stock. These transfer restrictions expire upon the earliest of (i) the repeal of Section 382 of the Code or any successor statute if our Board of Directors determines that such restrictions are no longer necessary to preserve our ability to use our net operating loss carryforwards, (ii) the beginning of a fiscal year to which our Board of Directors determines that no net operating losses may be carried forward, or (iii) such other date as determined by our Board of Directors. These transfer restrictions apply to the beneficial owner of the shares of our capital stock. The clients of an investment advisor are treated as the beneficial owners of stock for this purpose if the clients have the right to receive dividends, if any, the power to acquire or dispose of the shares of our capital stock, and the right to proceeds from the sale of our capital stock. Certain transactions approved by our Board of Directors, such as mergers and consolidations meeting certain requirements set forth in our articles of incorporation, are exempt from the above-described transfer restrictions. Our Board of Directors also has the ability to grant waivers, in its discretion, with respect to transfers of our stock that would otherwise be prohibited.

The transfer restrictions contained in our second amended and restated articles of incorporation may impair or prevent a sale of common stock by a shareholder and may adversely affect the price at which a shareholder can sell our common stock. In addition, this limitation may have the effect of delaying or preventing a change in control of the Company, creating a perception that a change in control cannot occur or otherwise discouraging takeover attempts that some shareholders may consider beneficial, which could also adversely affect the market price of our common stock. We cannot predict the effect that this provision in our second amended and restated articles of incorporation may have on the market price of our common stock.

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, certain of our aircraft lease facilities 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, including restrictions under applicable law. 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.

General Risk Factors

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 Jumpstart Our Business Startups Act of 2012 (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 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 our fiscal year following the fifth anniversary of our IPO (i.e. September 30, 2023), (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 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.

We became a public company in August 2018. As a public company, we incur significant legal, accounting and other expenses, including costs associated with public company reporting requirements. We also have incurred and will continue to incur costs associated with the Sarbanes-Oxley Act of 2002, as amended, the Dodd-Frank Wall Street Reform and Consumer Protection Act and related rules implemented or to be implemented by the SEC and the Nasdaq Global Select Market. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities

more time-consuming and costly and divert management's time and attention from revenue-generating activities to compliance activities. It could also make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees, or as our executive officers and may divert management's attention. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common stock, fines, sanctions and other regulatory action and potentially civil litigation.

We are 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 are 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 our fiscal year ended September 30, 2020 and each subsequent year. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Our independent registered public accounting firm is not required to attest to the effectiveness of our internal control over financial reporting until our first annual report required to be filed with the SEC 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 are required to disclose, to the extent material, changes made in our internal control over financial reporting 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. Management assessed the effectiveness of our internal control over financial reporting at September 30, 2020. In making these assessments, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013). Based on our assessments and those criteria, management determined that we maintained effective internal control over financial reporting as of September 30, 2020.

In future periods, if we fail to achieve and maintain an effective internal control environment, it could result in material misstatements in our financial statements and failure to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information and adversely impact our stock price.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 2. PROPERTIES

Flight Equipment

As of September 30, 2020, our fleet available for scheduled service consisted of the following aircraft:

Aircraft Type	Owned	Leased	Total	Passenger Capacity	Scheduled Flight Range (miles)	Average Cruising Speed (mph)	Average Age (years)
E-175 Regional Jet	18	42	60	76	2,100	530	4.9
CRJ-900 Regional Jet	48	16	64	76/79	1,500	530	14.0
CRJ-700 Regional Jet	18	2	20	70	1,600	530	16.7
CRJ-200 Regional Jet	1	—	1	50	1,500	530	26.7
Boeing 737 Cargo Jet	—	1	1		2,600	530	26.1
Total	**85**	**61**	**146**				

Several factors may impact our fleet size throughout our fiscal 2020 and thereafter, including contract expirations, lease expirations, growth opportunities and opportunities to transition to an alternative airline partner. Below is our fiscal 2020 outlook on our fleet by aircraft type. Our actual future fleet size and mix of aircraft types will likely vary, and may vary materially, from our current fleet size.

- E-175s - As of September 30, 2020, we operated 60 E-175 aircraft under our United Capacity Purchase Agreement. As part of our amended and restated United Capacity Purchase Agreement, we agreed to extend the term of 42 of our E-175 aircraft (owned by United) for an additional five (5) years which will now expire between 2024 and 2028, subject to United's early termination rights. United also has the right to extend the term of these aircraft under our United Capacity Purchase Agreement for four additional three-years. In addition, 18 of the E-175 aircraft (owned by us) operating under our United Capacity Purchase Agreement expire between January 2028 and November 2028, subject to United's early termination rights. Our 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 90 days' notice
- CRJ-900s – As of September 30, 2020, we operated 54 CRJ-900 aircraft under our American Capacity Purchase Agreement and ten (10) CRJ-900 aircraft as operational spares. Our American Capacity Purchase Agreement will expire 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 our American Capacity Purchase Agreement up to three times for one year each (on the same terms) by providing us prior written notice. Our American Capacity Purchase Agreement is subject to termination prior to that date, subject to our right to cure, in various circumstances.
- CRJ-700s – As of September 30, 2020, we operated twenty (20) CRJ-700 aircraft under our United Capacity Purchase Agreement. Subject to certain early termination rights, as part of the amended and restated United Capacity Purchase Agreement, United has elected to have us lease our twenty (20) CRJ-700 aircraft to another United Express service provider for a term of seven (7) years. We will continue to operate such aircraft until they are transitioned in calendar year 2022. Our 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 addition, United has right to purchase the CRJ 700 aircraft at the then fair market value.
- CRJ-200s – As of September 30, 2020, we operated one CRJ-200 aircraft as an operational spare.
- Boeing 737 Cargo Jet – As of September 30, 2020, we subleased one Boeing 737 aircraft from DHL. The first revenue generating flight took place in October 2020.

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
Training Center	Phoenix, Arizona	Leased	23,783
Parts/Stores	Phoenix, Arizona	Leased	12,000
Hangar	Phoenix, Arizona	Leased	22,467
Office, Hangar and Warehouse	El Paso, Texas	Leased	31,292
Office, Hangar	Dallas, Texas	Leased	30,440
DFW Parts	Dallas, Texas	Leased	8,143
Hangar	Houston, Texas	Leased	74,524
Hangar	Louisville, Kentucky	Leased	26,762
Hangar	Dulles, Washington	Leased	28,451
TUS Warehouse	Tucson, Arizona	Leased	5,370

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

ITEM 3. LEGAL PROCEEDINGS

We are subject to two putative class action lawsuits alleging federal securities law violations in connection with our IPO— one in the Superior Court of the State of Arizona and one in U.S. District Court of Arizona. These purported class actions were filed in March and April 2020 against the Company, certain current and former officers and directors, and certain underwriters of the Company's IPO. The state and federal lawsuits each make the same or similar allegations of violations of the Securities Act of 1933, as amended, for allegedly making materially false and misleading statements in, or omitting material information from, our IPO registration statement. The plaintiffs seek unspecified monetary damages and other relief.

In addition, we are subject to certain legal actions which we consider routine to our business activities. As of September 30, 2020, our management believed, after consultation with legal counsel, that the ultimate outcome of the two putative class action lawsuits and such other routine legal matters are not likely to have a material adverse effect on our financial position, liquidity or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock has traded on The Nasdaq Global Select Market under the symbol "*MESA*" since August 10, 2018. Prior to that date, there was no public market for our common stock.

Holders of Record

Many of our shares of common stock are held by brokers and other institutions on behalf of stockholders, as a result, we are unable to estimate the total number of stockholders represented by these record holders.

The transfer agent and registrar for our common stock is ComputerShare Trust Company, N.A.

Dividends

We have not declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any cash dividends on our common stock for the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our Board of Directors, subject to applicable laws, and will depend on our financial condition, operating results, capital requirements, general business conditions, and other factors that our Board of Directors considers relevant.

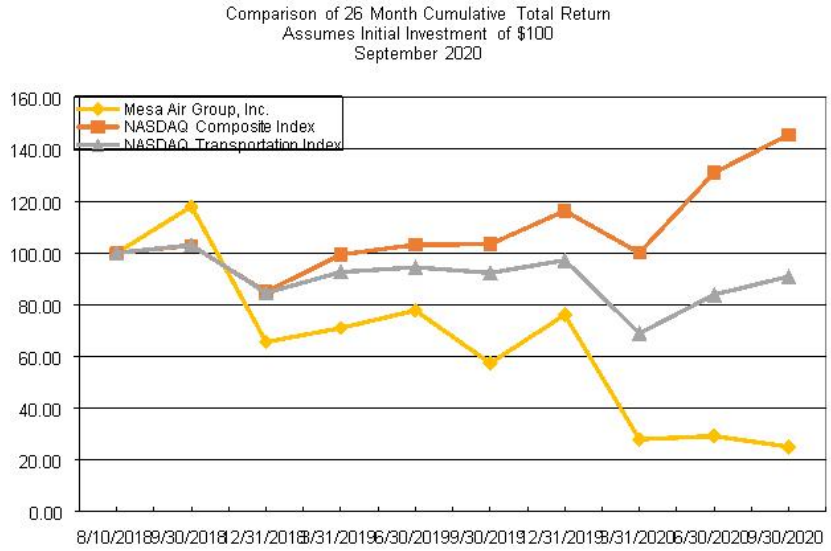
Securities Authorized for Issuance Under Equity Compensation Plans

The information required by this item with respect to our equity compensation plans is incorporated by reference to our definitive proxy statement for our 2021 Annual Meeting of Shareholders ("*2021 Proxy Statement*") to be filed with the SEC within 120 days of our fiscal year ended September 30, 2020.

Stock Performance Graph

The following Performance Graph and related information shall not be deemed "soliciting material" *or* "filed" *with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent we specifically incorporate it by reference into such filing.*

The following graph compares the cumulative total return on our common stock with that of the Nasdaq Stock Market (U.S. Companies) and the Nasdaq Stock Market Transportation Index. The period shown commences on August 10, 2018, and ends on September 30, 2020, the end of our fiscal year. The graph assumes an investment of $100.00 in each of the above on the close of market on August 10, 2018. The stock performance shown on the graph below represents historical stock performance and is not necessarily indicative of future stock price performance.



	INDEXED RETURNS									
	Base Period		Months Ending							
Company Name/Index	8/10/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020
Mesa Air Group, Inc.	$ 100.00	$ 117.96	$ 65.62	$ 70.98	$ 77.79	$ 57.40	$ 76.08	$ 28.00	$ 29.28	$ 25.11
NASDAQ Composite	100.00	102.80	85.02	99.31	103.16	103.34	116.22	100.00	130.95	145.67
NASDAQ Transportation Index	100.00	103.70	84.55	92.61	94.45	92.27	97.17	68.94	83.88	90.89

This performance graph is not deemed to be incorporated by reference into any of our other filings under the Exchange Act, or the Securities Act, except to the extent we specifically incorporate it by reference into such filings.

Recent Sales of Unregistered Securities

None

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None

ITEM 6. SELECTED FINANCIAL DATA

The following tables summarize our consolidated financial data. We derived our selected consolidated statements of operations data for our fiscal years ended September 30, 2020, 2019 and 2018 from our audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K. The selected consolidated balance sheet data as of September 30, 2020 and 2019 has been derived from our audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K. The selected consolidated statements of operations data for our fiscal years ended September 30, 2017 and 2016 and consolidated balance sheet data as of September 30, 2018, September 30, 2017 and September 30, 2016 have been derived from our consolidated financial statements that are not included in this Annual Report on Form 10-K. Our historical results are not necessarily indicative of the results to be expected in the future. You should read the following selected financial data in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our consolidated financial statements, including the accompanying notes included elsewhere in this Annual Report on Form 10-K.

	Years Ended September 30,				
	2020	2019	2018	2017	2016
	(in thousands, except per share data)				
Operating revenues	$ 545,070	$ 723,357	$ 681,595	$ 643,576	$ 587,836
Operating income	80,167	121,137	72,648	100,294	56,758
Net income	27,464	47,580	33,255	32,828	14,920
Net income per share					
Basic (1)	$ 0.78	$ 1.37	$ 1.34	$ 1.41	$ 0.62
Diluted (1)	$ 0.78	$ 1.36	$ 1.32	$ 1.40	$ 0.62
Weighted-average common shares outstanding					
Basic (2)	35,237,444	34,763,762	24,825,610	23,200,864	23,923,801
Diluted (2)	35,308,304	35,064,121	25,257,139	23,369,876	24,252,769
Total assets	$ 1,501,930	$ 1,451,917	$ 1,472,388	$ 1,357,649	$ 1,283,230
Current assets	155,591	157,841	197,917	145,839	105,167
Long-term debt and financing leases, excluding current portion	542,456	677,423	760,177	803,874	803,115
Stockholders' equity	457,859	425,868	374,467	222,224	189,151
Cash dividends declared per common share	$ —	$ —	$ —	$ —	$ —
Non-GAAP financial data:					
Adjusted EBITDA (2)	$ 163,306	$ 208,652	$ 164,778	$ 160,828	$ 103,159
Adjusted EBITDAR (2)	$ 212,108	$ 260,858	$ 233,670	$ 233,379	$ 174,794

(1) See Note 10: "*Earnings Per Share*" to our consolidated financial statements elsewhere in this Annual Report on Form 10-K for an explanation of the method used to calculate the basic and diluted earnings per share.

(2) We define Adjusted EBITDA as earnings before interest, income taxes, and depreciation and amortization, adjusted for the impact of revaluation of liability awards, lease termination costs, loss on extinguishment of debt and write-off of associated financing fees. We define Adjusted EBITDAR as earnings before interest, income taxes, depreciation and amortization and aircraft rent, adjusted for the impact of revaluation of liability awards, lease termination costs, loss on extinguishment of debt and write-off of associated financing fees. Adjusted EBITDA and Adjusted EBITDAR are included as supplemental disclosure because our senior management believes that they are well recognized valuation metrics in the airline industry that are frequently used by companies, investors, securities analysts and other interested parties in comparing companies in our industry.

Adjusted EBITDA and Adjusted EBITDAR have limitations as analytical tools. Some of the limitations applicable to these measures include: (i) Adjusted EBITDA and Adjusted EBITDAR do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; (ii) Adjusted EBITDA and Adjusted EBITDAR do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments; (iii) Adjusted EBITDA and Adjusted EBITDAR do not reflect changes in, or cash requirements for, our working capital needs; (iv) Adjusted EBITDA and Adjusted EBITDAR do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debts; (v) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future; and (vi) Adjusted EBITDA and Adjusted EBITDAR do not reflect any cash requirements for such replacements and other companies in our industry may calculate Adjusted EBITDA and Adjusted EBITDAR differently than we do, limiting its usefulness as a comparative measure. Because of these limitations, Adjusted EBITDA and Adjusted EBITDAR should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. In addition, Adjusted EBITDAR should not be viewed as a measure of overall performance because it excludes aircraft rent, which is a normal, recurring cash operating expense that is necessary to operate our business. For the foregoing reasons, each of Adjusted EBITDA and Adjusted EBITDAR has significant limitations which affect its use as an indicator of our profitablility. Accordingly, you are cautioned not to place undue reliance on this information.

The following table sets forth a reconciliation of net income to Adjusted EBITDA and Adjusted EBITDAR for the periods presented below:

	Year Ended September 30,		
	2020	2019	2018
		(in thousands)	
Reconciliation:			
Net income	$ 27,464	$ 47,580	$ 33,255
Income tax (benefit) expense	9,531	15,706	(17,426)
Income before taxes	$ 36,995	$ 63,286	$ 15,829
Adjustments(1)(2)(3)	—	13,156	27,165
Adjusted income before taxes	$ 36,995	$ 76,442	$ 42,994
Interest expense	44,120	55,717	56,867
Interest income	(105)	(1,501)	(114)
Depreciation and amortization	82,296	77,994	65,031
Adjusted EBITDA	163,306	208,652	164,778
Aircraft rent	48,802	52,206	68,892
Adjusted EBITDAR	$ 212,108	$ 260,858	$ 233,670

(1) Our financial results reflect an increase in accrued compensation of approximately $13.5 million related to an increase in the value of SARs associated with an increase in fair value of our common stock as well as a change in accounting methodology from the intrinsic value method to the fair value method. These changes resulted in a general and administrative expense of approximately $11.1 million as well as an offset of approximately $2.4 million to retained earnings as a result of the change in accounting methodology for the year ended September 30, 2018.

(2) Our financial results include lease termination expense of $9.5 million and $15.1 million for the year ended September 30, 2019 and 2018, respectively, related to our acquisition of ten CRJ-700 and nine CRJ-900 aircraft, which were previously leased under our aircraft lease facility with Wells Fargo Bank Northwest, National Association, as owner trustee and lessor (the "*GECAS Lease Facility*").

(3) Our financial results reflect loss on extinguishment of debt of $3.6 million related to repayment of the Company's Spare Engine Facility for the year ended September 30, 2019. This loss includes a $1.9 million write-off of financing fees. We also had $1.0 million of financing fees written off during our year ended September 30, 2018.

Selected 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, 2020, 2019, 2018, 2017 and 2016, respectively. The definitions of certain terms related to the airline industry used in the table can be found under "*Selected Financial Data - Glossary of Airline Terms*" below.

	Year Ended September 30,				
	2020	2019	2018	2017	2016
Operating Data					
Block hours	313,110	456,247	410,974	395,083	368,468
Departures	166,776	246,634	227,978	221,990	208,399
Passengers	8,500,072	14,664,441	13,556,774	13,005,844	12,497,424
Available seat miles—ASMs (thousands)	7,581,506	10,863,623	9,713,877	9,471,911	8,823,595
Revenue passenger miles—RPMs (thousands)	5,128,875	8,587,223	7,699,065	7,392,688	7,019,586
Contract revenue per available seat mile—CRASM (in cents)	¢ 6.68	¢ 6.29	¢ 6.58	¢ 6.53	¢ 6.45
Operating cost per available seat mile — CASM (in cents)	¢ 6.13	¢ 5.54	¢ 6.27	¢ 5.74	¢ 6.02
Average stage length (miles)	597	579	560	561	557
Regional aircraft					
Owned	85	85	75	66	64
Leased	18	18	28	37	37
Leased from United	42	42	42	37	30
Total Aircraft	145	145	145	140	131
E-175	60	60	60	55	46
CRJ-900	64	64	64	64	64
CRJ-700	20	20	20	20	20
CRJ-200	1	1	1	1	1
Employees (FTE)	3,200	3,576	3,412	3,132	3,102

(1) As of September 30, 2020, the Company leased one Boeing 737 aircraft from DHL. The revenue generated flights were flown starting October 2020. Therefore, this aircraft is excluded from the table above.

Glossary of Airline Terms

Set forth below is a glossary of industry terms used in this Annual Report on Form 10-K:

"***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.

"***CRASM***" means contract revenue divided by ASMs.

"***DOT***" means the United States Department of Transportation.

"***FAA***" means the United States Federal Aviation Administration.

"***FTE***" means full-time equivalent employee.

"***Load factor***" means the percentage of aircraft seat miles actually occupied on a flight (RPMs divided by ASMs).

"***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.

"***Revenue Passenger Miles***" or "***RPMs***" means the number of miles traveled by paying passengers.

"***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.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements, the accompanying notes, and the other financial information included elsewhere in this Annual Report on Form 10-K. The following discussion contains forward-looking statements that involve risks and uncertainties such as our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements below. Factors that could cause or contribute to those differences in our actual results include, but are not limited to, those discussed below and those discussed elsewhere in this Annual Report on Form 10-K, particularly in the sections "Cautionary Notes Regarding Forward-Looking Statements" above and Part I, Item 1A. "Risk Factors" above.

Overview

Mesa Airlines is a regional air carrier providing scheduled passenger service to 102 cities in 39 states, the District of Columbia and Mexico. 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 September 30, 2020, we operated a fleet of 146 aircraft with approximately 373 daily departures. We operate 54 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 our fiscal year ended September 30, 2020, approximately 52% of our aircraft in scheduled service were operated for American and approximately 48% were operated for United. All of our operating revenue in our 2020, 2019 and 2018 fiscal years 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. 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.

As part of the IPO, stock appreciation rights (**"*SARs*"**) previously issued under the Mesa Air Group, Inc. Amended and Restated Stock Appreciation Rights Plan (the **"*SAR Plan*"**), which settled only in cash, were cancelled and exchanged for an aggregate of 1,266,034 shares of restricted common stock under the Company's 2018 Equity Incentive Plan (the **"*2018 Plan*"**) (see note 13 "*Share-Based Compensation*"), of which 966,022 were fully vested upon issuance and are included in the number of shares of common stock outstanding after the IPO. Of the 966,022 fully vested shares, 314,198 shares were retained by the Company to satisfy tax withholding obligations, resulting in a net issuance of 651,824 shares. Additionally, 983,113 shares of restricted common stock were issued to certain of its employees and directors under its 2018 Plan in exchange for the cancellation of 491,915 shares of existing unvested restricted phantom stock units and 491,198 shares of restricted stock under the 2011 and 2017 Plans, respectively.

Impact of the COVID-19 Pandemic

The unprecedented and rapid spread of COVID-19 and the related travel restrictions and social distancing measures implemented throughout the world have significantly reduced demand for air travel and has had a material adverse impact on our revenues and financial position. The length and severity of this reduction in demand remains and the exact timing and pace of a recovery in demand is uncertain given the significant impact of the pandemic on the overall U.S. and global economy. Our forecasted expense

management and liquidity measures may be modified as we clarify the demand recovery timing. Since a portion of the consideration we receive under our capacity purchase agreements is fixed, the impact to Mesa will be partially mitigated or offset. In addition, we have limited exposure to fluctuations in passenger traffic, ticket and fuel prices. While our fixed contract consideration remains mostly unchanged, our variable revenue based on number of block hours flown was significantly impacted in 2020. Beginning in March 2020, we experienced capacity reductions a material decline in demand in block hours from both of our major airline partners and operated at significantly lower block hours in the second half of fiscal year 2020. While there has been a modest demand recovery, we anticipate similar schedule reductions may continue throughout the remainder of calendar year 2020 and the foreseeable future.

In response to the recent COVID-19 pandemic, we have implemented various measures to protect our employees as they continue to provide safe and reliable transportation to the passengers of American and United. The safety of our employees and passengers remains our primary focus and, to that end, measures that we have taken include but are not limited to:

- Increasing the scope of cleaning and sanitization of aircraft both while remaining overnight and on turn flights, including the use of Electrostatic Spraying (ESS) and the expansion of Flight Deck cleaning protocols. Both on our own, and in coordination with our codeshare partners, we have taken steps to ensure that high touch areas used by both employees and customers are routinely and comprehensively cleaned and disinfected to prevent transmission of the virus on surfaces. To assist our crewmembers in keeping the aircraft clean and disinfected, we have increased the supply of sanitizing wipes onboard.
- Mandated face covering for all employees working onboard aircraft, at corporate and training facilitates and locations where social distancing cannot be maintained.
- In coordination with our codeshare partners, we've implemented a policy that requires all crewmembers to wear face coverings while on duty. We have provided, and continue to resupply, our employees with Personal Protective Equipment (PPE) consisting of gloves and face coverings for use whenever social distancing cannot be maintained or when working with our customers. In addition, at various locations, we have coordinated with our codeshare partners to conduct temperature checks of employees reporting for duty. In those locations where this is not yet established, crewmembers have been directed to self-monitor their temperature before reporting for duty and twice daily.
- Based on recommendations from the Centers for Disease Control (CDC), we have increased facility cleaning and disinfection protocols at all of our facilities and have implemented social distancing measures including extending our current remote working policy for many of our Corporate personnel. We've enhanced current protocol to increase physical distance between workers who remain working at our Corporate facilities.
- Enhanced protocols that exceed CDC guidance for the handling of employees who are positive for, or suspected of, COVID-19 to ensure that they have the necessary time off. Additionally, we have implemented protocols to ensure that proper notification is made to any affected employees. Protocols have also been put into place for the immediate disinfection of any affected aircraft above and beyond routine cleaning and disinfection protocols.
- Offering Leaves of Absence to employees starting in May in blocks of 1-3 months.

Expense Management. With the reduction in revenue, we have, and will continue to implement cost saving initiatives, including:

- Reducing employee-related costs, including:
- Offering voluntary short-term unpaid leaves to all employees.
- Instituting a company-wide hiring freeze.
- Delaying non-essential heavy maintenance expense and reducing or suspending other discretionary spending.

Balance Sheet, Cash Flow and Liquidity. As of September 30, 2020, our cash and cash equivalents balance was $99.4 million. We have taken the following actions to increase liquidity and strengthen our financial position.

- Reducing planned heavy engine and airframe maintenance events.
- Working with our major partners and original equipment manufacturers ("OEM") to delay the timing of our future aircraft and spare engine deliveries.
- Drew $23.0 million from our previously undrawn revolving credit facility with CIT Bank, N.A.
- In April 2020, we were granted $92.5 million in emergency relief through the Payroll Support Program of the CARES Act, which was received as of September 30, 2020. In September 2020, we were notified that, based on funding availability, recipients that were currently in compliance with signed payroll support program agreements would receive an approximate 2% increase in their award amount. As a result, we were granted an additional $2.7 million for a total grant of $95.2 million, which was received in October 2020. We utilized $83.8 million of these proceeds to offset the payroll expenses in the year ended September 30, 2020 and $11.4 million has been deferred to offset future payroll costs which we expect to utilize in Q1 2021.
- The CARES Act also provides for up to $25 billion in secured loans to the airline industry. In October 2020, the Company entered into a five-year Loan and Guarantee Agreement (the "*Loan Agreement*") with the U.S. Department of Treasury (the "Treasury") which provided the Company with a secured loan facility to borrow up to $200.0 million. On October 30, 2020, the Company borrowed $43.0 million under the facility and on November 13, 2020, the Company borrowed an additional $152.0 million. No further borrowings are available under the Loan Agreement. All principal amounts outstanding under the Loan Agreement are due and payable in a single installment on October 30, 2025 (the "*Maturity Date*") and all accrued interest is payable in arrears on the first business day following the 14th day of each March, June, September and December (beginning with December 15, 2020), and on the Maturity Date. Interest during the first twelve months will be paid by increasing the principal amount of the loan by the amount of such interest due on an interest payment date, unless Mesa Airlines elects to pay interest in cash at least 30 days prior to each applicable interest payment date. The obligations under the Loan Agreement are guaranteed by the Company and Mesa Air Group Inventory Management. The proceeds may be used for general corporate purposes and operating expenses, to the extent permitted by the CARES Act.

2020 Financial Highlights

For our fiscal year ended September 30, 2020, we had total operating revenues of $545.1 million, a 24.6% decrease, compared to $723.4 million for our fiscal year ended September 30, 2019. Net income for our fiscal year ended September 30, 2020 was $27.5 million, or $0.78 per diluted share, compared to net income of $47.6 million, or $1.36 per diluted share, for our fiscal year ended September 30, 2019.

During our September 30, 2020 fiscal year ended, our completed block hours decreased by 143,137, or 31.4%, compared to our fiscal year ended September 30, 2019.

Industry Trends

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 resulted in being unable to provide flight services at or exceeding the minimum flight operating levels expected by our major airline partners. However, in July 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. 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. If our actual pilot attrition rates are materially different than our projections, our operations and financial results could be materially and adversely affected.

Economic Conditions, Challenges and Risks

Market Volatility. The airline industry is volatile and affected by economic cycles and trends. Consumer confidence and discretionary spending, spread of a virus, 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.

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 September 30, 2020, approximately 74.8% 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 amendable 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. 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.

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 September 30, 2020, $59.9 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 4.9, 14.0 and 16.7 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. Our maintenance policy is determined by fleet when major maintenance is incurred. 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.

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 under our capacity purchase agreements 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 September 30, 2020, we had 60 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 finance 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 finance 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 eligible flight time for certain components remain when the aircraft is returned at the lease expiration. 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 "*Risk Factors*" for a discussion of these factors and other risks.

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 in the summer months and are unfavorably affected by increased fleet maintenance and by inclement weather during the winter months.

Components of Our Results of Operations

The following discussion summarizes the key components of our consolidated statements of operations.

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 on weekly basis and recognized overtime consistent with the delivery of service under our capacity purchase agreements.

Pass-Through and Other. Pass-through and other revenue consists of passenger and hull insurance, aircraft property taxes, landing fees, and catering costs, and other aircraft and traffic servicing costs received pursuant to our capacity purchase agreements with our major airline partners, as well as received pursuant to our capacity purchase agreements with our major airline partners, as well as certain maintenance costs related to our E-175 aircraft.

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. 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 from 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. The majority of insurance and taxes are pass-through costs.

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) Income, Net

Interest Expense. Interest expense is 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 Expense. Other expense includes expense derived from activities not classified in any other area of the consolidated statements of income.

Results of Operations

Comparison of our Fiscal Years Ended September 30, 2020 and 2019

Operating Revenues

	Year Ended September 30,			
	2020	2019	Change	
Operating revenues ($ in thousands):				
Contract	$ 506,590	$ 682,834	$ (176,244)	(25.8)%
Pass-through and other	38,480	40,523	(2,043)	(5.0)%
Total operating revenues	$ 545,070	$ 723,357	$ (178,287)	(24.6)%
Operating data: [1]				
Available seat miles—ASMs (thousands)	7,581,506	10,863,623	(3,282,117)	(30.2)%
Block hours	313,110	456,247	(143,137)	(31.4)%
Revenue passenger miles—RPMs (thousands)	5,128,875	8,587,223	(3,458,348)	(40.3)%
Average stage length (miles)	597	579	18	3.1%
Contract revenue per available seat mile—CRASM (in cents)	¢ 6.68	¢ 6.29	¢ 0.39	6.2%
Passengers	8,500,072	14,664,441	(6,164,369)	(42.0)%

(1) The definitions of certain terms related to the airline industry used in the table can be found under "*Glossary of Airline Terms*' in Part II, Item 6 "*Selected Financial Data*" above.

Total operating revenue decreased by $178.3 million, or 24.6%, during our fiscal year ended September 30, 2020, compared to our fiscal year ended September 30, 2019. Contract revenue decreased by $176.2 million, or 25.8%, primarily due to a decrease in flying on our CRJ-900, CRJ-700, and E-175 fleets as a result of COVID-19. Our block hours flown during our fiscal year September 30, 2020 decreased 31.4%, compared to our fiscal year ended September 30, 2019, due to decreased flying with our E-175, CRJ-900 and CRJ-700 fleets. Our pass-through and other revenue decreased during our fiscal year ended September 30, 2020 by $2.0 million, or 5.0%, primarily due to a reduction in pass-through maintenance costs related to our E-175 fleet.

For our fiscal year ended September 30, 2020, the Company completed a significantly lower than normal number of flights due to the impact of COVID-19. Since the revenue recognition is based on number of flights completed, the fixed amount of cash received exceeded the revenue recognized based on the number of flights completed during the third and fourth quarter 2020. Under US GAAP, the fixed monthly payments are recognized as revenue ratably based on completed flights over the contract term. As a result, the Company deferred $23.8 million of revenue in the fiscal year ended September 30, 2020. The deferred revenue will be recognized when flights are completed over the remaining contract term.

Operating Expenses

	Year Ended September 30,		Change	
	2020	2019		
Operating expenses ($ in thousands):				
Flight operations	$ 169,242	$ 210,879	$ (41,637)	(19.7)%
Fuel	672	588	84	14.3%
Maintenance	192,123	196,514	(4,391)	(2.2)%
Aircraft rent	48,802	52,206	(3,404)	(6.5)%
Aircraft and traffic servicing	3,356	3,972	(616)	(15.5)%
General and administrative	52,246	50,527	1,719	3.4%
Depreciation and amortization	82,296	77,994	4,302	5.5%
Lease termination	—	9,540	(9,540)	(100.0)%
CARES Act grant recognition	(83,834)	—	(83,834)	100.0%
Total operating expenses	$ 464,903	$ 602,220	$ (137,317)	(22.8)%
Operating data:				
Available seat miles—ASMs (thousands)	7,581,506	10,863,623	(3,282,117)	(30.2)%
Block hours	313,110	456,247	(143,137)	(31.4)%
Average stage length (miles)	597	579	18	3.1%
Departures	166,776	246,634	(79,858)	(32.4)%

Flight Operations. Flight operations expense decreased $41.6 million, or 19.7%, to $169.2 million for our fiscal year ended September 30, 2020, compared to our fiscal year ended September 30, 2019. The decrease was primarily driven by a decrease in pilot and flight attendant wages and pilot training expense due to less flying.

Fuel. Fuel expense increased $0.08 million, or 14.3%, to $0.7 million for our fiscal year ended September 30, 2020, compared to our fiscal year ended September 30, 2019. The increase was primarily driven by an increased number of ferry flights for maintenance events and maintenance fuel in our Phoenix hub. All fuel costs related to flying under our capacity purchase agreements during our fiscal years ended September 30, 2020 and 2019 were directly paid to suppliers by our major airline partners.

Maintenance. Aircraft maintenance costs decreased $4.4 million, or 2.2%, to $192.1 million for our fiscal year ended September 30, 2020, compared to our fiscal year ended September 30, 2019. This decrease was primarily driven by a decrease in component contracts, rotable and expendable parts, and labor and other expense. This decrease was partially offset by an increase in engine and pass-through engine and pass-through C-check expense. During our 2020 fiscal year, $7.0 million of engine overhaul expenses were reimbursable by our major airline partners. Total pass-through maintenance expenses reimbursed by our major airline partners increased by $4.1 million during our fiscal 2020, compared to fiscal year 2019.

The following table presents information regarding our aircraft maintenance costs during our fiscal years ended September 30, 2020 and 2019:

	Year Ended September 30,		Change	
	2020	2019		
	(in thousands)			
Engine overhaul	$ 33,472	$ 24,077	$ 9,395	39.0%
Pass-through engine overhaul	7,048	5,960	1,088	18.3%
C-check	16,279	16,807	(528)	(3.1)%
Pass-through C-check	7,194	396	6,798	1,716.7%
Component contracts	31,105	37,572	(6,467)	(17.2)%
Rotable and expendable parts	23,302	29,853	(6,551)	(21.9)%
Other pass-through	9,075	12,885	(3,810)	(29.6)%
Labor and other	64,648	68,964	(4,316)	(6.3)%
Total	$ 192,123	$ 196,514	$ (4,391)	(2.2)%

Aircraft Rent. Aircraft rent expense decreased $3.4 million, or 6.5%, to $48.8 million for our fiscal year ended September 30, 2020, compared to our fiscal year ended September 30, 2019. This decrease was primarily attributable to $9.9 million decrease in aircraft lease expense due to the purchase of ten CRJ-700 aircraft, previously leased under the GECAS Lease Facility June 2019. This decrease was partially offset by an increase in engine rent expense.

Aircraft and Traffic Servicing. Aircraft and traffic servicing expense decreased $0.6 million, or 15.5%, to $3.4 million for our fiscal year ended September 30, 2020, compared to our fiscal year ended September 30, 2019. This decrease was primarily due to a decrease in pass-through regulatory charges. For our fiscal years ended September 30, 2020 and 2019, 59.5% and 52.6%, respectively, of our aircraft and traffic servicing expenses were reimbursed by our major airline partners.

General and Administrative. General and administrative expense increased $1.7 million, or 3.4%, to $52.2 million for our fiscal year ended September 30, 2020, compared to our fiscal year ended September 30, 2019. This increase was primarily due to an increase in pass- through property tax, partially offset by a decrease in amortization of management equity. For our fiscal year ended September 30, 2020 and 2019, $17.5 million and $15.7 million, respectively, of our insurance and property tax expenses were reimbursed by our major airline.

Depreciation and Amortization. Depreciation and amortization expense increased $4.3 million, or 5.5%, to $82.3 million for our fiscal year ended September 30, 2020, compared to our fiscal year ended September 30, 2019. This increase was primarily attributable to an increase in aircraft depreciation expense related to the purchase of ten CRJ-700 aircraft, previously leased under the GECAS Lease Facility in June 2019.

Lease Termination. Lease termination expense decreased $9.5 million, or 100.0%, for our fiscal year ended September 30, 2020, compared to our fiscal year ended September 30, 2019. We incurred a lease termination expense for the ten CRJ-700 aircraft purchased in June 2019 that were previously leased under the GECAS facility.

CARES Act grant recognition. Payroll Support Gov't Plan funds increased $83.8 million, or 100.0%, to $83.8 million for our fiscal year ended September 30, 2020 compared to the same period in 2019. Under the CARES Act, the government granted us $95.2 million in payroll support for the period of April through September 2020, of which $83.8 million was recognized as of September 30, 2020.

Other Expense

Other expense decreased $14.7 million, or 25.4%, to $43.2 million for our fiscal year ended September 30, 2020, compared to our fiscal year ended September 30, 2019. The decrease is primarily a

result of a decrease in outstanding aircraft principal balances, a decrease in interest expense related to our Spare Engine Facility, and a one-time extinguishment of debt expense of $3.6 million related to the repayment of our Spare Engine Facility recorded in 2019. Additionally, interest income decreased by $1.4 million in the year ended September 30, 2020, compared to the same period in 2019.

Income Taxes

In our fiscal year ended September 30, 2020, our effective tax rate was 25.8% compared to 25.0% in our fiscal year ended September 30, 2019. Our tax rate can vary depending on changes in tax laws, adoption of accounting standards, 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 $9.5 million and an income tax provision of $15.7 million for the years ended September 30, 2020 and 2019, respectively.

The income tax provision for our fiscal year ended September 30, 2020 resulted in an effective tax rate of 25.8%, which differed from the U.S. federal statutory rate of 21%, primarily due to the impact of state taxes and permanent differences between financial statement and taxable income. In addition to the state effective tax rate impact, other state impacts include changes in the valuation allowance against state net operating losses, expired state attributes, and changes in state apportionment and statutory rates.

The income tax provision for our fiscal year ended September 30, 2019 resulted in an effective tax rate of 25.0%, which differed from the U.S. federal statutory rate of 21% primarily due to the impact of state taxes and permanent differences between financial statement and taxable income. In addition to the state effective tax rate impact, other state impacts include changes in the valuation allowance against state net operating losses, expired state attributes, and 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.

As of September 30, 2020, we had aggregate federal and state net operating loss carryforwards of approximately $512.4 million and $223.9 million, which expire in 2027-2038 and 2021-2040, respectively, with approximately $3.1 million of state net operating loss carryforwards that expired in 2020.

See Note 12: "*Income Taxes*" in the notes to the audited consolidated financial statements included elsewhere in this Annual Report Form 10-K.

Comparison of our Fiscal Years Ended September 30, 2019 and 2018

Operating Revenues

	Year Ended September 30,			
	2019	2018	Change	
Operating revenues ($ in thousands):				
Contract	$ 682,834	$ 639,264	$ 43,570	6.8%
Pass-through and other	40,523	42,331	(1,808)	(4.3)%
Total operating revenues	$ 723,357	$ 681,595	$ 41,762	6.1%
Operating data: (1)				
Available seat miles—ASMs (miles in thousands)	10,863,623	9,713,877	1,149,746	11.8%
Block hours	456,247	410,974	45,273	11.0%
Revenue passenger miles—RPMs (miles in thousands)	8,587,223	7,699,065	888,158	11.5%
Average stage length (miles)	579	560	19	3.4%
Contract revenue per available seat mile—CRASM (in cents)	¢ 6.29	¢ 6.58	$ (0.29)	(4.4)%
Passengers	14,664,441	13,556,774	1,107,667	8.2%

(1) The definitions of certain terms related to the airline industry used in the table can be found under "*Glossary of Airline Terms*' in Part II, Item 6 "*Selected Financial Data*" above.

Total operating revenue increased by $41.8 million, or 6.1%, during our fiscal year ended September 30, 2019, compared to our fiscal year ended September 30, 2018. Contract revenue increased by $43.6 million, or 6.8%, primarily due to an increase in flying with our E-175, CRJ-900 and CRJ-700 fleets, an increase in performance incentive pay, and a decrease in credits given to our major airline partners based on contractual utilization levels. Our block hours flown during our fiscal year September 30, 2019 increased 11.0%, compared to our fiscal year ended September 30, 2018, due to increased flying with our E-175, CRJ-900 and CRJ-700 fleets. Our pass-through and other revenue decreased during our fiscal year ended September 30, 2019 by $1.8 million, or 4.3%, primarily due to a reduction in pass-through maintenance costs related to our E-175 fleet.

Operating Expenses

	Year Ended September 30,			
	2019	2018	Change	
Operating expenses ($ in thousands):				
Flight operations	$ 210,879	$ 209,065	$ 1,814	0.9%
Fuel	588	498	90	18.1%
Maintenance	196,514	193,164	3,350	1.7%
Aircraft rent	52,206	68,892	(16,686)	(24.2)%
Aircraft and traffic servicing	3,972	3,541	431	12.2%
General and administrative	50,527	53,647	(3,120)	(5.8)%
Depreciation and amortization	77,994	65,031	12,963	19.9%
Lease Termination	9,540	15,109	(5,569)	(36.9)%
Total operating expenses	$ 602,220	$ 608,947	$ (6,727)	(1.1)%
Operating data:				
Available seat miles—ASMs (miles in thousands)	10,863,623	9,713,877	1,149,746	11.8%
Block hours	456,247	410,974	45,273	11.0%
Average stage length (miles)	579	560	19	3.4%
Departures	246,634	227,978	18,656	8.2%

Flight Operations. Flight operations expense increased $1.8 million, or $0.9%, to $210.9 million for our fiscal year ended September 30, 2019, compared to our fiscal year ended September 30, 2018. The increase was primarily driven by an increase in pilot and flight attendant wages due to additional flying, offset by a decrease in pilot premium pay as our pilot staffing levels have improved.

Fuel. Fuel expense increased $0.09 million, or 18.1%, to $0.6 million for our fiscal year ended September 30, 2019, compared to our fiscal year ended September 30, 2018. The increase was primarily driven by an increased number of ferry flights for maintenance events and maintenance fuel in our Phoenix hub. All fuel costs related to flying under our capacity purchase agreements during our fiscal years ended September 30, 2019 and 2018 were directly paid to suppliers by our major airline partners.

Maintenance. Aircraft maintenance costs increased $3.4 million, or 1.7%, to $196.5 million for our fiscal year ended September 30, 2019, compared to our fiscal year ended September 30, 2018. This increase was primarily driven by an increase in labor and other expense, component contracts, and rotable and expendable parts expense. This increase was partially offset by a decrease in engine and pass-through engine and C-Check expense. During our 2019 fiscal year, $6.0 million of engine overhaul expenses were reimbursable by our major airline partners. Total pass-through maintenance expenses reimbursed by our major airline partners decreased by $8.6 million during our fiscal 2019, compared to fiscal 2018.

The following table presents information regarding our aircraft maintenance costs during our fiscal years ended September 30, 2019 and 2018:

	Year Ended September 30,		Change	
	2019	2018		
	(in thousands)			
Engine overhaul	$ 24,077	$ 38,869	$ (14,792)	(38.1)%
Pass-through engine overhaul	5,960	12,341	(6,381)	(51.7)%
C-check	16,807	14,048	2,759	19.6%
Pass-through C-check	396	7,456	(7,060)	(94.7)%
Component contracts	37,572	33,221	4,351	13.1%
Rotable and expendable parts	29,853	23,989	5,864	24.4%
Other pass-through	12,885	8,019	4,866	60.7%
Labor and other	68,964	55,221	13,743	24.9%
Total	$ 196,514	$ 193,164	$ 3,350	1.7%

Aircraft Rent. Aircraft rent expense decreased $16.7 million, or 24.2%, to $52.2 million for our fiscal year ended September 30, 2019, compared to our fiscal year ended September 30, 2018. This decrease was primarily attributable to $16.6 million decrease in aircraft lease expense due to the purchase of nine CRJ-900 and ten CRJ-700 aircraft, previously leased under the GECAS Lease Facility, in June 2018 and June 2019, respectively.

Aircraft and Traffic Servicing. Servicing. Aircraft and traffic servicing expense increased $0.4 million, or 12.2%, to $4.0 million for our fiscal year ended September 30, 2019, compared to our fiscal year ended September 30, 2018. This increase was primarily due to an increase in interrupted trip expense and higher pass-through regulatory charges. For our fiscal years ended September 30, 2019 and 2018, 52.6% and 53.0%, respectively, of our aircraft and traffic servicing expenses were reimbursed by our major airline partners.

General and Administrative. General and administrative expense decreased $3.1 million, or 5.8%, to $50.5 million for our fiscal year ended September 30, 2019, compared to our fiscal year ended September 30, 2018. This decrease was primarily due to a decrease in amortization of our restricted stock compensation and slightly offset in pass- through property tax and passenger liability expense.

Depreciation and Amortization. Depreciation and amortization expense increased $13.0 million, or 19.9%, to $78.0 million for our fiscal year ended September 30, 2019, compared to our fiscal year ended September 30, 2018. This increase was primarily attributable to an increase in depreciation expense related to our purchase of spare engines and aircraft depreciation related to the purchase of the nine CRJ-900 and ten CRJ-700 aircraft, previously leased under the GECAS Lease Facility, in June 2018 and June 2019 respectively.

Lease Termination. Lease termination expense decreased $5.6 million, or 36.9%, for our fiscal year ended September 30, 2019, compared to our fiscal year ended September 30, 2018. The decrease is primarily driven by a lower lease termination expense for the ten CRJ-700 aircraft purchased in June 2019, compared to the lease termination expense associated the purchase of the nine CRJ-900 aircraft in June 2018, which were both under the GECAS Lease facility.

Other Expense

Other expense increased $1.0 million, or 1.8%, to $57.9 million for our fiscal year ended September 30, 2019, compared to our fiscal year ended September 30, 2018. The increase is primarily due to a one-time extinguishment of debt expense of $3.6 million related to the repayment of our Spare Engine Facility. Interest expense decreased $1.2 million primarily due to a decrease in interest expense related to our Spare Engine Facility, CIT Revolving Credit Facility and EDC engine financing, which decrease was partially offset by an increase in interest expense due to the financing of nine CRJ-900 and ten CRJ-700 aircraft in June 2018 and June 2019, respectively, which were previously leased under the GECAS Lease Facility. Our expenses related to debt financing amortization decreased by $0.3 million is primarily due to the write-off of financing fees related to the repayment of our Spare Engine Facility. Additionally, interest income increased by $1.4 million in the year ended September 30, 2019, compared to the same period in 2018.

Income Taxes

In our fiscal year ended September 30, 2019, our effective tax rate was 25.0% compared to (110.1%) in our fiscal year ended September 30, 2018. Our tax rate can vary depending on changes in tax laws, adoption of accounting standards, 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 $15.7 million and an income tax provision of ($17.4) million for the years ended September 30, 2019 and 2018, respectively.

The income tax provision for our fiscal year ended September 30, 2019 resulted in an effective tax rate of 25.0%, which differed from the U.S. federal statutory rate of 21%, primarily due to the impact of state taxes and permanent differences between financial statement and taxable income. In addition to the state effective tax rate impact, other state impacts include changes in the valuation allowance against state net operating losses, expired state attributes, and changes in state apportionment and statutory rates.

The income tax provision for our fiscal year ended September 30, 2018 resulted in an effective tax rate of (110.1%), which differed from the U.S. federal statutory rate of 35% through December 31, 2017 and 21% as of January 1, 2018, primarily due to a re-measurement of our net deferred tax liability due to federal tax law changes and the adoption of Accounting Standards Update 2016-09. Other factors include changes in the valuation allowance against state net operating losses, expired state attributes and state apportionment and statutory rates.

On December 22, 2017, the President signed the Tax Act into law. The Tax Act incorporated several new provisions that had an impact on our financial statements. Most notably, the Tax Act decreased the federal statutory rate to 21% for our fiscal year ended September 30, 2019 and subsequent fiscal years. The decrease in the federal statutory rate resulted in a net tax benefit in fiscal 2018 due to the re-measurement of our net deferred tax liability. The Company's net operating losses incurred in the fiscal

year ended September 30, 2019 and in subsequent years may be used to offset up to 80% of taxable income in a given year and the Company's net operating losses incurred in fiscal year ended September 30, 2018 and in subsequent fiscal years are allowed to be carried indefinitely.

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.

As of September 30, 2019, we had aggregate federal and state net operating loss carryforwards of approximately $478.3 million and $228.3 million, which expire in 2027-2037 and 2020-2039, respectively, with approximately $0.9 million of state net operating loss carryforwards that expired in 2019.

See Note 12: "*Income Taxes*" in the notes to the audited consolidated financial statements included elsewhere in this Annual Report Form 10-K

Cautionary Statement Regarding Non-GAAP Measures

We present Adjusted EBITDA and Adjusted EBITDAR in this Annual Report on Form 10-K, which are not recognized financial measures under accounting principles generally accepted in the United States of America ("*GAAP*"), as supplemental disclosures because our senior management believes that they are well recognized valuation metrics in the airline industry that are frequently used by companies, investors, securities analysts and other interested parties in comparing companies in our industry.

Adjusted EBITDA. We define Adjusted EBITDA as net income or loss before interest, income taxes, depreciation and amortization, adjusted for the impact of revaluation of liability awards, lease termination costs, loss on extinguishment of debt and write-off of associated financing fees.

Adjusted EBITDAR. We define Adjusted EBITDAR as net income or loss before interest, income taxes, depreciation and amortization and aircraft rent, adjusted for the impact of revaluation of liability awards, lease termination costs, loss on extinguishment of debt and write-off of associated financing fees.

You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA and Adjusted EBITDAR, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in our presentation of Adjusted EBITDA and Adjusted EBITDAR. Our presentation of Adjusted EBITDA and Adjusted EBITDAR should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of Adjusted EBITDA or Adjusted EBITDAR and any such modification may be material.

Adjusted EBITDA and Adjusted EBITDAR have limitations as analytical tools. Some of the limitations applicable to these measures include: (i) Adjusted EBITDA and Adjusted EBITDAR do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; (ii) Adjusted EBITDA and Adjusted EBITDAR do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments; (iii) Adjusted EBITDA and Adjusted EBITDAR do not reflect changes in, or cash requirements for, our working capital needs; (iv) Adjusted EBITDA and Adjusted EBITDAR do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debts; (v) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future; and (vi) Adjusted EBITDA and Adjusted EBITDAR do not reflect any cash requirements for such replacements and other companies in our industry may calculate Adjusted EBITDA and Adjusted EBITDAR differently than we do, limiting its usefulness as a comparative measure. Because of these limitations, Adjusted EBITDA and Adjusted EBITDAR should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. In addition, Adjusted EBITDAR should not be viewed as a measure of overall performance because it excludes aircraft rent, which is a normal, recurring cash operating expense that is necessary to operate our business. For the foregoing reasons, each of Adjusted EBITDA

and Adjusted EBITDAR has significant limitations which affect its use as an indicator of our profitability. Accordingly, you are cautioned not to place undue reliance on this information.

Adjusted EBITDA and Adjusted EBITDAR

The following table presents a reconciliation of net (loss) income to estimated Adjusted EBITDA and Adjusted EBITDAR for the period presented:

	Year Ended September 30,		
	2020	2019	2018
	(in thousands)		
Reconciliation:			
Net income	$ 27,464	$ 47,580	$ 33,255
Income tax (benefit) expense	9,531	15,706	(17,426)
Income before taxes	$ 36,995	$ 63,286	$ 15,829
Adjustments[1][2][3]	—	13,156	27,165
Adjusted income before taxes	$ 36,995	$ 76,442	$ 42,994
Interest expense	44,120	55,717	56,867
Interest income	(105)	(1,501)	(114)
Depreciation and amortization	82,296	77,994	65,031
Adjusted EBITDA	163,306	208,652	164,778
Aircraft rent	48,802	52,206	68,892
Adjusted EBITDAR	$ 212,108	$ 260,858	$ 233,670

(1) Our financial results reflect an increase in accrued compensation of approximately $13.5 million related to an increase in the value of SARs associated with an increase in fair value of our common stock as well as a change in accounting methodology from the intrinsic value method to the fair value method. These changes resulted in a general and administrative expense of approximately $11.1 million as well as an offset of approximately $2.4 million to retained earnings as a result of the change in accounting methodology for the year ended September 30, 2018.

(2) Our financial results include lease termination expense of $9.5 million and $15.1 million for the year ended September 30, 2019 and 2018, respectively, related to our acquisition of ten CRJ-700 and nine CRJ-900 aircraft, which were previously leased under our GECAS Lease Facility.

(3) Our financial results reflect loss on extinguishment of debt of $3.6 million related to repayment of the Company's Spare Engine Facility for the year ended September 30, 2019. This loss includes a $1.9 million write-off of financing fees. We also had $1.0 million of financing fees written off during our year ended September 30, 2018.

Liquidity and Capital Resources

As a result of the COVID-19 pandemic, we have taken, and are continuing to take, certain actions to increase liquidity and strengthen our financial position which include:

Reducing planned heavy engine and airframe maintenance events.

Working with major partners and original equipment manufacturers ("OEM") to delay the timing of our future aircraft and spare engine deliveries.

Drew $23.0 million from our previously undrawn revolving credit facility with CIT Bank, N.A.

On April 9, 2020, the Company entered into a letter amendment with lender, Export Development Canada (“EDC”), which provided for the deferral of scheduled principle payments beginning on March 19, 2020 through September 30, 2020. As of September 30, 2020, the Company had deferred 28.0 million of scheduled principal payments. On October 29, 2020 and November 12, 2020, the Company entered into subsequent letter amendments with EDC extending the principal deferrals through and including August 2, 2020. Amounts deferred are due in lump sum payment on August 2, 2020, there were no other amendments to the terms of the debt agreement with EDC resulting from the letter amendments. As further discussed in Note 18 to the consolidated financial statements, the Company repaid $145 million of existing aircraft debt

subsequent to year end, which included repayment of $19.9 million of the previously deferred principal payments owed to EDC as of September 30, 2020.

In June 2020, the Company amended its RASPRO aircraft agreement to defer a $4.0 million lease payment otherwise due in June 2020. Per the amended agreement dated June 5,2020, the Company is required to pay this amount over the period of September 2021 through March 2024. The Company made the accounting election available for COVID-19 related concession provided by a lessor resulting in no change to the related lease accounting.

In April 2020, we were granted $92.5 million in emergency relief through the Payroll Support Program of the CARES Act, which was received as of September 30, 2020. In September we were notified that, based on funding availability, recipients that were currently in compliance with signed payroll support program agreements would receive an approximate 2% increase in their award amount. As a result, we were granted an additional $2.7 million for a total grant of $95.2 million, which was received in October 2020. Of this amount, $83.8 million has been utilized to offset the payroll expenses in the year ended September 30, 2020 and $11.4 million has been deferred to offset future payroll costs which we expect to utilize in Q1 2021.

The relief payments are conditioned on our agreement to refrain from conducting involuntary employee layoffs or furloughs through September 30, 2020. Other conditions include continuing essential air service as directed by the U.S. Department of Transportation and certain limitations on executive compensation.

On October 30, 2020 the Company entered into a Loan and Guarantee Agreement with the Treasury under the “CARES Act”. The Loan Agreement provides for a secured term loan facility of up to $200.0 million. On October 30, 2020, the Company borrowed $43.0 million under the facility and on November 13, 2020, the Company borrowed an additional $152.0 million. No additional sums are available for borrowing under this facility. The obligations under the Loan Agreement are secured by certain aircraft, aircraft engines, accounts receivable, ground service equipment and tooling (collectively, the “Collateral”). All principal amounts outstanding under the Loan Agreement are due and payable in a single installment on October 30, 2025 (the “*Maturity Date*”) and all accrued interest is payable in arrears on the first business day following the 14th day of each March, June, September and December (beginning with December 15, 2020), and on the Maturity Date. Interest will be paid by increasing the principal amount of the loan by the amount of such interest due on an interest payment date for the first 12 months, unless Mesa Airlines elects to pay interest in cash at least 30 days prior to each applicable interest payment date. The obligations under the Loan Agreement are guaranteed by the Company and Mesa Air Group Inventory Management. The proceeds may be used for general corporate purposes and operating expenses, to the extent permitted by the CARES Act. Voluntary prepayments of loans under the Loan Agreement may be made, in whole or in part, by Mesa Airlines, without premium or penalty, at any time and from time to time. Amounts prepaid may not be reborrowed. Mandatory prepayments of loans under the Loan Agreement are required, without premium or penalty, to the extent necessary to comply with the covenants discussed below, certain dispositions of the Collateral, certain debt issuances secured by liens on the Collateral and certain insurance payments related to the Collateral. In addition, if a “change of control” (as defined in the Loan Agreement) occurs with respect to Mesa Airlines, Mesa Airlines will be required to repay the loans outstanding under the Loan Agreement.

The Loan Agreement requires the Company, under certain circumstances, including within ten (10) business days prior to the last business day of March and September of each year, beginning March 2021, to appraise the value of the Collateral and recalculate the collateral coverage ratio. If the calculated collateral coverage ratio is less than 1.6 to 1.0, Mesa Airlines will be required either to provide additional Collateral (which may include cash collateral) to secure its obligations under the Loan Agreement or repay the term loans under the Loan Agreement, in such amounts that the recalculated collateral coverage ratio, after giving effect to any such additional Collateral or repayment, is at least 1.6 to 1.0.

The Loan Agreement contains two financial covenants, a minimum collateral coverage ratio and a minimum liquidity level. The Loan Agreement also contains customary negative and affirmative covenants for credit facilities of this type, including, among others: (a) limitations on dividends and distributions;

(b) limitations on the creation of certain liens; (c) restrictions on certain dispositions, investments and acquisitions; (d) limitations on transactions with affiliates; (e) restrictions on fundamental changes to the business, and (f) restrictions on lobbying activities. Additionally, the Company is required to comply with the relevant provisions of the CARES Act, including limits on employment level reductions after September 30, 2020, restrictions on dividends and stock buybacks, limitations on executive compensation, and requirements to maintain certain levels of scheduled service.

The CARES Act provides for deferred payment of the employer portion of social security taxes through the end of 2020. The Company expects to defer approximately $7.0 million of such taxes, with 50% of the deferred amount to be repaid on December 31, 2021 and the remaining 50% to be repaid on December 31, 2022.

These aforementioned forms of relief provided by the CARES Act are expected to provide liquidity during the recovery periods this year.

We expect to meet our cash needs for the next twelve months with cash and cash equivalents, financing arrangements, government assistance from the CARES Act, and cash flows from operations. As of September 30, 2020, we had $99.4 million in unrestricted liquidity. However, we continue to monitor the impact of the pandemic, including its adverse effect on customer demand, the general economy, and our major airline partners. Should the effects of the pandemic continue long-term, our capital requirements and sources of capital may be adversely impaired. See Part II, Item 1A, Risk Factors for additional discussion.

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.

As noted above, we entered into a Loan and Guarantee Agreement with the Treasury on October 30, 2020 pursuant to which we borrowed an aggregate of $195.0 million.

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, to remain in compliance with the various covenants contained in our debt agreements and to fund our 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, existing credit facilities, financing arrangements and government assistance from the CARES Act, 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, net of purchases of rotable spare parts and aircraft and spare engine for the year ended September 30, 2020 is approximately 5.7% which is higher compared to our historical expense of approximately 1.2% to 1.5% of annual revenues not only due to expenses incurred related to aircraft enhancements but also a decrease in revenue due to the COVID-19 pandemic impact on the airline industry. 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, 2020, our principal sources of liquidity were cash and cash equivalents and marketable securities of $99.4 million. In addition, we had restricted cash of $3.4 million as of September 30, 2020. 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, 2020, we also had $734.9 million in secured indebtedness incurred in connection with our financing of 84 total aircraft. Our primary uses of liquidity are capital expenditures and debt repayments. As of September 30, 2020, we had $189.3 million of short-term debt, excluding finance leases, and $540.6 million of long-term debt excluding finance leases.

Sources of cash for our fiscal year ended September 30, 2020 were primarily cash flows from operations of $174.7 million. The positive cash flow from operations was driven by receipts from performance under our capacity purchase agreements.

Restricted Cash

As of September 30, 2020, we had $3.4 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, $3.4 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 for each of our fiscal years ended September 30, 2020 and 2019:

	Year Ended September 30,		
	2020	2019	2018
	(in thousands)		
Net cash provided by operating activities	$ 174,662	$ 151,676	$ 118,939
Net cash used in investing activities	(26,667)	(104,842)	(138,563)
Net cash provided by (used in) financing activities	(117,655)	(81,467)	66,411
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 30,340	$ (34,633)	$ 46,787
Cash, cash equivalents and restricted cash at beginning of period	72,501	107,134	60,347
Cash, cash equivalents and restricted cash at end of period	$ 102,841	$ 72,501	$ 107,134

Net Cash Flow Provided by Operating Activities

During our fiscal year ended September 30, 2020, our cash flow provided by operating activities of $174.7 million. We had net income of $27.5 million adjusted for the following significant non-cash items: depreciation and amortization of $82.3 million, amortization of stock-based compensation of $4.4 million, deferred income taxes of $9.2 million, $14.4 million of long-term deferred revenue, amortization of deferred credits of $(3.7) million, amortization of debt financing costs and accretion of interest on non-interest bearing subordinated notes of $4.2 million and $0.4 million for gain on disposal assets. We had net change of $36.0 million within other net operating assets and liabilities largely driven by accrued liabilities during our fiscal year ended September 30, 2020.

During our fiscal year ended September 30, 2019, our cash flow provided by operating activities of $151.7 million reflected our growth and execution of our strategic initiatives. We had net income of $47.6 million adjusted for the following significant non-cash items: depreciation and amortization of $78.0 million, amortization of stock-based compensation of $5.5 million, deferred income taxes of $15.5 million, amortization of unfavorable lease liabilities and deferred credits of $(10.8) million, amortization of debt financing costs and accretion of interest on non-interest bearing subordinated notes of $4.2 million, loss on extinguishment of debt of $3.6 million and lease termination expense of $9.5 million. We had net change of $(2.1) million within other net operating assets and liabilities largely driven by expendable parts and accounts payable during our fiscal year ended

During our fiscal year ended September 30, 2018, our cash flow provided by operating activities of $118.9 million reflected our growth and execution of our strategic initiatives. We had net income of $33.3 million adjusted for the following significant non-cash items: depreciation and amortization of $65.0 million, amortization of stock-based compensation of $12.9 million, deferred income taxes of $(17.9) million, amortization of unfavorable lease liabilities and deferred credits of $(11.0) million, amortization of debt financing costs and accretion of interest on non-interest bearing subordinated notes of $4.6 million and lease termination expense of $15.1 million. We had a net change of $16.4 million within other net operating assets and liabilities largely driven by accrued compensation liability and other accrued liabilities during our fiscal year ended September 30, 2018.

Net Cash Flows Used in Investing Activities

During our fiscal year ended September 30, 2020, our net cash flow used in investing activities was $26.7 million. We invested $11.0 million in two spare engines and $ 3.8 million in aircraft improvements, $ 9.4 million in inventory, $2.5 million in tools and miscellaneous projects.

During our fiscal year ended September 30, 2019, our net cash flow used in investing activities was $104.8 million. We invested $125.4 million in ten aircraft and seven spare engines and aircraft improvements, offset by $20.1 million from net sales of investment securities, and $0.4 million in equipment deposits.

During our fiscal year ended September 30, 2018, our net cash flow used in investing activities was $138.6 million. We invested $118.0 million in nine aircraft, eight spare engines and aircraft improvements, $19.9 million from purchases of investment securities offset partially by equipment deposits.

Net Cash Flows Provided by (Used in) Financing Activities

During our fiscal year ended September 30, 2020, our net cash flow used in financing activities was $117.7 million. We drew $23.0 million from our $35.0 million working capital draw loan for operational needs. We made $138.3 million of principal repayments on long-term debt during the period. We incurred $1.8 million of costs related to debt financing and $0.6 million of costs related to the repurchase of shares of our common stock.

During our fiscal year ended September 30, 2019, our net cash flow used in financing activities was $81.5 million. We received $171.7 million in proceeds from long-term debt primarily related to purchasing ten aircraft, and spare aircraft engine and aircraft engine kit financing. We made $244.1 million of principal repayments on long-term debt during the period. We incurred $5.7 million of costs related to debt financing,

$1.7 million in debt prepayment costs, and $1.9 million of costs related to the repurchase of shares of our common stock.

During our fiscal year ended September 30, 2018, our net cash flow provided by financing activities was $66.4 million. We received $187.7 million in proceeds from long-term debt primarily related to purchasing nine aircraft, refinancing debt on aircraft, as well as spare aircraft engine and aircraft engine kit financing. We made $223.2 million of principal repayments on long-term debt during the period. We received $111.7 million, net of issuance costs, in proceeds from the issuance of our common stock. We also incurred $5.9 million of costs related to debt financing and $5.0 million of costs related to the repurchase of shares of our common stock.

Commitments and Contractual Obligations

As of September 30, 2020, we had $966.3 million of long-term debt (including principal and projected interest obligations) and capital and operating lease obligations (including current maturities). This amount consisted of $738.8 million in notes payable related to owned aircraft used in continuing operations, $81.9 million in notes payable related to spare engines and engine kits, $7.8 million in financing lease obligations and $24.9 million outstanding under our working capital line of credit. As of September 30, 2020, we also had $112.9 million of operating lease obligations primarily related to aircraft flown under our capacity purchase agreements. Our long-term debt obligations set forth below include an aggregate of $110.1 million in projected interest costs through our fiscal 2028.

The following table sets forth our cash obligations as of September 30, 2020:

		Payment Due for Year Ending September 30,					
(in thousands)	Total	2021	2022	2023	2024	2025	Thereafter
Aircraft notes	$ 738,795	$ 190,842	$ 150,983	$ 95,218	$ 76,685	$ 66,147	$ 158,920
Engine notes	81,921	28,295	23,714	22,954	6,958	—	—
Operating lease obligations	112,876	47,377	33,216	15,947	14,682	1,654	—
Working capital line of credit	24,868	969	969	22,930	—	—	—
Financing lease obligations	7,810	2,860	2,640	2,310	—	—	—
Total	$ 966,270	$ 270,343	$ 211,522	$ 159,359	$ 98,325	$ 67,801	$ 158,920

As of September 30, 2020, we had variable rate notes representing 65.2% of our total long-term debt. Actual interest commitments will change based on the actual variable interest.

Operating Leases

We have significant long-term lease obligations primarily relating to our aircraft fleet. As of September 30, 2020, we had 18 aircraft on lease (excluding aircraft leased from United) with remaining lease terms up to 3.6 years. Future minimum lease payments due under all long-term operating leases were approximately $106.5 million as of September 30, 2020.

RASPRO Lease Facility. On September 23, 2005, Mesa Airlines, as lessee, entered into the RASPRO Lease Facility, with RASPRO as lessor, for 15 of our CRJ-900 aircraft. 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 and Mesa Airlines 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 $35.0 million of cash, cash equivalents and availability under lines of credit, (iv) Mesa Airlines must provide RASPRO with periodic monthly, quarterly and annual reports containing certain financial information and forecasted engine repair costs and (v) we must maintain a minimum debt-to-assets ratio.

Pursuant to the December 2017 amendment referenced above, we deferred $29.3 million of payments originally due in December 2017 through March 2018. Deferred Amounts are charged 7.5% interest per annum and are due for repayment in December 2021. In June 2020, the company amended their RASPRO

aircraft lease agreement to defer a $4.0 million lease payment otherwise due in June 2020. Per the amended agreement dated June 5,2020, the company is to pay this amount over the period of September 2021 through March 2024. The company made the accounting election available for COVID-19 related concession provided by a lessor. This event is not a lease modification and requires no changes to current accounting treatment. As of September 30, 2020, we were in compliance with the covenants in the RASPRO Lease Facility.

Financing Leases

On February 7, 2018, Mesa Airlines, as lessee, entered into two agreements for the lease of two spare aircraft engines (the "***Engine Leases***"). Basic rent on the engines is paid monthly and at the end of the lease term. In November 2022, Mesa Airlines will have the option to purchase the engines for $935,230. The Engine Leases are reflected as debt obligations of $6.9 million on our balance sheet as of September 30, 2020. The Engine Leases set forth specific redelivery requirements and conditions, but do not contain operational or financial covenants.

Working Capital Line of Credit

In August 2016, we, as guarantor, our wholly owned subsidiaries, Mesa Airlines and MAG-AIM, as borrowers, CIT, as administrative agent, and the lenders party thereto, entered into 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. As of September 30, 2020, we were in compliance with the financial covenants under the CIT Revolving Credit Facility. 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.

On September 25, 2019, the Company extended the term on its $35.0 million working capital draw loan by three years, which now terminates in September 2022. Interest is assessed on drawn amounts at one-month LIBOR plus 3.75%. In 2nd quarter 2020, $23.0 million was drawn to cover operational needs. As of September 30, 2020, we had $22.9 million outstanding under these notes.

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 since been amended to include a term extending through 2021, and to provide 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 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 GE's 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's 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, Ascent, Embraer, 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, 2020, $59.9 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. Our maintenance policy is determined by fleet when major maintenance is incurred. 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 we 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 and any return condition obligations.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with GAAP. In doing so, we must 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: "*Summary of Significant Accounting Policies*" to the consolidated financial statements.

Adoption of New Lease Standard

Effective October 1, 2019, we have adopted 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. We determine if an arrangement is a lease at inception. Our current lease activities are recorded in operating lease right-of-use (“ROU”) assets, current maturities of operating lease and noncurrent operating lease liabilities in the consolidated balance sheets. Finance leases are included in property and equipment, net, current portion of long-term debt and financing leases, long-term debt and financing leases, excluding current portion.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Variable lease payments are not included in the calculation of the right-of-use assets and lease liability due to uncertainty of the payment amount and are recorded as lease expense in the period incurred. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

As a lessee, we elected a short-term lease exception policy on all classes of underlying assets, permitting us to not apply the recognition requirements of this standard to short-term leases (i.e. leases with terms of 12 months or less).

As a lessor, our capacity purchase agreements identify the "*right of use*" of a specific type and number of aircraft over a stated period-of-time. A portion of the compensation in the capacity purchase agreements are designed to reimburse the Company for certain aircraft ownership costs of these aircraft. We account for the non-lease component under ASC 606 and account for the lease component under ASC 842. We allocate the consideration in the contract between the lease and non-lease components based on their stated contract prices, which is based on a cost basis approach representing our estimate of the stand-alone selling prices.

Revenue Recognition

On October 1, 2018, the Company adopted ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) ("*ASU 2014-09*" or "*ASC 606*") using the modified retrospective method. See Note 4: "*Recent Accounting Pronouncements*" in the notes to our consolidated financial statements for more information. To conform to ASC 606, the Company modified its revenue recognition policy as described below.

The Company recognizes revenue when the service is provided under its capacity purchase agreements. Under these agreements, the 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 incurred by the Company in performing flight services. These costs, known as "*pass-through costs,*" may include passenger and hull insurance as well as aircraft property taxes and other flight service expenditures defined in our capacity purchase agreements with our major partners. Additionally, for the E-175 aircraft owned by United, the capacity purchase agreement provides that United will reimburse the Company for heavy airframe and engine maintenance, landing gear, APUs and component maintenance. The Company also receives compensation

under its capacity purchase agreements for heavy maintenance expenses at a fixed hourly rate or per aircraft rate for all aircraft in scheduled service other than the E-175 aircraft owned by United. The contracts also include a profit margin on certain reimbursable costs, as well as a profit margin, incentives and penalties based on certain operational benchmarks. The Company is eligible to receive incentive compensation upon the achievement of certain performance criteria defined in the capacity purchase agreements. At the end of each period during the term of an agreement, the Company calculates the incentives achieved during that period and recognizes revenue attributable to the agreement during the period accordingly, subject to the variable constraint guidance under ASC 606. All revenue recognized under these contracts is presented as the gross amount billed to the major airline partners.

Under the capacity purchase agreements, the Company has committed to perform various activities that can be generally classified into in-flight services and maintenance services. When evaluating these services, the Company determined that the nature of its promise is to provide a single integrated service, flight services, because its contracts require integration and assumption of risk associated with both services to effectively deliver and provide the flights as scheduled over the contract term. Therefore, the in-flight services and maintenance services are inputs to that combined integrated flight service. Both the services occur over the term of the agreement and the performance of maintenance services significantly effects the utility of the in-flight services. The Company's individual flights flown under the capacity purchase agreements are deemed to be distinct and the flight service promised in the capacity purchase agreements represents a series of services that should be accounted for as a single performance obligation. This single performance obligation is satisfied over time as the flights are completed. Therefore, revenue is recognized when each flight is completed.

In allocating the transaction price, variable payments (i.e. billings based on flights and block hours flown, pass-through costs, etc.) that relate specifically to the Company's efforts in performing flight services are recognized in the period in which the individual flight is completed. The Company has concluded that allocating the variability directly to the individual flights results in an overall allocation meeting the objectives in ASC 606. This results in a pattern of revenue recognition that follows the variable amounts billed from the Company to their customers.

A portion of the Company's compensation under its capacity purchase agreements with American and United is designed to reimburse the Company for certain aircraft ownership costs. The Company has concluded that a component of its revenue under these agreements is deemed to be lease revenue, as such agreements identify the "*right of use*" of a specific type and number of aircraft over a stated period-of-time. The lease revenue associated with the Company's capacity purchase agreements is accounted for as an operating lease and is reflected as contract revenue on the Company's consolidated statements of operations. The Company recognized $208.9 million, $219.0 million and $217.0 million of lease revenue for the year ended September 30, 2020, 2019 and 2018, respectively. The Company has not separately stated aircraft rental income and aircraft rental expense in the consolidated statements of operations because the use of the aircraft is not a separate activity of the total service provided.

The Company's capacity purchase agreements are renewable periodically and contain provisions pursuant to which the parties could terminate their respective agreements, subject to certain conditions as described in Note 1. The capacity purchase agreements also contain terms with respect to covered aircraft, services provided and compensation as described in Note 1. The capacity purchase agreements are amended from time to time to change, add or delete terms of the agreements.

The Company's revenues could be impacted by a number of factors, including amendment or termination of its capacity purchase agreements, contract modifications resulting from contract renegotiations, its ability to earn incentive payments contemplated under applicable agreements, and settlement of reimbursement disputes with the Company's major airline partners. In the event contracted rates are not finalized at a quarterly or annual financial statement date, the Company evaluates the enforceability of its contractual terms and when it has an enforceable right, it estimates the amount the Company expects to be entitled subject to the variable constraint guidance under ASC 606.

The Company's capacity purchase agreements contain an option that allows its major airline partners to assume the contractual responsibility for procuring and providing the fuel necessary to operate the flights

that it operates for them. Both of the Company's major airline partners have exercised this option. Accordingly, the Company does not record an expense or revenue for fuel and related fueling costs for flying under its capacity purchase agreements. 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 the Company's major airline partners at no cost are presented net in its consolidated financial statements; hence, no amounts are recorded for revenue or expense for these items.

Aircraft Leases

In addition to the aircraft we lease from United under our United Capacity Purchase Agreement, approximately 12% of our aircraft are leased from third parties. 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. 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. Additionally, any remaining ROU assets and lease liabilities will be written off.

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 we are 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 12: "*Income Taxes*" in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K 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 Annual Report on Form 10-K.

Emerging Growth Company Status

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act (the JOBS Act). The JOBS Act permits 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

For a discussion of recent accounting pronouncements, see Note 4: "*Recent Accounting Pronouncements*" in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES 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 Rate Risk. 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. We do not purchase or hold any derivative instruments to protect against the effects of changes in interest rates.

As of September 30, 2020, we had $486.6 million of variable rate debt including current maturities. A hypothetical 50 basis point change in market interest rates would have increased interest expense by approximately $2.4 million in our fiscal year ended September 30, 2020.

As of September 30, 2020, we had $259.9 million of fixed rate debt, including current maturities. A hypothetical 50 basis point change in market interest rates would not impact interest expense or have a material effect on the fair value of our fixed rate debt instruments as of September 30, 2020.

Foreign Currency Risk. 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. To date, foreign currency transaction gains and losses have not been material to our financial statements and we have not had a formal hedging program with respect to foreign currency. A 10% increase or decrease in current exchange rates would not have a material effect on our financial results.

Fuel Price Risk. 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.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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The information set forth below should be read together with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," appearing elsewhere in this Annual Report on Form 10-K.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Mesa Air Group, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Mesa Air Group, Inc. (the Company) as of September 30, 2020, the related consolidated statement of operations and comprehensive income, stockholders' equity and cash flows for the year ended September 30, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2020, and the results of its operations and its cash flows for the period ended September 30, 2020, in conformity with U.S. generally accepted accounting principles.

Adoption of ASU No. 2016-02

As discussed in Note 4 to the consolidated financial statements, the Company changed its method of accounting for leases in the year ended September 30, 2020 due to the adoption of ASU No. 2016-02, "Leases (Topic 842)."

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2019.

Phoenix, Arizona
December 14, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Mesa Air Group, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Mesa Air Group, Inc. and subsidiaries (the "Company") as of September 30, 2019, the related consolidated statements of operations, shareholders' equity, and cash flows, for each of the two years in the period ended September 30, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2019, and the results of its operations and its cash flows for each of the two years in the period ended September 30, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

Phoenix, Arizona

December 16, 2019

We began serving as the Company's auditor in fiscal year 2000. In fiscal year 2020 we became the predecessor auditor.

MESA AIR GROUP, INC.
Consolidated Balance Sheets

(in thousands, except share amounts)

	September 30, 2020	September 30, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 99,395	$ 68,855
Restricted cash	3,446	3,646
Receivables, net	13,712	23,080
Expendable parts and supplies, net	22,971	21,337
Prepaid expenses and other current assets	16,067	40,923
Total current assets	155,591	157,841
Property and equipment, net	1,212,415	1,273,585
Intangibles, net	8,032	9,532
Lease and equipment deposits	1,899	2,167
Operating lease right-of-use assets	123,251	—
Other assets	742	8,792
Total assets	$ 1,501,930	$ 1,451,917
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt and financing leases	$ 189,268	$ 165,900
Current maturities of operating leases	43,932	—
Accounts payable ($1,729 (2019) to related party)	53,229	49,930
Accrued compensation	12,030	11,988
Other accrued expenses	54,867	28,888
Total current liabilities	353,326	256,706
Long-term debt and financing leases, excluding current portion	542,456	677,423
Noncurrent operating lease liabilities	62,531	
Deferred credits ($5,751 (2019) to related party)	5,705	12,134
Deferred income taxes	64,275	55,303
Deferred revenue, net of current portion	14,369	—
Other noncurrent liabilities	1,409	24,483
Total noncurrent liabilities	690,745	769,343
Total liabilities	1,044,071	1,026,049
Commitments and contingencies (Note 15 and Note 16)		
Stockholders' equity:		
Preferred stock of no par value, 5,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock of no par value and additional paid-in capital, 125,000,000 shares authorized; 35,526,918 (2020) and 31,413,287 (2019) shares issued and outstanding, and 0 (2020) and 3,600,953 (2019) warrants issued and outstanding	242,772	238,504
Retained earnings	215,087	187,364
Total stockholders' equity	457,859	425,868
Total liabilities and stockholders' equity	$ 1,501,930	$ 1,451,917

See accompanying notes to these consolidated financial statements.

MESA AIR GROUP, INC.
Consolidated Statements of Operations and Comprehensive Income

(in thousands, except per share amounts)

	Year Ended September 30,		
	2020	2019	2018
Operating revenues:			
Contract revenue ($376,506 (2019), $359,467 (2018) from related party)	$ 506,590	$ 682,834	$ 639,264
Pass-through and other ($7,257 (2019), $6,628 (2018) from related party)	38,480	40,523	42,331
Total operating revenues	545,070	723,357	681,595
Operating expenses:			
Flight operations	169,242	210,879	209,065
Fuel	672	588	498
Maintenance	192,123	196,514	193,164
Aircraft rent	48,802	52,206	68,892
Aircraft and traffic servicing	3,356	3,972	3,541
General and administrative	52,246	50,527	53,647
Depreciation and amortization	82,296	77,994	65,031
Lease termination	—	9,540	15,109
CARES Act grant recognition	(83,834)	—	—
Total operating expenses	464,903	602,220	608,947
Operating income	80,167	121,137	72,648
Other income (expenses), net:			
Interest expense	(44,120)	(55,717)	(56,867)
Interest income	105	1,501	114
Loss on extinguishment of debt	—	(3,616)	—
Other income (expense), net	843	(19)	(66)
Total other (expense), net	(43,172)	(57,851)	(56,819)
Income before taxes	36,995	63,286	15,829
Income tax expense (benefit)	9,531	15,706	(17,426)
Net income and comprehensive income	$ 27,464	$ 47,580	$ 33,255
Net income per share			
Basic	$ 0.78	$ 1.37	$ 1.34
Diluted	$ 0.78	$ 1.36	$ 1.32
Weighted-average common shares outstanding			
Basic	35,237	34,764	24,826
Diluted	35,308	35,064	25,257

See accompanying notes to these consolidated financial statements.

MESA AIR GROUP, INC.
Consolidated Statement of Stockholders' Equity

(in thousands, except share amounts)

	Number of Shares	Number of Warrants	Common Stock and Additional Paid-In Capital	Retained Earnings	Total
Balance at September 30, 2017	11,294,083	12,230,625	$ 114,456	$ 107,768	$ 222,224
Stock compensation expense	—	—	1,991	—	1,991
Repurchased shares and warrants	(438,541)	(250,000)	(7,709)	—	(7,709)
Warrants converted to common stock	1,365,643	(1,365,643)	—	—	—
Restricted shares issued	1,327,700	—	11,918	—	11,918
Conversion of unvested restricted shares	—	—	2,321	—	2,321
IPO issuance	10,354,018	8	111,706	—	111,706
Cumulative effect of change in accounting principle (See note 2 and 4)	—	—	—	(1,239)	(1,239)
Net income	—	—	—	33,255	33,255
Balance at September 30, 2018	23,902,903	10,614,990	$ 234,683	$ 139,784	$ 374,467
Stock compensation expense	—	—	5,508	—	5,508
Stock issuance costs	—	—	185	—	185
Repurchased shares	(205,235)	—	(1,872)	—	(1,872)
Warrants converted to common stock	7,014,037	(7,014,037)	—	—	—
Restricted shares issued	701,582	—	—	—	—
Net income	—	—	—	47,580	47,580
Balance at September 30, 2019	31,413,287	3,600,953	$ 238,504	$ 187,364	$ 425,868
Adoption ASU 2018-09 Stock compensation-income taxes	—	—	—	259	259
Stock compensation expense	—	—	4,414	—	4,414
Repurchased shares	(142,439)	—	(586)	—	(586)
Warrants converted to common stock	3,600,953	(3,600,953)	—	—	—
Restricted shares issued	555,473	—	—	—	—
Employee share purchases	99,644	—	440	—	440
Net income	—	—	—	27,464	27,464
Balance at September 30, 2020	35,526,918	—	$ 242,772	$ 215,087	$ 457,859

See accompanying notes to these consolidated financial statements.

MESA AIR GROUP, INC.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended September 30,		
	2020	**2019**	**2018**
Cash flows from operating activities:			
Net income	$ 27,464	$ 47,580	$ 33,255
Adjustments to reconcile net income to net cash flows provided by operating activities:			
Depreciation and amortization	82,296	77,994	65,031
Stock compensation expense	4,414	5,508	12,929
Deferred income taxes	9,234	15,503	(17,874)
Long-term deferred revenue	14,369	—	—
Amortization of deferred credits	(3,742)	(5,121)	(4,395)
Unfavorable lease liabilities	—	(5,718)	(6,640)
Amortization of debt financing costs and accretion of interest on non-interest-bearing subordinated notes	4,202	4,203	4,606
Loss on extinguishment of debt	—	3,616	—
Loss/(Gain) on disposal of assets	401	(5)	307
Provision for obsolete expendable parts and supplies	—	642	200
Loss on lease termination	—	9,540	15,109
Changes in assets and liabilities:			
Receivables	9,368	(9,275)	(5,437)
Expendable parts and supplies	(1,529)	(6,310)	(744)
Prepaid expenses and other current assets	(1,368)	(713)	7,584
Accounts payable	3,418	12,119	2,427
Accrued liabilities	30,190	2,113	12,581
Change in operating activity of ROU asset	(4,055)	—	—
Net cash provided by operating activities	174,662	151,676	118,939
Cash flows from investing activities:			
Capital expenditures	(26,667)	(125,350)	(117,989)
Purchases of investment securities	—	(14,884)	(19,921)
Sales of investment securities	—	34,961	—
Net returns (payments) on equipment & other deposits	—	431	(653)
Net cash used in investing activities	(26,667)	(104,842)	(138,563)
Cash flows from financing activities:			
Proceeds from long-term debt	23,000	171,658	187,703
Principal payments on long-term debt and finance leases	(138,289)	(244,087)	(222,153)
Debt financing costs	(1,780)	(5,680)	(5,852)
Debt prepayment costs	—	(1,672)	—
Proceeds from issuance of common stock	—	—	124,246
Stock issuance costs	—	185	(12,540)
Repurchase of stock	(586)	(1,871)	(4,993)
Net cash (used in) provided by financing activities	(117,655)	(81,467)	66,411
Net change in cash and cash equivalents	30,340	(34,633)	46,787
Cash and cash equivalents and restricted cash at beginning of period	72,501	107,134	60,347
Cash and cash equivalents and restricted cash at end of period	$ 102,841	$ 72,501	$ 107,134
Supplemental cash flow information			
Cash paid for interest	$ 41,501	$ 53,503	$ 50,672
Cash paid for income taxes - net	$ 398	$ 419	$ 385
Operating lease payments in operating cash flows	$ 44,173	$ —	$ —
Supplemental non-cash operating activities			
Right-of-use assets obtained in exchange of lease liabilities	$ 145,054	$ —	$ —
Supplemental non-cash investing and financing activities			
Accrued capital expenditures	$ 61	$ 179	$ 16,677
Acquisition of finance leases	$ —	$ —	$ 10,473

See accompanying notes to these 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, 2020, the Company served 102 cities in 39 states, the District of Columbia and Mexico, and operated a fleet of 146 aircraft with approximately 373 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 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 years ended September 30, 2020, 2019 and 2018 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*"**) whereby the major airline pays a monthly guaranteed amount 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. The major airline partners also pay certain expenses directly to suppliers, such as fuel, ground operations and certain landing fees. Under the terms of these capacity purchase agreements, the major airline controls route selection, pricing and seat inventories, thereby reducing the Company's exposure to fluctuations in passenger traffic, fare levels, and fuel prices.

On August 8, 2018, the Company filed its Second Amended and Restated Articles of Incorporation, which, among other things: (i) effected a 2.5-for-1 stock split of its common stock; and (ii) increased the authorized number of shares of its common and preferred stock to 125,000,000 and 5,000,000, respectively. All references to share and per share amounts in the Company's consolidated financial statements have been retrospectively revised to reflect the stock split and increase in authorized shares.

On August 14, 2018, the Company completed an initial public offering (**"*IPO*"**) of its common stock, in which it issued and sold 9,630,000 shares (the **"*Firm Shares*"**) of common stock at a public offering price of $12.00 per share, resulting in gross proceeds to the Company of approximately $115.6 million. Additionally, in connection with the IPO, the Company granted the underwriters an option to purchase up to an additional 1,444,500 shares of common stock at the same price. On September 11, 2018, the Company closed the sale of 1,344,500 shares (**"*Option Shares*"**) of its common stock, in connection with the partial exercise of the overallotment option granted to the underwriters in its IPO. Of the 1,344,500 Option Shares sold, 723,985 were purchased directly from the Company and the remaining 620,515 shares were purchased directly from the selling shareholders. The Firm Shares and Option Shares were sold to the public for a price of $12.00 per share.

The sale of these shares raised gross proceeds of approximately $124,247,820. The Company did not receive any proceeds from the sale of the Option Shares by the selling shareholders.

As part of the IPO, stock appreciation rights (**"*SARs*"**) previously issued under the Mesa Air Group, Inc. Amended and Restated Stock Appreciation Rights Plan (the **"*SAR Plan*"**), which settled only in cash, were cancelled and exchanged for an aggregate of 1,266,034 shares of restricted common stock under the Company's 2018 Equity Incentive Plan (the **"*2018 Plan*"**) (see note 13 "*Share-Based Compensation*"), of which 966,022 were fully vested upon issuance and are included in the number of shares of common stock outstanding after the IPO. Of the 966,022 fully vested shares, 314,198 shares were retained by the Company to satisfy tax withholding obligations, resulting in a net issuance of 651,824 shares. Additionally, 983,113 shares of restricted common stock were issued to certain of its employees and directors under its

2018 Plan in exchange for the cancellation of 491,915 shares of existing unvested restricted phantom stock units and 491,198 shares of restricted stock under the 2011 and 2017 Plans, respectively.

Impact of the COVID-19 Pandemic

The unprecedented and rapid spread of COVID-19 and the related travel restrictions and social distancing measures implemented throughout the world have significantly reduced demand for air travel. The length and severity of the reduction in demand due to the pandemic remains uncertain. This reduction in demand has had an unprecedented and materially adverse impact on our revenues and financial position. The exact timing and pace of a recovery in demand is uncertain given the significant impact of the pandemic on the overall U.S. and global economy. Our forecasted expense management and liquidity measures may be modified as we clarify the demand recovery timing. Since a portion of the consideration we receive under our capacity purchase agreements is fixed, the impact to Mesa will be partially mitigated or offset. In addition, we have limited exposure to fluctuations in passenger traffic, ticket and fuel prices. While the fixed contract consideration remains mostly unchanged, the variable revenue based on number of block hours was significantly reduced beginning in the last few weeks in March and in the June 2020 and September 2020 quarters. We may experience further reductions in subsequent quarters. The Company further reports that, beginning in March 2020, it experienced a material decline in demand in block hours from both of its major airline partners, American and United Airlines, Inc. (“United” and together with American, the “Partners”) resulting from the spread of the COVID-19 virus. As a result of this decline in demand and the subsequent capacity reductions by the Company’s Partners, the Company operated at significantly lower block hours in the second half of fiscal year 2020. While there has been a modest demand recovery, the Company anticipates similar schedule reductions may continue throughout the remainder of calendar year 2020 the foreseeable future.

Expense Management. With the reduction in revenue, we have, and will continue to implement cost saving initiatives, including:

- Instituting a company-wide hiring freeze.
- Delaying non-essential heavy maintenance expense and reducing or suspending other discretionary spending.

Balance Sheet, Cash Flow and Liquidity. As of September 30, 2020, our cash and cash equivalents balance was $99.4 million. We have taken the following actions to increase liquidity and strengthen our financial position.

- Working with our major partners and original equipment manufacturers ("OEM") to delay the timing of our future aircraft and spare engine deliveries.
- Drew $23.0 million from our previously undrawn revolving credit facility with CIT Bank, N.A.
- In April 2020, we were granted $92.5 million in emergency relief through the Payroll Support Program of the CARES Act, which was received as of September 30, 2020. In September we were notified that, based on funding availability, recipients that were currently in compliance with signed payroll support program agreements would receive an approximate 2% increase in their award amount. As a result, we were granted an additional $2.7 million for a total grant of $95.2 million, which was received in October 2020. $83.8 million has been utilized to offset the payroll expenses in the year ended September 30, 2020 and $11.4 million has been deferred to offset future payroll costs which we expect to utilize in Q1 2021. In connection with the Payroll Support Program, we are required to comply with the relevant provisions of the CARES Act, including the requirement that funds provided pursuant to the agreement be used exclusively for the continuation of payment of employee wages, salaries and benefits, the requirement against involuntary furloughs and reductions in employee pay rates and benefits, which expired on September 30, 2020, the requirement that certain levels of commercial air service be maintained as well as those that restrict the payment of certain

executive compensation. The provisions also prohibit the repurchase of common stock, and the payment of common stock dividends through September 30, 2021.

- The CARES Act also provides for up to $25 billion in secured loans to the airline industry. In October 2020, the Company entered into a five-year Loan and Guarantee with the U.S. Treasury Department which provides the Company with a secured loan facility to borrow up to $200.0 million under the CARES Act. On October 30, 2020, the Company borrowed $43.0 million under the facility and on November 13, 2020, the Company borrowed an additional $152.0 million totaling $195.0 million. No further borrowings are available under the Loan Agreement. All borrowings under the Loan Agreement will bear interest at an annual rate based on Adjusted LIBO (as defined in the Loan Agreement) plus 3.5%. Accrued interest on the loans is payable in arrears on the first business day following the 14th day of each March, June, September and December (beginning with December 15, 2020), and on the maturity date. Interest will be paid during the first twelve months by increasing the principal amount of the loan by the amount of such interest due on an interest payment date, unless Mesa Airlines elects to pay interest in cash at least 30 days prior to each applicable interest payment date. The borrower obligations are guaranteed by the Company and Mesa Air Group Inventory Management. The proceeds may be used for general corporate purposes and operating expenses, to the extent permitted by the CARES Act. All advances under the Loan Agreement will be in the form of term loans, all of which will mature and be due and payable in a single installment on the Maturity Date. Voluntary prepayments of loans under the Loan Agreement may be made, in whole or in part, by Mesa Airlines, without premium or penalty, at any time and from time to time. Amounts prepaid may not be reborrowed. Mandatory prepayments of loans under the Loan Agreement are required, without premium or penalty, to the extent necessary to comply with covenants, certain dispositions of the Collateral, certain debt issuances secured by liens on the Collateral and certain insurance payments related to the Collateral. In addition, if a “change of control” (as defined in the Loan Agreement) occurs with respect to Mesa Airlines, Mesa Airlines will be required to repay the loans outstanding under the Loan Agreement.

American Capacity Purchase Agreement

As of September 30, 2020, the Company operated 54 CRJ-900 aircraft for American under a capacity purchase agreement. In exchange for providing flight services under our 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 our 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 utilization credits which are required to be paid if the Company does not operate at minimum levels of flight operations. In prior periods, the FAA Qualification Standards (as defined below) 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 our American Capacity Purchase Agreement.

Our American Capacity Purchase Agreement will terminate with respect to different tranches of aircraft between 2021 and 2025, unless otherwise extended or amended. As of the date of this filing, we remain in discussions with American regarding the terms of extending the 31 aircraft that are due to expire in 2021, the 16 aircraft that are due to expire in 2022, and the 7 aircraft that expire in 2025. Our 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 our 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 our American Capacity Purchase Agreement, American may, in lieu of termination, withdraw up to an aggregate of 14 aircraft from service under our American Capacity Purchase Agreement. Upon any such withdrawal, American's payments to us would be correspondingly reduced by the number of withdrawn aircraft.

On January 31, 2019, the Company entered into an amendment to the American Capacity Purchase Agreement, the terms of which provide for new and revised operational performance metrics, the Company's right to earn additional incentive compensation based on the achievement of such metrics, and the right of American to permanently withdraw up to six (6) aircraft in the event the Company fails to meet such new/revised performance metrics. Under the terms of such amendment the Company agreed, effective April 2, 2019, to convert two (2) aircraft to be utilized by the Company as operational spares in the Company's sole discretion throughout its system. In July 2019, American exercised its right to permanently withdraw two (2) aircraft from the American Capacity Purchase Agreement due to the Company's failure to meet certain performance metrics. The aircraft were removed on November 2, 2019. On November 25, 2019, the Company amended its agreement with American Airlines. The Company did not meet certain performance metrics during the then most recent measurement period, which would have allowed American to remove two additional aircraft from the capacity purchase agreement. American had agreed to defer the right to remove these two aircraft but subsequently elected to remove one of the two previously deferred aircraft, effective January 2, 2020. As of January 2, 2020, American had removed three (3) of the six (6) aircraft under the January 31st amendment.

On April 3, 2020, the Company received a new withdrawal notice from American seeking to permanently withdraw three aircraft from the American Capacity Purchase Agreement. Two of the aircraft were withdrawn effective May 19, 2020 and the third aircraft was withdrawn effective June 1, 2020. The withdrawal of these three aircraft stems from withdrawal rights that American previously asserted were triggered in September 2019 and November 2019. At such time, American refrained from exercising such withdrawal rights, however, reserved the right to withdraw the three aircraft at a later date under certain circumstances. In light of the rapid grounding of aircraft caused by the COVID-19 virus, the overall reduction in demand for air travel, and the need to reduce capacity, American elected to remove such aircraft in early June.

On June 11, 2020, the Company entered into the Twenty-First Amendment to The American Capacity Purchase Agreement effective April 1, 2020. The amendments include (i) the permanent withdrawal of two (2) additional aircraft from the American Capacity Purchase Agreement, effective June 15, 2020, with such aircraft included in the tranche of aircraft American has the right to ratably remove commencing January 1, 2021 in exchange for American paying the full cost of the aircraft for the same period and (ii) the addition of utilization-based credits, entitling American to payment credits for the period April 1, 2020 through September 30, 2020, based upon the achievement of agreed upon aircraft utilization

thresholds, subject to Mesa's receipt of previously approved funds under the CARES Act. The impact of the contract modification was not material to the three or year ended September 30, 2020

American had a 0.0%, 7.1% and 7.2% ownership interest in the Company, calculated on a fully-diluted basis as of September 30, 2020, 2019 and 2018, respectively. The related party amounts presented on the consolidated balance sheets and statements of operations and comprehensive income pertain to American.

United Capacity Purchase Agreement

As of September 30, 2020, we operated 20 CRJ-700 and 60 E-175 aircraft for United under our United Capacity Purchase Agreement. In exchange for providing the flight services under our 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. Under our United Capacity Purchase Agreement, United owns 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, auxiliary power units ("APUs") and component maintenance for the 42 E-175 aircraft owned by United. Our 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. If United elects to terminate our 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.

On November 26, 2019, we amended and restated our United Capacity Purchase Agreement to, among other things, incorporate the terms of the 14 prior amendments to that Agreement and to extend the term thereof through the addition of twenty (20) new Embraer E175LL aircraft to the scope of such Agreement. These new aircraft were to be financed and owned by us and operated for a period of twelve (12) years from the in-service date. Deliveries of the new E175LL aircraft were scheduled to begin in May 2020. In March 2020, the deliveries of the new E175LL aircraft were negotiated between United and Embraer to begin in September 2020 and be completed by the quarter ended June 30, 2021. Commencing five (5) years after the actual in-service date, United has the right to remove the E175LL aircraft from service by giving us notice of 90 days or more, subject to certain conditions, including the payment of certain wind-down expenses plus, if removed prior to the ten (10) year anniversary of the in-service date, certain accelerated margin payments.

In addition to adding the 20 new E175LL aircraft to the amended and restated United Capacity Purchase Agreement, we extended the term of our 42 E-175 aircraft leased from United for an additional five (5) years, which now expire between 2024 and 2028. In addition, we own 18 E-175 aircraft that expire in 2028. As part of the amended and restated United Capacity Purchase Agreement, we agreed to lease our CRJ-700 aircraft to another United Express service provider for a term of seven (7) years. We will continue to operate such aircraft until they are transitioned to the new service provider. United has a right to purchase the CRJ-700 aircraft at the then fair market value.

On November 4, 2020, we amended and restated our United Capacity Purchase Agreement to, among other things, amend the ownership by United, in lieu of Mesa Airlines, of 20 E175LL aircraft that will be leased to Mesa Airlines. Per the amendment, these new aircraft will be now financed by United Airlines and leased to the Company to operate for a period of twelve (12) years from the in-service date. We agreed to adjusted rates to account for the change in ownership of the E175LL aircraft, relief from certain provisions related to minimum utilization until December 31, 2021 and an additional right of United to remove one or more E175LL aircraft in the event that the Mesa Airlines fails to meet certain financial covenants. We also agreed to a one-time provision for United to prepay $85.0 million under the United CPA for future performance by Mesa Airlines (the "Prepayment") and the application of certain discounts to certain payment obligations of United under the United CPA. Weekly payments under the United CPA will be discounted following the Prepayment until repaid. Until the Prepayment is fully expended, weekly amounts due from United under the United CPA will be applied toward the balance of the Prepayment. This period is estimated to continue for approximately 4 months following funding of the Prepayment. The terms of the Prepayment also include affirmative and negative covenants and events of default customary for

transactions of this type. Proceeds from the Prepayment will retire debt on certain airframes and engines that will serve as collateral under the term loan facility provided to Mesa Airlines by the U.S. Treasury.

Our United Capacity Purchase Agreement is subject to early termination under various circumstances noted above and 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 our 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

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 (**"*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 Accounting Standards Codification (**"*ASC*"**) and Accounting Standards Update ("***ASU***") of the Financial Accounting Standards Board ("***FASB***"). All intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications of certain immaterial prior period amounts have been made to conform to the current period presentation.

The Company is an "***emerging growth company,***" as defined in the Jumpstart Our Business Startups Act of 2012 (the "***JOBS Act***") and may remain an emerging growth company until the last day of our fiscal year following the fifth anniversary of the IPO, subject to specified conditions. The JOBS Act provides that an emerging growth company can take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards. The Company has elected to "***opt out***" of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with 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 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 *ASC* 280, "***Segment Reporting,***" we are not organized around specific services or geographic regions. We currently operate in one service line providing scheduled flying 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.

All of our operating revenue in our 2020, 2019 and 2018 fiscal years was derived from operations associated with our American and United Capacity Purchase Agreements. It is currently impractical to provide certain information on our revenue from our customers for each of our services and geographic information on our revenues and long lived assets.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased 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, $3.4 million and $3.6 million of outstanding letters of credit are required to be collateralized by amounts on deposit as of September 30, 2020 and 2019, 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 $2.8 million and $2.4 million as of September 30, 2020 and 2019, respectively.

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, 2020 and 2019.

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.

Accounting standards include disclosure requirements relating to the fair values used for certain financial instruments and establish a fair value hierarchy. The hierarchy prioritizes valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of three levels:

- Level 1 – Observable inputs such as quoted prices in active markets;
- Level 2 – Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

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 in accordance with our maintenance policy. Amounts on deposit that are not probable of being returned for qualifying maintenance events are recognized as supplemental rent expense in the period such costs are determined to not be refundable. The current portion of prepaid deposits is included in prepaid expenses and other current 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

Customer relationships are amortized using future discounted cash flows over the estimated life. In accordance with 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.

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.

Other Noncurrent Liabilities

During each of the years ended September 30, 2019 and 2018, the Company recorded amortization of this unfavorable lease liability of $5.7 million and $6.6 million, respectively, as a reduction of lease expense. This disclosure is not applicable for the year ended September 30, 2020 due to the adoption of the new leasing standard ASC-842. During the year ended September 30, 2019 and 2018, the Company wrote off $0.75 million and $1.2 million of unfavorable lease liability related to the lease termination of its aircraft lease facility with Wells Fargo Bank Northwest, National Association, as owner trustee and lessor (the "***GECAS Lease Facility***"), which was accounted for as lease termination expense.

Revenue Recognition

The Company recognizes revenue when the service is provided under its capacity purchase agreements. Under these agreements, the 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 incurred by the Company in performing flight services. These costs, known as "***pass-through costs,***" may include passenger and hull insurance as well as aircraft property taxes. Additionally, for the E-175 aircraft owned by United, the capacity purchase agreement provides that United will reimburse the Company for heavy airframe and engine maintenance, landing gear, APUs and component maintenance. The Company also receives compensation under its capacity purchase agreements for heavy maintenance expenses at a fixed hourly rate or per aircraft rate for all aircraft in scheduled service other than the E-175 aircraft owned by United. The contracts also include a profit margin on certain reimbursable costs, as well as a profit margin, incentives and penalties based on certain operational benchmarks. The Company is eligible to receive incentive compensation

upon the achievement of certain performance criteria defined in the capacity purchase agreements. At the end of each period during the term of an agreement, the Company calculates the incentives achieved during that period and recognizes revenue attributable to the agreement during the period accordingly, subject to the variable constraint guidance under ASC 606. All revenue recognized under these contracts is presented as the gross amount billed to the major airline partners. See note 3: “Contract revenue and Pass- through and other” for further information.

Under the capacity purchase agreements, the Company has committed to perform various activities that can be generally classified into in-flight services and maintenance services. When evaluating these services, the Company determined that the nature of its promise is to provide a single integrated service, flight services, because its contracts require integration and assumption of risk associated with both services to effectively deliver and provide the flights as scheduled over the contract term. Therefore, the in-flight services and maintenance services are inputs to that combined integrated flight service. Both the services occur over the term of the agreement and the performance of maintenance services significantly effects the utility of the in-flight services. The Company's individual flights flown under the capacity purchase agreements are deemed to be distinct and the flight service promised in the capacity purchase agreements represents a series of services that should be accounted for as a single performance obligation. This single performance obligation is satisfied over time as the flights are completed. Therefore, revenue is recognized when each flight is completed.

In allocating the transaction price, variable payments (i.e. billings based on flights and block hours flown, pass-through costs, etc.) that relate specifically to the Company's efforts in performing flight services are recognized in the period in which the individual flight is completed. The Company has concluded that allocating the variability directly to the individual flights results in an overall allocation meeting the objectives in ASC 606. This results in a pattern of revenue recognition that follows the variable amounts billed from the Company to their customers.

A portion of the Company's compensation under its capacity purchase agreements with American and United is designed to reimburse the Company for certain aircraft ownership costs. The Company has concluded that a component of its revenue under these agreements is deemed to be lease revenue, as such agreements identify the "***right of use***" of a specific type and number of aircraft over a stated period-of-time. The lease revenue associated with the Company's capacity purchase agreements is accounted for as an operating lease and is reflected as contract revenue on the Company's consolidated statements of operations.

The Company recognized $208.9 million, $219.0 million and $217.0 million of lease revenue for the year ended September 30, 2020, 2019 and 2018, respectively. The Company has not separately stated aircraft rental income and aircraft rental expense in the consolidated statements of operations because the use of the aircraft is not a separate activity of the total service provided.

The Company's capacity purchase agreements are renewable periodically and contain provisions pursuant to which the parties could terminate their respective agreements, subject to certain conditions as described in Note 1. The capacity purchase agreements also contain terms with respect to covered aircraft, services provided and compensation as described in Note 1. The capacity purchase agreements are amended from time to time to change, add or delete terms of the agreements.

The Company's revenues could be impacted by a number of factors, including amendment or termination of its capacity purchase agreements, contract modifications resulting from contract renegotiations, its ability to earn incentive payments contemplated under applicable agreements, and settlement of reimbursement disputes with the Company's major airline partners. In the event contracted rates are not finalized at a quarterly or annual financial statement date, the Company evaluates the enforceability of its contractual terms and when it has an enforceable right, it estimates the amount the Company expects to be entitled to that is subject to the ASC 606 constraint.

The Company's capacity purchase agreements contain an option that allows its major airline partners to assume the contractual responsibility for procuring and providing the fuel necessary to operate the flights that it operates for them. Both of the Company's major airline partners have exercised this option. Accordingly, the Company does not record an expense or revenue for fuel and related fueling costs for flying under its capacity purchase agreements. 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 the Company's major airline partners at no cost are presented net in its consolidated financial statements; hence, no amounts are recorded for revenue or expense for these items.

Contract Liabilities

Contract liabilities consist of deferred credits representing upfront payments received from major airline partners related to aircraft modifications associated with capacity purchase agreements and pilot training. The deferred credits are recognized over time depicting the pattern of transfer of the related services over the term of the capacity purchase agreements.

Current and non-current deferred credits are recorded to other accrued expenses and non-current deferred credits in the consolidated balance sheets. The Company's total current and non-current deferred credit balances at September 30, 2020, September 30, 2019 and September 30, 2018 are $8.5 million, $12.1 million and $15.4 million respectively. The Company recognized $3.7 million, $5.1 million and $4.4 million of the deferred credits to revenue in the consolidated statements of operations during the year ended September 30, 2020, 2019 and 2018, respectively.

Contract Assets

The Company recognizes assets from the incremental costs incurred to obtain contracts with major partners including aircraft painting, aircraft reconfiguration and flight service personnel training costs. These costs are amortized based on the pattern of transfer of the services in relation to flight hours over the term of the contract. Contract assets are recorded as other assets in the consolidated balance sheets. The Company's contract assets balances at September 30, 2020, September 30, 2019 and September 30, 2018 are $2.0 million, $3.9 million and $4.6 million, respectively. Contract cost amortization was $1.9 million, $2.4 million and $1.9 million for the year ended September 30, 2020, 2019 and 2018, respectively.

Maintenance Expense

The Company operates under an 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. Our maintenance policy is determined by fleet when major maintenance is incurred. 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.

Under the Company's aircraft operating lease agreements and FAA operating regulations, it is obligated to perform all required maintenance activities on its fleet, including component repairs, scheduled air frame checks and major engine restoration events. The Company estimates 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 its aircraft, changes in government regulations and suggested manufacturer maintenance intervals. Major maintenance events consist of overhauls to major components.

Engine overhaul expense totaled $40.5 million, $30.0 million and $51.2 million for the years ended September 30, 2020, 2019 and 2018, respectively, of which $7.0 million, $6.0 million and $12.3 million was pass-through expense. Airframe check expense totaled $23.5 million, $17.2 million and $21.5 million for the years ended September 30, 2020, 2019 and 2018, respectively, of which $7.2 million, $0.4 million and $7.5 million was pass-through expense.

Pursuant to the United capacity purchase agreement, United reimburses the Company for heavy maintenance on certain E-175 aircraft. Those reimbursements are included in pass-through and other revenue. See Note 1: "***Organization and Operations***" for further information.

Aircraft Leases

In addition to the aircraft we receive from United under our Capacity Purchase Agreement, approximately 12% of our aircraft are leased from third parties. 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. 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. Additionally, any remaining ROU assets and lease liabilities will be written off.

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.

Change in Accounting Policy

Stock Appreciation Rights ("***SARs***") and Phantom Stock historically were accounted for as liability compensatory awards under ASC 710, Compensation – General, valued using the intrinsic value method, as permitted by ASC 718, Compensation – Stock Compensation, for nonpublic entities. Upon becoming a public company, as defined in ASC 718, in the third quarter of fiscal 2018, the Company was required to change its methodology for valuing the SARs and Phantom Stock. The SARs and Phantom Stock were re-measured at each quarterly reporting date and were accounted for prospectively at fair value using a Black-Scholes fair value pricing model until they were converted to restricted stock awards upon completion of the Company's IPO. The Company recorded the impact of the change in valuation methods as a cumulative effect of a change in accounting principle, as permitted by ASC 250, Accounting Changes and Error Corrections. The effect of the change increased the SARs and Phantom Stock liability by $2.4 million which was the difference in compensation cost measured using the intrinsic value method and the fair value method. An equal and offsetting change to retained earnings in the consolidated balance sheet was recorded with the revaluation. Any future changes in fair value were recorded as compensation expense in the consolidated statement of operations. Upon completion of the Company's IPO the SARs and Phantom Stock were cancelled and exchanged for shares of restricted stock under our 2018 Plan.

3. Contract revenue and Pass- through and other

The Company recognizes contract revenue when the service is provided under its capacity purchase agreements. Under the capacity purchase agreements, our airline partners generally pay 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 flight completion and on-time performance. The major airline partners also directly pay for or reimburses the Company for certain direct expenses incurred under the capacity purchase agreement, such as fuel and airport landing fees. The Company's performance obligation is met when each flight is completed and revenue is recognized and reflected in contract revenue. The directly reimbursed expenses, earned as flights are completed over the agreement term, are recognized and reflected in pass-through revenue.

During the year ended September 30, 2020, the Company completed a significantly lower than normal number of flights due to the impact of COVID-19. Since the revenue recognition is based on the number of flights completed, the fixed amount of cash received exceeded the revenue recognized based on the number of flights completed during the quarter. Under US GAAP, the fixed monthly payments are recognized as revenue ratably based on completed flights over the contract term. The Company deferred $23.8 million of revenue in the year ended September 30, 2020. The current portion of $9.4 million of deferred revenue is recorded as a part of other accrued expenses and long-term portion of $14.4 million is recorded as deferred revenue on the balance sheet. This deferred revenue will be recognized when flights are completed over the remaining contract term.

The deferred revenue balance as of September 30, 2020 represents our aggregate remaining performance obligations that will be recognized as revenue over the period in which the performance obligations are satisfied, and is expected to be recognized as revenue as follows (In thousands):

Periods Ending September 30,	Total Revenue
2021	$ 8,177
2022	8,969
2023	3,883
2024	2,730
Total	$ 23,759

A portion of the Company's compensation under its capacity purchase agreements with American and United is designed to reimburse the Company for certain aircraft ownership costs. The Company has concluded that a component of its revenue under these agreements is deemed to be lease revenue, as such agreements identify the "right of use" of a specific type and number of aircraft over a stated period-of-time.

The lease revenue associated with the Company's capacity purchase agreements is accounted for as an operating lease and is reflected as contract revenue on the Company's consolidated statements of operations. The Company recognized $208.9 million and $219.0 million of lease revenue for the year ended September 30, 2020 and 2019, respectively. The Company has not separately stated aircraft rental income and aircraft rental expense in the consolidated statements of operations because the use of the aircraft is not a separate activity of the total service provided under our capacity purchase agreements.

4. Recent Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848) (“ASU2020-04”). This ASU provides optional expedients and exceptions for a limited period of time for accounting for contracts, hedging relationships, and other transactions affected by the London Interbank Offered Rate (LIBOR) or another reference rate expected to be discontinued. Optional expedients can be applied from March 12, 2020 through December 31, 2022. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). This ASU introduces a new accounting model known as Credit Expected Credit Losses (“CECL”). CECL requires earlier recognition of credit losses, while also providing additional transparency about credit risk. The CECL model utilizes a lifetime expected credit loss measurement objective for the recognition of credit losses for receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. This model replaces the multiple existing impairment models in current GAAP, which generally require that a loss be incurred before it is recognized. The new standard will also apply to receivables arising from revenue transactions such as contract assets and accounts receivables. There are other provisions within the standard affecting how impairments of other financial assets may be recorded and presented, as well as expanded disclosures. This ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact on its 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 Company adopted Topic 842 effective October 1, 2019 and elected the package of transition practical expedients for expired or existing contracts, which does not require reassessment of: (1) whether any of the Company’s contracts are or contain leases, (2) lease classification and (3) initial direct costs. In July 2018, the FASB issued ASU No. 2018-11, "Targeted Improvements - Leases (Topic 842)." The Company did not elect the hindsight practical expedient. This update provides an optional transition method that allows entities to elect to apply the standard using the modified retrospective approach at its effective date, versus recasting the prior years presented. If this adoption method is elected, an entity would recognize a cumulative-effect adjustment to the opening balance of retained earnings in the year of adoption. The Company elected this adoption method on October 1, 2019.There was no adjustment to retained earnings.

Additionally, the Company’s adoption of Topic 842 did not have a significant impact on the recognition, measurement or presentation of lease revenue and lease expenses within the consolidated statements of operations or the consolidated statements of cash flows. The Company’s adoption of Topic 842 did not have a material impact on the timing or amount of the Company’s lease revenue as a lessor. The Company’s prepaid aircraft rents, accrued aircraft rents and deferred rent credits that were separately stated in the Company’s September 30, 2019 balance sheet have been classified as a component of the Company’s right-of-use assets effective October 1, 2019. The consolidated financial statements for the year ended September 30, 2020 are presented under the new standard, while comparative years presented are not adjusted and continue to be reported in accordance with the Company’s historical accounting policy. See Note 16, "Leases, Commitments and Contingencies," for more information.

We determine if an arrangement is a lease at inception. Our current lease activities are recorded in operating lease right-of-use (“ROU”) assets, current maturities of operating lease and noncurrent operating lease liabilities in the consolidated balance sheets. Finance leases are included in property and equipment, net, current portion of long-term debt and financing leases, long-term debt and financing leases, excluding current portion.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Variable lease payments are not included in the calculation of the right-of-use assets and lease liability due to uncertainty of the payment amount and are recorded as lease expense in the period incurred. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

As a lessee, we elected a short-term lease exception policy on all classes of underlying assets, permitting us to not apply the recognition requirements of this standard to short-term leases (i.e. leases with terms of 12 months or less).

As a lessor, our capacity purchase agreements identify the "right of use" of a specific type and number of aircraft over a stated period-of-time. A portion of the compensation in the capacity purchase agreements are designed to reimburse the Company for certain aircraft ownership costs of these aircraft. We account for the non-lease component under ASC 606 and account for the lease component under ASC 842. We allocate the consideration in the contract between the lease and non-lease components based on their stated contract prices, which is based on a cost basis approach representing our estimate of the stand-alone selling prices.

In July 2018, the FASB issued ASU 2018-09, Codification Improvements, which contains amendments that affect a wide variety of Topics in the Codification, including amendment to Subtopic 718-40, Compensation-Stock Compensation-Income Taxes, that clarifies the timing of when an entity should recognize excess tax benefits. We adopted this standard on October 1, 2019 and it did not have a material impact on our consolidated financial statements.

5. Concentrations

At September 30, 2020, the Company had capacity purchase agreements with American and United. All of the Company's consolidated revenue for the years ended September 30, 2020, 2019 and 2018 and accounts receivable at the end of September 30, 2020 and 2019 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 major airline 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 the applicable 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 $0.8 million and $1.0 million at September 30, 2020 and 2019, 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 52%, 53% and 54% of the Company's total revenue for the years ended September 30, 2020, 2019 and 2018, respectively. United accounted for approximately 48%, 47% and 46% of the Company's total revenue for the years ended September 30, 2020, 2019 and 2018, 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.

6. Intangible Assets

The Company monitors for any indicators of impairment of the intangible assets. When certain conditions or changes in the economic situation such as the current environment brought by COVID-19 exist, the assets may be impaired and the carrying amount of the assets exceed its fair value.

We determined that our reduced flying schedules and cash flow projections as a result of the COVID-19 pandemic indicate that an impairment loss may have been incurred. Therefore, we quantitatively assessed whether it was more likely than not that the intangible assets we hold have been impaired as of September 30, 2020. We reviewed our previous forecasts and assumptions based on our current projections that are subject to various risks and uncertainties, including: (1) forecasted revenues, expenses and cash flows, including the duration and extent of impact to our business from the COVID-19 pandemic, (2) current discount rates, (3) changes to the regulatory environment and (4) the nature and amount of government support that will be provided.

Based on our carrying amount recoverability test, we have concluded that our finite-lived intangible assets are not impaired as of September 30, 2020. Given the uncertain future amid COVID-19, we will conduct additional tests in the first quarter of 2021.

Information about the intangible assets of the Company at September 30, 2020 and 2019, were as follows (in thousands):

	September 30, 2020	September 30, 2019
Customer relationship	$ 43,800	$ 43,800
Accumulated amortization	(35,768)	(34,268)
	$ 8,032	$ 9,532

Total amortization expense recognized was approximately $1.5 million, $1.8 million and $0.4 million for the fiscal years ended September 30, 2020, 2019 and 2018. The Company expects to record amortization expense of $1.2 million, $1.0 million, $0.9 million, $0.8 million and $0.7 million for fiscal years 2021, 2022, 2023, 2024, 2025 respectively.

7. Balance Sheet Information

Certain significant amounts included in the Company's consolidated balance sheet as of September 30, 2020 and 2019, consisted of the following (in thousands):

	September 30, 2020	September 30, 2019
Expendable parts and supplies, net		
Expendable parts and supplies	$ 27,431	$ 25,336
Less obsolescence and other	(4,460)	(3,999)
	$ 22,971	$ 21,337
Prepaid expenses and other current assets		
Prepaid aircraft rent	$ —	$ 35,786
Deferred offering and reimbursed costs	1,261	2,092
Other	14,806	3,045
	$ 16,067	$ 40,923
Property and equipment—net		
Aircraft and other flight equipment substantially pledged	$ 1,596,174	$ 1,582,199
Other equipment	5,147	5,122
Leasehold improvements	2,763	2,797
Vehicles	1,032	924
Building	699	699
Furniture and fixtures	302	302
Total property and equipment	1,606,117	1,592,043
Less accumulated depreciation	(393,702)	(318,458)
	$ 1,212,415	$ 1,273,585
Other accrued expenses		
Accrued property taxes	$ 11,354	$ 9,186
Accrued interest	3,268	4,497
Accrued vacation	5,975	6,128
Deferred revenue- current portion	9,389	1,513
Other	24,881	7,564
	$ 54,867	$ 28,888

The Company monitors for any indicators of impairment of the long-lived fixed assets. When certain conditions or changes in the economic situation such as the current environment brought by COVID-19 exist, the assets may be impaired and the carrying amount of the assets exceed its fair value. The assets need to be tested for recoverability of carrying amount.

To determine whether impairments exist, we group assets at the Capacity Purchase Agreement and fleet-type level (i.e., the lowest level for which there are identifiable cash flows) and then estimate future cash flows based on projections of capacity purchase arrangements, block hours, maintenance events, labor costs and other relevant factors. Due to our reduced flying schedules and projections of future cash flows, we evaluated each of our fleets to determine if any of the fleets are impaired.

Based on our carrying amount recoverability test, we have concluded that no fleet was impaired as of September 30, 2020 as the future cash flows exceeded the carrying value of our long-lived fixed assets. Given the uncertain future amid COVID-19, we will conduct additional tests in first quarter of 2021.

Depreciation expense totaled $80.8 million, $76.2 million and $64.6 million for the years ended September 30, 2020, 2019 and 2018, respectively.

Prior to the Company's adoption of Topic 842 on October 1, 2019, the Company recorded amortization of the unfavorable lease liability amounting to $5.7 million and $6.6 million for the years ended 2019 and 2018, respectively, as a reduction to lease expense. Upon the Company's adoption of Topic 842, the unfavorable lease liability is now included in its ROU asset balance and amortized therein. During the year ended 2019 and 2018 the Company wrote off $0.8 million and $1.2 million of unfavorable lease liability related to the lease termination of its aircraft lease facility with Wells Fargo Bank Northwest, National Association, as owner trustee and lessor (the "GECAS Lease Facility"), which was accounted for as lease termination expense.

8. Fair Value Measurements

The Company did not measure any of its assets or liabilities at fair value on a recurring or nonrecurring basis as of September 30, 2020 and 2019.

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable included on the consolidated balance sheets approximated fair value at September 30, 2020 and 2019.

The Company's debt agreements are not traded on an active market. The Company has determined the estimated fair value of its debt to be Level 3, as certain inputs used to determine the fair value of these agreements are unobservable and, therefore, could be sensitive to changes in inputs. The Company utilizes the discounted cash flow method to estimate the fair value of Level 3 debt.

The carrying value and estimated fair value of the Company's long-term debt, including current maturities, were as follows (in millions):

	September 30, 2020		September 30, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including current maturities[1]	$ 743.3	$ 768.7	$ 858.1	$ 882.7

(1) Current and prior period long-term debts' carrying and fair values exclude net debt issuance costs.

9. Long-Term Debt and Other Borrowings

Long-term debt as of September 30, 2020 and 2019, consisted of the following (in thousands):

	September 30, 2020	September 30, 2019
Notes payable to financial institution, collateralized by the underlying aircraft, due 2022(1)(2)	$ 41,472	$ 49,795
Notes payable to financial institution, collateralized by the underlying aircraft, due 2024(3)	55,674	60,761
Senior and subordinated notes payable to secured parties, collateralized by the underlying aircraft, due 2027(4)	105,887	110,912
Notes payable to secured parties, collateralized by the underlying aircraft, due 2028(5)	172,137	191,168
Senior and subordinated notes payable to secured parties, collateralized by the underlying aircraft, due 2028(6)	138,114	152,945
Senior and subordinated notes payable to secured parties, collateralized by the underlying aircraft, due 2022(7)	47,319	71,998
Senior and subordinated notes payable to secured parties, collateralized by the underlying aircraft, due 2022(8)	29,682	47,309
Notes payable to financial institution, collateralized by the underlying equipment, due 2020(9)	—	1,659
Notes payable to financial institution due 2020(10)	1,523	2,329
Notes payable to financial institution, collateralized by the underlying equipment, due 2020(11)	4,182	6,962
Other obligations due to financial institution, collateralized by the underlying equipment, due 2023(12)	6,864	8,530
Notes payable to financial institution, collateralized by the underlying equipment, due 2024(13)	63,341	80,153
Notes payable to financial institution, collateralized by the underlying aircraft, due 2023(14)	48,125	65,625
Notes payable to financial institution, collateralized by the underlying due 2023 (15)	6,000	8,000
Working capital draw loan, used to cover operational needs (16)	22,930	—
Gross long-term debt, including current maturities	743,250	858,145
Less unamortized debt issuance costs	(11,526)	(14,822)
Net long-term debt, including current maturities	731,724	843,323
Less current portion	(189,268)	(165,900)
Net long-term debt	$ 542,456	$ 677,423

(1) In fiscal 2007, the Company financed three CRJ-900 and three CRJ-700 aircraft for $120.3 million. The debt bears interest at the monthly LIBOR plus 2.25% (2.40% at September 30, 2020) and requires monthly principal and interest payments.

(2) In fiscal 2014, the Company financed ten CRJ-900 aircraft for $88.4 million. The debt bears interest at the monthly LIBOR plus 1.95% (2.10% at September 30, 2020) and requires monthly principal and interest payments. In fiscal 2018, the Company repaid $40.0 million related to four CRJ-900 aircraft.

(3) In fiscal 2014, the Company financed eight CRJ-900 aircraft with $114.5 million in debt. The debt bears interest at 5.00% and requires monthly principal and interest payments.

(4) In fiscal 2015, the Company financed seven CRJ-900 aircraft with $170.2 million in debt. The senior notes payable of $151.0 million bear interest at monthly LIBOR plus 2.71% (2.86% at September 30, 2020) and require monthly principal and interest payments. The subordinated notes payable is 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.

(5) In fiscal 2016, the Company financed ten E-175 aircraft with $246.0 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.

(6) In fiscal 2016, the Company financed eight E-175 aircraft with $195.3 million in debt. The senior notes payable of $172.0 million bear interest at the three-month LIBOR plus a spread ranging from 2.20% to 2.32% (2.43% to 2.55% at September 30, 2020) and require quarterly principal and interest payments. The subordinated notes payable bear interest at 4.50% and require quarterly principal and interest payments.

(7) In June 2018, the Company refinanced six CRJ-900 aircraft with $27.5 million in debt and financed nine CRJ-900 aircraft, which were previously leased, with $69.6 million in debt. The senior notes payable of $65.8 million bear interest at the three-month LIBOR plus 3.50% (3.73% at September 30, 2020) and require quarterly principal and interest payments. The subordinated notes payable of $29.8 million bear interest at three month LIBOR plus 7.50% (7.73% at September 30, 2020) and require quarterly principal and interest payments.

(8) In December 2017, the Company refinanced nine CRJ-900 aircraft with $74.9 million in debt. The senior notes payable of $46.9 million bear interest at the three-month LIBOR plus 3.50% (3.73% at September 30, 2020) and require quarterly principal and interest payments. The subordinated notes payable bear interest at the three-month LIBOR plus 4.50% (4.73% at September 30, 2020) and require quarterly principal and interest payments.

(9) In fiscal 2015, the Company financed certain flight equipment with $8.3 million in debt. The debt bears interest at 5.163% and was paid off in August 2020.

(10) 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 three-month LIBOR plus 3.07% (3.30% at September 30, 2020) and requires quarterly principal and interest payments.

(11) In fiscal 2016-2019, the Company financed certain flight equipment. The debt bears interest at the three-month LIBOR plus a spread ranging from 2.93% to 3.21% (3.16% to 3.44% at September 30, 2020) and requires quarterly principal and interest payments. The debt is subject to a fixed charge ratio covenant. As of September 30, 2020, the Company was in compliance with this covenant.

(12) In February 2018, the Company leased two spare engines. The leases were determined to be capital as the leases contain a bargain purchase option at the end of the term. Imputed interest is 9.128% and the leases requires monthly payments.

(13) In January 2019, the Company financed certain flight equipment with $91.2 million in debt. The debt bears interest at the monthly LIBOR plus 3.10% (3.25% at September 30, 2020) and requires monthly principal and interest payments.

(14) In June 2019, the Company financed ten CRJ-700 aircraft with $70.0 million in debt, which were previously leased. The debt bears interest at the monthly LIBOR plus 5.00% (5.15% at September 30, 2020) and requires monthly principal and interest payments. The interest rate reduced from 5.25% to 5.00% in 1st quarter, 2020 due to United Airlines extension of CRJ-700.

(15) On September 27,2019, the Company financed certain flight equipment for $8.0 million. The debt bears interest at the monthly LIBOR plus 5.00% (5.15% at September 30, 2020) and requires monthly principal and interest payments. The interest rate reduced from 5.25% to 5.00% in 1st quarter, 2020 due to United Airlines extension of CRJ-700.

(16) On September 25, 2019, the company extended the term on their $35.0 million working capital draw loan by three years, which now terminates in September 2022. Interest is assessed on drawn amounts at one-month LIBOR plus 3.75%. As of September 30, 2020, $23.0 million was drawn to cover operational needs.

Principal maturities of long-term debt as of September 30, 2020, and for each of the next five years are as follows (in thousands):

Periods Ending September 30,	Total Principal Amount
2021	$ 189,268
2022	152,517
2023	126,095
2024	71,033
2025	56,526
Thereafter	147,811
	$ 743,250

The net book value of collateralized aircraft and equipment as of September 30, 2020 was $1,093.0 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. At September 30, 2020, Mesa has $172.1 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.

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.

On January 28, 2019, the Company entered into a Term Loan Agreement (the "*Term Loan*") pursuant to which the lenders thereunder lent the Company term loans in the aggregate principal amount of $91.2 million. Borrowings under the Term Loan bear interest at LIBOR plus 3.10%. This interest rate is significantly lower than the interest rate under the Company's Spare Engine Facility (defined above), which the Term Loan refinanced and replaced. The Spare Engine Facility accrued interest at LIBOR plus 7.25%. The Term Loan has a term of five years, with principal and interest payments due monthly over the term of the loan in accordance with an amortization schedule. The Company recorded a loss on extinguishment of debt of $3.6 million, due to a $1.9 million write-off of financing fees and $1.7 million in prepayment penalties, in connection with the repayment of the Spare Engine Facility.

On June 14, 2019, the Company completed the purchase of ten CRJ-700 aircraft, which were previously leased under the GECAS Lease Facility, for $70.0 million. The Company financed the aircraft purchase with $70.0 million in new debt. The notes payable of $70.0 million require monthly payments of principal and interest through fiscal 2023 bearing interest at LIBOR plus 5.00%. The Company recorded non-cash lease termination expense of $9.5 million in connection with the lease buyout.

On September 25, 2019, the Company extended the term on their $35 million working capital draw loan by three years, which now terminates in September 2022. Interest is assessed on drawn amounts at one-month LIBOR plus 3.75%. In the 2nd quarter 2020, $23.0 million was drawn to cover operational needs.

On September 27, 2019, the Company financed certain flight equipment for $8.0 million in new debt. The debt of $8.0 million require monthly payments of principal and interest through fiscal 2023 bearing interest at Libor plus 5.0%.

On April 9, 2020, the Company entered into a letter amendment with lender, Export Development Canada ("EDC"), which provided for the deferral of scheduled principle payments beginning on March 19, 2020 through September 30, 2020. As of September 30, 2020, the Company had deferred 28.0 million of scheduled principal payments. On October 29, 2020 and November 12, 2020, the Company entered into subsequent letter amendments with EDC extending the principal deferrals through and including August 2, 2020. Amounts deferred are due in lump sum payment on August 2, 2020, there were no other amendments to the terms of the debt agreement with EDC resulting from the letter amendments. As further discussed in Note 18 to the consolidated financial statements, the Company repaid $145 million of existing aircraft debt subsequent to year end, which included repayment of $19.9 million of the previously deferred principal payments owed to EDC as of September 30, 2020.

In June 2020, the Company amended their RASPRO aircraft lease agreement to defer $4.0 million of a lease payment otherwise due in June 2020. Per the amended agreement dated June 5, 2020, the Company is to pay this amount over the period of September 2021 through March 2024. The company made the accounting election available for COVID-19 related concession provided by a lessor. This event is not a lease modification and requires no changes to current accounting treatment.

10. Earnings Per Share

Calculations of net income per common share were as follows (in thousands, except per share data):

	Year Ended September 30,		
	2020	2019	2018
Net income	$ 27,464	$ 47,580	$ 33,255
Basic weighted average common shares outstanding	35,237	34,764	24,826
Add: Incremental shares for:			
Dilutive effect of warrants	—	—	116
Dilutive effect of restricted stock	71	300	315
Diluted weighted average common shares outstanding	35,308	35,064	25,257
Net income per common share			
Basic	$ 0.78	$ 1.37	$ 1.34
Diluted	$ 0.78	$ 1.36	$ 1.32

Basic income per common share is computed by dividing net income attributable to Mesa Air Group by the weighted average number of common shares outstanding during the period, including warrants with the nominal conversion price.

The number of incremental shares from the assumed issuance of shares relating to restricted stock and exercise of warrants (excluding warrants with a nominal conversion price) is calculated by applying the treasury stock method. Share-based awards and warrants whose impact is considered to be anti-dilutive under the treasury stock method were excluded from the diluted net income or loss per share calculation. In loss periods, these incremental shares are excluded from the calculation of diluted loss per share, as the inclusion of unvested restricted stock and warrants would have an anti-dilutive effect. There were no anti-dilutive shares relating to restricted stock and exercise of warrants that were excluded from the calculation of diluted loss per share for the years ended September 30, 2020, 2019 and 2018.

11. Common Stock

The Company previously issued warrants to third parties, which had a five-year term to be converted to common stock at an exercise price of $0.004 per share. Certain persons who are not U.S. citizens currently hold outstanding warrants to purchase shares of the Company's common stock. The warrants are exercisable if consistent with federal law, which requires that no more than 24.9% of the Company's 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 or if consistent with above described federal law ownership limitations. In June 2018, the Company and holders agreed to extend the term of outstanding warrants set to expire by five years (through fiscal year 2023). As of March 31, 2020 all outstanding warrants had been fully exercised.

On June 28, 2018, the Company agreed with GE Capital Aviation Services LLC ("*GE Capital*") to terminate a warrant to purchase 250,000 shares of common stock held by GE Capital.

In July 2018, the Company's Board of Directors and Compensation Committee approved the issuance of shares of restricted common stock under its 2018 Plan immediately following completion of the Company's IPO to certain of its employees and directors in exchange for the cancellation of existing restricted phantom stock units, unvested restricted shares and SARs. The shares of restricted common stock issued under the 2018 Plan in exchange for the cancellation of restricted phantom stock units, unvested restricted shares and SARs are subject to vesting on the same terms set forth in the prior vesting schedules and are not subject to acceleration in connection with the 2018 Plan issuances.

On August 8, 2018, the Company filed its Second Amended and Restated Articles of Incorporation, which, among other things: (i) effected a 2.5-for-1 stock split of its common stock; and (ii) increased the authorized number of shares of its common and preferred stock to 125,000,000 and 5,000,000, respectively. All references to share and per share amounts in the Company's consolidated financial statements have been retrospectively revised to reflect the stock split and increase in authorized shares.

On August 14, 2018, the Company completed its IPO, in which it issued and sold 9,630,000 shares of common stock, no par value, at a public offering price of $12.00 per share (the "*Firm Shares*"). Additionally, in connection with the IPO, the Company granted the underwriters an option to purchase up to an additional 1,444,500 shares of common stock at the same price. On September 11, 2018, the Company closed the sale of 1,344,500 shares ("*Option Shares*") of its common stock, in connection with the partial exercise of the overallotment option granted to the underwriters in its IPO. Of the 1,344,500 Option Shares sold, 723,985 were purchased directly from the Company and the remaining 620,515 shares were purchased directly from the selling shareholders. The Firm Shares and Option Shares were sold to the public for a price of $12.00 per share. The aggregate gross proceeds to us from the IPO were approximately $124.2 million. We received $111.7 million in net proceeds after deducting $8.7 million of underwriting discounts and commissions and $3.6 million in offering costs.

On April 9, 2019, and pursuant to Section 4.4 of the 2018 Plan, the board of directors approved an increase in the number of shares authorized for issuance under the 2018 Plan by 1,000,000 shares of common stock resulting in a total of 3,500,000 authorized shares.

The Company has not historically paid dividends on shares of its common stock. Additionally, the Company's aircraft lease facility (the "*RASPRO*" Lease Facility) with RASPRO Trust 2005, a pass-through trust contains restrictions that limit the Company's ability to or prohibit it from paying dividends to holders of its common stock.

12. Income Taxes

The provision (benefit) for income taxes consists of the following:

	Years Ended September 30,		
	2020	2019	2018
	(in thousands)		
Current			
Federal	$ —	$ (138)	$ —
State	297	341	465
	$ 297	$ 203	$ 465
Deferred			
Federal	8,404	13,238	(17,308)
State	830	2,265	(583)
	$ 9,234	$ 15,503	$ (17,891)
Provision (Benefit) for income taxes	**$ 9,531**	**$ 15,706**	**$ (17,426)**

Reconciliation between the effective tax rate on income from continuing operations and the statutory tax rate is as follows:

	Years Ended September 30,		
	2020	2019	2018
	(in thousands)		
Income tax expense at federal statutory rate	$ 7,769	$ 13,290	$ 3,878
Increase (reduction) in income taxes resulting from:			
State taxes, net of federal tax benefit	968	1,785	660
Nondeductible stock compensation expenses	524	(21)	—
Permanent items	314	261	63
Change in valuation allowances	1,173	(50)	(646)
US Tax Cuts and Jobs Act Impact	—	—	(22,015)
162(m) Limitation	14	119	—
Impact of changing rates on deferred tax assets	(2,313)	484	(773)
Expired tax attributes	633	111	1,088
Other	449	(273)	319
Income tax expense (benefit)	**$ 9,531**	**$ 15,706**	**$ (17,426)**

The Company's deferred tax assets as of September 30, 2020 and 2019 are as follows:

	Years Ended September 30,	
	2020	2019
	(in thousands)	
Net operating carry forwards	$ 113,402	$ 106,645
Deferred credits	1,485	1,882
Other accrued expenses	2,842	2,329
Prepaids and other	1,632	2,576
State alternative minimum tax	1	1
Other reserves and estimated losses	641	947
Operating lease	24,263	4,928
Subtotal	$ 144,266	$ 119,308
Less: valuation allowance	(3,063)	(1,890)
Total net deferred tax assets	$ 141,203	$ 117,418
Intangibles	(1,830)	(2,204)
ROU Lease	(19,210)	—
Property and equipment	(184,438)	(170,517)
Total deferred tax liabilities	$ (205,478)	$ (172,721)
Net deferred tax liability	**$ (64,275)**	**$ (55,303)**

The Company has federal and state income tax NOL carryforwards of $512.4 million and $223.9 million, which expire in fiscal years 2027-2038 and 2021-2040, respectively. Approximately, $94.0 million of our federal NOL carryforwards are not subject to expiration. These NOL carryovers, if not utilized prior to fiscal 2022, are only available to offset 80% of taxable income in years in which they are utilized due to tax law changes as a result of the Tax Cuts and Jobs Act. As a result of the CARES Act, the Company is able to offset one hundred percent of taxable income with available net operating losses generated after fiscal 2018, but only if these net operating losses are utilized prior to fiscal 2022.

The Company believes that it is more likely than not that the benefit from certain state NOL carryforwards will not be realized. In recognition of this risk, the Company has provided a valuation allowance of $3.1 million in fiscal year 2020 and $1.9 million in fiscal year 2019 on the deferred tax assets related to these state NOL carryforwards. If or when recognized, the tax benefits related to any reversal of the valuation allowance on deferred tax assets will be recognized as a reduction of income tax expense.

The federal and state NOL carryforwards in the income tax returns filed included unrecognized tax benefits. The deferred tax assets recognized for those NOLs are presented net of these unrecognized tax benefits.

Because of the change of ownership provisions of the Tax Reform Act of 1986, use of a portion of our NOL and tax credit carryforwards may be limited in future periods. Further, a portion of the carryforwards may expire before being applied to reduce future income tax liabilities. The Company determined it had an ownership change in February of 2009. Based on the study conducted at that time, a portion of the federal NOLs were determined to be limited by IRC Section 382, resulting in the Company writing off a portion of its NOLs at that time. Additionally, the Company’s initial public offering in August of 2018 resulted in a change in ownership under Section 382 of the Internal Revenue Code. Based on the value of the Company’s stock valuation as of the initial public offering date, the Company does not believe any further limitation on the utilization of the Company's current net operating losses would be applicable as of September 30, 2020.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits:

	Years Ended September 30,		
	2020	2019	2018
		(in thousands)	
Unrecognized tax benefits — October 1	$ 4,688	$ 4,688	$ 7,547
Gross decreases — tax positions in prior period	—	—	(2,859)
Gross increases — tax positions in prior period	178	—	—
Unrecognized tax benefits — September 30	**$ 4,866**	**$ 4,688**	**$ 4,688**

The Company's unrecognized tax benefits of $4.9 million, $4.7 million and $4.7 million as of September 30, 2020, 2019 and 2018, respectively, is included the net deferred tax assets. If recognized, the balance of the uncertain tax benefit would affect the effective tax rate.

We recognize interest accrued related to unrecognized tax benefits and penalties as income tax expense. We have not recorded accrued penalties or interest related to the unrecognized tax benefits noted above as the amounts would result in an adjustment to NOL carry forwards.

We are subject to taxation in the United States and various states. As of September 30, 2020, the Company is no longer subject to U.S. federal or state examinations by taxing authorities for fiscal years prior to 2000.

13. Share-Based Compensation

Restricted Stock

In July 2018, the Company's Board of Directors and Compensation Committee approved the issuance of shares of restricted common stock under its 2018 Plan immediately following the IPO to certain of its employees and directors in exchange for the cancellation of existing restricted phantom stock units, unvested restricted shares and SARs. The shares of restricted common stock issued under the 2018 Plan in exchange for the cancellation of restricted phantom stock units, unvested restricted shares and SARs are subject to vesting on the same terms set forth in the prior vesting schedules and are not subject to acceleration in connection with the 2018 Plan issuances. There were 966,022 vested SARs which were cancelled, exchanged for shares of restricted common stock and issued as restricted stock upon completion of the IPO. Immediately following the IPO, 2,249,147 shares were issued to certain of its employees and directors under the 2018 Plan in exchange for the cancellation of 491,915 unvested restricted phantom stock units, 491,198 unvested restricted shares issued under the 2011 and 2017 Plans and 1,266,034 SARs (966,022 vested and 300,012 unvested). 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. From inception of the 2011 Plan through IPO, 2,448,905 shares have been granted, 1,978,550 shares have vested and 470,355 shares have been cancelled. From inception of the 2017 Plan, 31,255 shares have been granted, 10,412 have vested and 20,843 shares have been cancelled. In April 2019, the Company's Board of Directors increased the number of authorized shares of common stock to management under the 2018 Plan from 2,500,000 to 3,500,000. From inception of the 2018 Plan, 3,481,370 shares have been awarded, 2,255,577 shares have vested and 30,245 shares have been cancelled.

The restricted stock activity for our years ended September 30, 2020, 2019 and 2018 is summarized as follows:

2011 and 2017 Plans	Number of Shares	Weighted-Average Grant Date Fair Value
Restricted shares unvested at September 30, 2017	775,753	$ 5.22
Granted	—	—
Vested	(284,555)	5.26
Cancelled	(491,198)	5.20
Restricted shares unvested at September 30, 2018	—	$ —

2018 Plan	Number of Shares	Weighted-Average Grant Date Fair Value
Restricted shares unvested at September 30, 2017	—	$ —
Exchanged Restricted Shares	491,198	5.20
Exchanged Phantom Stock	491,915	12.00
Exchanged SARs	1,266,034	12.00
Exchanged SARs vested prior to exchange	(966,022)	12.00
Vested	(32,500)	2.00
Cancelled	—	—
Restricted shares unvested at September 30, 2018	1,250,625	$ 9.59
Granted	321,926	8.94
Vested	(701,582)	9.25
Cancelled	(22,995)	12.00
Restricted shares unvested at September 30, 2019	847,974	$ 9.56
Granted	910,297	3.97
Vested	(555,473)	9.21
Cancelled	(7,250)	7.89
Restricted shares unvested at September 30, 2020	1,195,548	$ 5.47

The Company has granted restricted stock awards ("*RSAs*") and restricted stock units ("*RSUs*") as part of its long-term incentive compensation to employees and non-employee members of the Board of Directors. RSAs and RSUs generally vest over a period of 3 to 5 years for employees and over one year for members of the Board of Directors. The restricted common stock underlying RSAs are deemed issued and outstanding upon grant, and carry the same voting rights of unrestricted outstanding common stock. The restricted common stock underlying RSUs are not deemed issued or outstanding upon grant, and do not carry any voting rights.

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 had authorized 5,000,000 shares under this plan and had granted 4,204,993 since inception of the plan. Since inception of the plan, 3,687,218 of SARs have vested and 2,088,333 of SARs have been exercised. In August 2018, upon IPO, 517,775 unvested SARs and 1,598,885 vested SARs were cancelled in exchange for 300,012 and 966,022 shares of restricted stock under the 2018 Plan, respectively.

The SARs activity for the years ended September 30, 2018 is summarized as follows:

	Number of Shares	Weighted-Average Fair Value
SARs unvested at September 30, 2017	1,140,013	$ —
Granted	—	—
Vested	(622,238)	—
Cancelled	(517,775)	8.69
Forfeited	—	—
SARs unvested at September 30, 2018	—	$ —

Phantom Stock

On October 17, 2017, the Company implemented a share-based payment plan under which employees, officers, directors and other individuals providing services to the Company are eligible to receive grants of restricted phantom stock units ("*Phantom Stock Plan*"). The restricted phantom stock units ("*restricted stock units*" or "*RSUs*") provide a participant with the right to receive a cash or stock bonus based on the fair market value of a stated number of RSUs that are vested. The shares of Common Stock that may be subject to RSUs granted under the Plan shall not exceed an aggregate of 1,250,000 shares. All of the RSUs are non-vested and forfeitable as of the grant date and vest over a three-year period. Any vested RSU 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. The Company had authorized 1,250,000 shares under this plan and had granted 536,538 since inception of the plan. Since inception of the plan, 44,623 RSUs have vested or settled. In August 2018, upon completion of our IPO, 491,915 unvested RSUs were cancelled in exchange for shares of restricted stock under the 2018 Plan.

The phantom stock activity for the year ended September 30, 2018 is summarized as follows:

	Number of Shares	Weighted-Average Fair Value
Phantom stock unvested at September 30, 2017	—	$ —
Granted	536,538	6.14
Vested	(44,623)	7.30
Cancelled	(491,915)	12.00
Phantom stock unvested at September 30, 2018	—	$ —

Following the IPO there will be no further grants under the Stock Appreciation Rights and Phantom Stock plans. Immediately following the IPO, shares of restricted common stock were issued to certain of its employees and directors under its 2018 Plan in exchange for the cancellation of existing restricted phantom stock units, unvested restricted shares and SARs. The shares of restricted common stock issued under the 2018 Plan in exchange for the cancellation of restricted phantom stock units, unvested restricted shares and SARs are subject to vesting on the same terms set forth in the prior vesting schedules and are not subject to acceleration in connection with the 2018 Plan issuances.

As of September 30, 2020, there was $5.1 million, 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.

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, 2020, 2019 and 2018 was $4.4 million, $5.5 million and $12.9 million, respectively. Share-based compensation expenses are recorded in general and administrative expenses in the consolidated statements of operations.

The Company repurchased 142,439 shares of its common stock for $0.6 million to cover the income tax obligation on vested employee equity awards and warrant conversions during the fiscal year ended September 30, 2020. During the fiscal year ended September 30, 2019, the Company repurchased 205,235 shares of its common stock for $1.9 million to cover the income tax obligation on vested employee equity awards.

14. Employee Stock Purchase Plan

2019 ESPP

The Mesa Air Group, Inc. 2019 Employee Stock Purchase Plan (the "*2019 ESPP*") is a nonqualified plan that provides eligible employees of Mesa Air Group, Inc. with an opportunity to purchase Mesa Air Group, Inc. ordinary shares through payroll deductions. Under the 2019 ESPP, eligible employees may purchase Mesa Air Group, Inc. ordinary shares through the Employee Stock Purchase Plan. Under the 2019 ESPP, eligible employees may elect to contribute 1% to 15% of their eligible compensation during each semi-annual offering period to purchase Mesa Air Group, Inc. ordinary shares at a 10% discount.

A maximum of 500,000 Mesa Air Group, Inc. ordinary shares may be issued under the 2019 ESPP. As of September 30, 2020, eligible employees purchased and the Company issued 99,644 Mesa Air Group, Inc. ordinary shares under the 2019 ESPP.

15. Leases and Commitments

Effective October 1, 2019, the Company adopted Topic 842 and recorded ROU assets and lease liabilities of $154.6 million and $141.9 million, respectively. As part of the adoption, prepaid aircraft rent, deferred rent credits and accrued aircraft rents of $35.8 million, $21.3 million and $1.8 million, respectively, were classified as a component of the Company's ROU assets.

At September 30, 2020, the Company leased 18 aircraft, airport facilities, office space, and other property and equipment under non-cancelable operating leases. 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. The Company expects that, in the normal course of business, such operating leases that expire will be renewed or replaced by other leases, or the property may be purchased rather than leased. Aggregate rental expense under all operating aircraft, equipment and facility leases totaled approximately $64.7 million and $72.8 million for the year ended September 30, 2020 and 2019, respectively.

As of September 30, 2020, the Company's operating lease right-of-use assets were $123.3 million, the Company's current maturities of operating lease liabilities were $43.9 million, and the Company's noncurrent lease liabilities were $62.5 million.

As of September 30, 2020, the Company's operating lease payments in operating cash flows for the year ended September 30, 2020 is $44.2 million. The disclosure is not applicable for the year ended September 30, 2019 due to the method of adoption of the new leasing Standard ASC-842.

The Table below presents lease related terms and discount rates as of September 30,2020:

As of September 30,2020	
Weighted average remaining lease term Operating leases	3.6 years
Weighted average discount rate Operating leases	4.2%

The following table summarizes future minimum rental payments primarily related to leased aircraft required under operating leases that had initial or remaining non-cancelable lease terms as of September 30, 2020 (in thousands):

Periods Ending September 30,	Total Maturities
2021	$ 47,377
2022	33,216
2023	15,947
2024	14,682
2025	1,654
Less: Interest	$ (6,413)
Amounts recorded in the Consolidated Balance Sheet	$ 106,463

The following represents future minimum lease obligations under non-cancelable operating leases as of September 30, 2019 (in thousands):

Periods Ending September 30,	Total Payments
2020	$ 47,814
2021	46,007
2022	31,090
2023	13,726
2024	13,185
2025	1,368
Total	$ 153,190

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. See item 3 “Legal Proceedings”.

17. Selected Consolidated Quarterly Financial Data (unaudited)

The following table sets forth certain unaudited selected consolidated financial information for each of the four quarters in the years ended September 30, 2020, 2019 and 2018. In management's opinion, this unaudited consolidated quarterly selected information has been prepared on the same basis as the audited consolidated financial statements and includes all necessary adjustments, consisting only of normal recurring adjustments, which management considers necessary for a fair presentation when read in conjunction with the Consolidated Financial Statements and notes. We believe these comparisons of consolidated quarterly selected financial data are not necessarily indicative of future performance.

Quarterly EPS may not total to the fiscal year EPS due to the weighted average number of shares outstanding at the end of each period reported and rounding.

	12/31/2019 First Quarter	3/31/2020 Second Quarter	6/30/2020 Third Quarter	9/30/2020 Fourth Quarter
	(in thousands, except per share data)			
2020				
Contract revenue	$ 171,800	$ 165,781	$ 71,648	$ 97,361
Total operating revenues	184,036	179,896	73,099	108,039
Operating income	27,187	13,892	15,224	23,864
Net income	10,785	1,885	3,419	11,375
Net income per share attributable to common shareholders				
Basic	0.31	0.05	0.10	0.32
Diluted	0.31	0.05	0.10	0.32

	12/31/2018 First Quarter	3/31/2019 Second Quarter	6/30/2019 Third Quarter	9/30/2019 Fourth Quarter
	(in thousands, except per share data)			
2019				
Contract revenue	$ 170,449	$ 169,771	$ 170,366	$ 172,248
Total operating revenues	178,156	177,147	180,224	187,830
Operating income	39,230	34,377	17,077	30,453
Net income	19,081	13,249	3,007	12,243
Net income per share attributable to common shareholders				
Basic	0.55	0.38	0.09	0.35
Diluted	0.54	0.38	0.09	0.35

	12/31/2017 First Quarter	3/31/2018 Second Quarter	6/30/2018 Third Quarter	9/30/2018 Fourth Quarter
	(in thousands, except per share data)			
2018				
Contract revenue	$ 154,389	$ 156,515	$ 159,916	$ 168,444
Total operating revenues	164,684	167,640	171,739	177,532
Operating income	15,023	16,349	(508)	41,784
Net income	22,624	2,372	(11,135)	19,394
Net income per share attributable to common shareholders				
Basic	0.97	0.10	(0.48)	0.66
Diluted	0.96	0.10	(0.48)	0.65

18. Subsequent Events

On October 8, 2020, Mesa Air Group, Inc. and General Electric Company, acting through its GE-Aviation business unit, entered into Amended and Restated Letter Agreement No. 13, which deferred the initial delivery and initial payment dates. Under the terms of this amendment, the Company agreed to purchase and take delivery of 20 new spare CF34-8C5 engines commencing in May 2021, with the final spare engine being delivered in December 2021. Payments are now due in five (5) separate tranches commencing in December 2020, and in February, April, May, and June 2021.

On October 30, 2020 (the “Closing Date”), the Company entered into a Loan and Guarantee Agreement, dated as of the Closing Date (the “Loan Agreement”), by and among the Company, as a guarantor, its subsidiaries Mesa Airlines, Inc., as borrower (“Mesa Airlines”), and Mesa Air Group Inventory Management, L.L.C., as a guarantor (“Mesa Air Group Inventory Management”), the other guarantors party thereto from time to time, the United States Department of the Treasury (“Treasury”), and the Bank of New York Mellon as Administrative and Collateral Agent under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

The Loan Agreement provides for a secured term loan facility of up to $200.0 million that matures on October 30, 2025. On the Closing Date, the Company borrowed $43.0 million of this commitment and on November 13, 2020, the Company borrowed an additional $152.0 million. No further borrowings are available under the Loan Agreement. The obligations of under the Loan Agreement are secured by certain aircraft, aircraft engines, accounts receivable, ground service equipment and tooling (collectively, the “Collateral”). All borrowings under the Loan Agreement will bear interest at an annual rate based on Adjusted LIBO (as defined in the Loan Agreement) plus 3.5%. The obligations are guaranteed by the Company and Mesa Air Group Inventory Management. The proceeds may be used for general corporate purposes and operating expenses, to the extent permitted by the CARES Act.

The Loan Agreement requires the Company, under certain circumstances, including within ten (10) business days prior to the last business day of March and September of each year, beginning March 2021, to appraise the value of the Collateral and recalculate the collateral coverage ratio. If the calculated collateral coverage ratio is less than 1.6 to 1.0, Mesa Airlines will be required either to provide additional Collateral (which may include cash collateral) to secure its obligations under the Loan Agreement or repay the term loans under the Loan Agreement, in such amounts that the recalculated collateral coverage ratio, after giving effect to any such additional Collateral or repayment, is at least 1.6 to 1.0.

The Loan Agreement contains two financial covenants, a minimum collateral coverage ratio and a minimum liquidity level. The Loan Agreement also contains customary negative and affirmative covenants for credit facilities of this type, including, among others: (a) limitations on dividends and distributions; (b) limitations on the creation of certain liens; (c) restrictions on certain dispositions, investments and acquisitions; (d) limitations on transactions with affiliates; (e) restrictions on fundamental changes to the business, and (f) restrictions on lobbying activities. Additionally, the Company is required to comply with the relevant provisions of the CARES Act, including limits on employment level reductions after September 30, 2020, restrictions on dividends and stock buybacks, limitations on executive compensation, and requirements to maintain certain levels of scheduled service.

In connection with the Loan Agreement and as partial compensation to Treasury for the provision of financial assistance under the Loan Agreement, the Company issued to Treasury warrants to purchase an aggregate of 4,899,497 shares of the Company’s common stock at an exercise price of $3.98 per share, which was the closing price of the Common Stock on The Nasdaq Stock Market on April 9, 2020. The exercise price and number of shares of common stock issuable under the Warrants are subject to adjustment as a result of anti-dilution provisions contained in the Warrants for certain stock issuances, dividends, and other corporate actions. The warrants expire on the fifth anniversary of the date of issuance and are exercisable either through net share settlement or net cash settlement, at the Company’s option. The warrants will be accounted for within equity at a grant date fair value determined under the Black Scholes Option Pricing Model.

On November 4, 2020, Mesa Airlines entered into the Second Amended and Restated Capacity Purchase Agreement with United Airlines, Inc., which amended and restated the prior agreement between the parties dated November 26, 2019. The amendments included the following: (a) United’s ownership, in lieu of Mesa Airlines, of 20 E75LL aircraft, which will be leased to Mesa Airlines; (b) adjusted rates to account for the ownership of such aircraft by United; (c) relief from certain provisions related to minimum utilization until December 31, 2020; (d) United’s right to remove one or more E175LL aircraft if Mesa Airlines fails to meet certain financial covenants; and (e) a one-time provision for United to prepay $85.0 million under the future performance by Mesa Airlines and the application of certain discounts to certain payment

obligations of United under the United CPA. Weekly amounts due from United under the United CPA will be applied toward the balance of the $85.0 million prepayment until such prepayment is fully expended.

Prior to November 13, 2020 funding under the Loan Agreement, the Company repaid approximately $164.1 million in existing aircraft debt covering 44 aircraft, including indebtedness under its (a) Senior Loan Agreements, dated June 27, 2018, (b) Junior Loan Agreements, also dated June 27, 2018, (c) Credit Agreements, dated January 31, 2007, April 16, 2014, and May 23, 2014, (d) Senior Loan Agreements, dated December 27, 2017, and (e) Junior Loan Agreements, also dated December 27, 2017, as further defined in Note 9, notations (1), (3),(7) and (8). The Company used approximately $82.8 million of existing cash and $81.3 million of cash proceeds received from the United prepayment described above to fund this debt pay down. The company will treat this transaction as early extinguishment of debt. The company will treat this transaction as early extinguishment of debt and expects to recognize an immaterial gain from the extinguishment.

On November 19, 2020, Mesa Airlines entered into the Amended and Restated Capacity Purchase Agreement with American Airlines, Inc., which is effective as of January 1, 2021 and amends and restates the existing Code Share and Revenue Sharing Agreement, dated as of March 20, 2001 (as theretofore amended), between Mesa and American. The amendments include the following: (a) a five-year term, commencing January 1, 2021 – December 31, 2025, covering 40 aircraft; (b) new compensation payable to Mesa Airlines during the term; (c) American's right to withdraw aircraft under certain circumstances during the new five-year term; and (d) additional termination rights granted to American, subject to specified cure periods.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The term “disclosure controls and procedures” is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Under the supervision and with the participation of our management, including our Chief Executive Officer “CEO” and Chief Financial Officer “CFO”, performed an evaluation of our disclosure controls and procedures, which have been designed to ensure that information we are required to disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported accurately and within the time periods specified in the SEC rules and forms. Our management, including CEO and CFO, concluded that, as of September 30, 2020, those controls and procedures were, in design and operations, effective at the reasonable assurance level to ensure that information we are required to disclose in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during our most recently completed fiscal quarter. Based on that evaluation, our CEO and CFO concluded that there has not been any change in our internal control over financial reporting during that quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs

Management's Annual Report on Internal Control Over Financial Reporting

As required by SEC rules and regulations implementing Section 404 of the Sarbanes-Oxley Act, our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with GAAP. Our internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our company,

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect errors or misstatements in our financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate. Management assessed the effectiveness of our internal control over financial reporting at September 30, 2020. In making these assessments, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013). Based on our assessments and those criteria, management determined that we maintained effective internal control over financial reporting as of September 30, 2020.

Attestation Report of the Registered Public Accounting Firm

This Annual Report on Form 10-K does not include an attestation report of our registered public accounting firm on our internal control over financial reporting due to an exemption established by the JOBS Act for "emerging growth companies. "

ITEM 9B.OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required to be disclosed by this item is incorporated herein by reference to our 2021 Proxy Statement, which we expect to file with the SEC within 120 days after the end of our fiscal year ended September 30, 2020.

We have a code of conduct and ethics that applies to all employees, including our principal executive officer and principal financial officer, as well as to the members of our Board of Directors. The code is available at investor.mesa-air.com/corporate-governance/governance-overview. We intend to disclose any changes in, or waivers from, this code by posting such information on the same website or by filing a Current Report on Form 8-K, in each case to the extent such disclosure is required by rules of the SEC or The Nasdaq Global Select Market.

ITEM 11. EXECUTIVE COMPENSATION

The information required to be disclosed by this item is incorporated herein by reference to our 2021 Proxy Statement which we expect to file with the SEC within 120 days after the end of our fiscal year ended September 30, 2020.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required to be disclosed by this item is incorporated herein by reference to our 2021 Proxy Statement which we expect to file with the SEC within 120 days after the end of our fiscal year ended September 30, 2020.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required to be disclosed by this item is incorporated herein by reference to our 2021 Proxy Statement which we expect to file with the SEC within 120 days after the end of our fiscal year ended September 30, 2020.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required to be disclosed by this item is incorporated herein by reference to our 2021 Proxy Statement which we expect to file with the SEC within 120 days after the end of our fiscal year ended September 30, 2020.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. Consolidated Financial Statements

The financial statements filed as part of this Annual Report on Form 10-K are listed in the "*Index to Consolidated Financial Statements*" under Part II, Item 8 of this Annual Report on Form 10-K.

2. Financial Statement Schedules

All schedules are omitted as the required information is inapplicable or the information is presented in the consolidated financial statements or notes to the consolidated financial statements under Part II, Item 8 of this Annual Report on Form 10-K.

3. *Exhibits*

The exhibits listed below are filed as part of this Annual Report. References under the caption "*Incorporated by Reference*" to exhibits or other filings indicate that the exhibit or other filing has been filed, that the indexed exhibit and the exhibit referred to are the same and that the exhibit referred to is incorporated by reference. 92.5

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
3.1	Second Amended and Restated Articles of Incorporation of the Registrant	8-K	August 14, 2018	3.1	
3.2	Amended and Restated Bylaws of the Registrant	8-K	August 14, 2018	3.2	
3.3	Second Amended and Restated Bylaws of the Registrant	8-K	December 10, 2020	3.1	
4.1	Form of Common Stock Certificate	S-1/A	August 6, 2018	4.1	
4.2	Description of Capital Stock				X
4.3	Warrant Agreement, date October 30, 2020, between Mesa Air Group, Inc. and the United States Department of the Treasury				X
4.4	Form of Warrant (incorporated by reference to Annex B to Exhibit 4.3)				X
10.5#	Mesa Air Group, Inc. 2018 Equity Incentive Plan and related forms of agreement	S-8	August 16, 2019	99.1	
10.6	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers	S-1	July 13, 2018	10.5	
10.7	Amended and Restated Employment Agreement between the Registrant and Jonathan G. Ornstein, dated July 26, 2018	S-1/A	July 30, 2018	10.7	
10.8	Amended and Restated Employment Agreement between the Registrant and Michael J. Lotz, dated July 26, 2018	S-1/A	July 30, 2018	10.8	
10.9	Amended and Restated Employment Agreement between the Registrant and Brian S. Gillman, dated July 26, 2018	S-1/A	July 30, 2018	10.9	
10.10.1†	Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated August 29, 2013	S-1/A	July 30, 2018	10.10.1	
10.10.2†	First Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated August 29, 2013, effective as of September 12, 2014	S-1/A	July 30, 2018	10.10.2	
10.10.3†	Second Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated August 29, 2013, effective as of October 2, 2015	S-1/A	July 30, 2018	10.10.3	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.10.4	Third Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated January 1, 2015	S-1	July 13, 2018	10.9.4	
10.10.5†	Fourth Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated August 29, 2013, effective as of November 13, 2015	S-1/A	July 30, 2018	10.10.5	
10.10.6†	Fifth Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated August 29, 2013, effective as of December 14, 2015	S-1/A	July 30, 2018	10.10.6	
10.10.7†	Sixth Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated August 29, 2013, effective as of December 1, 2015	S-1/A	July 30, 2018	10.10.7	
10.10.8	Seventh Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated August 29, 2013, effective as of August 1, 2016	S-1	July 13, 2018	10.9.8	
10.10.9†	Eighth Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated August 29, 2013, effective as of June 6, 2016	S-1/A	July 30, 2018	10.10.9	
10.10.10†	Ninth Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated January 2017, effective as of 2017	S-1/A	July 30, 2018	10.10.10	
10.10.11†	Tenth Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated May 3, 2017, effective as of January 1, 2017	S-1/A	July 30, 2018	10.10.11	
10.10.12†	Eleventh Amendment to the Capacity Purchase Agreement among the Registrant, Mesa Airlines, Inc. and United Airlines, Inc., dated 2018, effective as of 2018	S-1/A	July 30, 2018	10.10.12	
10.10.13†	†Amended and Restated United Capacity Purchase Agreement between United Airlines, Inc. and Mesa Airlines, Inc., dated as of November 25, 2019	10-Q	February 10, 2020	10.1	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.10.14†	†First Amendment to the Amended and Restated United Capacity Purchase Agreement between United Airlines, Inc., and Mesa Airlines, Inc. dated September 10, 2020, effective as of April 1, 2020				X
10.10.15†	†Second Amended and Restated United Capacity Purchase Agreement between United Airlines, Inc. and Mesa Airlines, Inc. dates as of November 4, 2020				X
10.11.1†	Code Share and Revenue Sharing Agreement between America West Airlines, Inc. and Mesa Airlines, Inc., dated March 20, 2001, effective as of February 1, 2001	S-1/A	August 6, 2018	10.11.1	
10.11.2	First Amendment to Code Share and Revenue Sharing Agreement between America West Airlines, Inc. and Mesa Airlines, Inc., dated April 27, 2001	S-1	July 13, 2018	10.10.2	
10.11.3	Second Amendment to Code Share and Revenue Sharing Agreement among America West Airlines, Inc., Mesa Airlines, Inc., Freedom Airlines, Inc. and Air Midwest, Inc., dated October 24, 2002	S-1	July 13, 2018	10.10.3	
10.11.4	Third Amendment to Code Share and Revenue Sharing Agreement among America West Airlines, Inc., Mesa Airlines, Inc. and Freedom Airlines, Inc., dated January 29, 2003	S-1	July 13, 2018	10.10.4	
10.11.5†	Fourth Amendment to Code Share and Revenue Sharing Agreement and Release among America West Airlines, Inc., Mesa Airlines, Inc., Air Midwest, Inc. and Freedom Airlines, Inc., dated September 5, 2003	S-1/A	July 30, 2018	10.11.5	
10.11.6	Fifth Amendment to Code Share and Revenue Sharing Agreement among America West Airlines, Inc., Mesa Airlines, Inc., Air Midwest, Inc. and Freedom Airlines, Inc., dated January 28, 2005	S-1	July 13, 2018	10.10.6	
10.11.7†	Sixth Amendment to Code Share and Revenue Sharing Agreement and Settlement Agreement among America West Airlines, Inc., Mesa Airlines, Inc., Air Midwest, Inc. and Freedom Airlines, Inc., dated July 27, 2005	S-1/A	July 30, 2018	10.11.7	
10.11.8†	Seventh Amendment to Code Share and Revenue Sharing Agreement and Settlement, Assignment and Assumption Agreement among America West Airlines, Inc., US Airways, Inc., Mesa Airlines, Inc., Air Midwest, Inc. and Freedom Airlines, Inc., dated September 10, 2007	S-1/A	July 30, 2018	10.11.8	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.11.9†	Eighth Amendment to Code Share and Revenue Sharing Agreement and Settlement Agreement among US Airways, Inc., Mesa Airlines, Inc., Air Midwest, Inc. and Freedom Airlines, Inc., dated May 12, 2008	S-1/A	July 30, 2018	10.11.9	
10.11.10†	Ninth Amendment to Code Share and Revenue Sharing Agreement among US Airways, Inc., Mesa Airlines, Inc., Air Midwest, Inc. and Freedom Airlines, Inc., dated March 30, 2009	S-1/A	July 30, 2018	10.11.10	
10.11.11†	Tenth Amendment to Code Share and Revenue Sharing Agreement between US Airways, Inc. and Mesa Airlines, Inc., dated November 18, 2010	S-1/A	July 30, 2018	10.11.11	
10.11.12†	Eleventh Amendment to Code Share and Revenue Sharing Agreement between US Airways, Inc. and Mesa Airlines, Inc., dated July 1, 2012	S-1/A	July 30, 2018	10.11.12	
10.11.13†	Twelfth Amendment to Code Share and Revenue Sharing Agreement between US Airways, Inc. and Mesa Airlines, Inc., dated February 14, 2013	S-1/A	July 30, 2018	10.11.13	
10.11.14†	Thirteenth Amendment to Code Share and Revenue Sharing Agreement between US Airways, Inc. and Mesa Airlines, Inc., dated December 24, 2013	S-1/A	July 30, 2018	10.11.14	
10.11.15†	Fourteenth Amendment to Code Share and Revenue Sharing Agreement between US Airways, Inc. and Mesa Airlines, Inc., dated April 10, 2014	S-1/A	July 30, 2018	10.11.15	
10.11.16†	Fifteenth Amendment to Code Share and Revenue Sharing Agreement between US Airways, Inc. and Mesa Airlines, Inc., dated November 26, 2014	S-1/A	July 30, 2018	10.11.16	
10.11.17†	Sixteenth Amendment to Code Share and Revenue Sharing Agreement between US Airways, Inc. and Mesa Airlines, Inc., dated January 26, 2015	S-1/A	July 30, 2018	10.11.17	
10.11.18†	Seventeenth Amendment to Code Share and Revenue Sharing Agreement between US Airways, Inc. and Mesa Airlines, Inc., dated December 28, 2015	S-1/A	July 30, 2018	10.11.18	
10.11.19†	Eighteenth Amendment to Code Share and Revenue Sharing Agreement between American Airlines, Inc. and Mesa Airlines, Inc., dated March 1, 2017	S-1/A	July 30, 2018	10.11.19	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.11.20†	Nineteenth Amendment to Code Share and Revenue Sharing Agreement between American Airlines, Inc. and Mesa Airlines, Inc., effective as of January 22, 2019	10-K	December 17, 2019	10.11.20	
10.11.21†	†Twenty-First Amendment to Code Share and Revenue Sharing Agreement between American Airlines, Inc. and Mesa Airlines, Inc. dated June 10, 2020 and effective April 1, 2020	10-Q	August 10, 2020	10.1	
10.12.1	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	S-1/A	July 30, 2018	10.12.1	
10.12.2	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	S-1/A	July 30, 2018	10.12.2	
10.12.3	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	S-1/A	July 30, 2018	10.12.3	
10.12.4	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	S-1/A	July 30, 2018	10.12.4	
10.12.5	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.	S-1/A	July 30, 2018	10.12.5	
10.13.1	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	S-1/A	July 30, 2018	10.13.1	
10.13.2	Mortgage and Security Agreement Supplement No. 1 between Mesa Airlines, Inc. and CIT Bank, N.A., dated August 12, 2016	S-1/A	July 30, 2018	10.13.2	
10.13.3	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	S-1/A	July 30, 2018	10.13.3	
10.13.4	Mortgage and Security Agreement Supplement No. 3 between Mesa Airlines, Inc. and CIT Bank, N.A., dated November 23, 2016	S-1/A	July 30, 2018	10.13.4	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
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	DRS	May 7, 2018	10.14.1	
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	DRS	May 7, 2018	10.14.2	
10.15.1	Mortgage and Security Agreement between Mesa Airlines, Inc. and Obsidian Agency Services, Inc., dated December 14, 2016	DRS	May 7, 2018	10.15.1	
10.15.2	Mortgage Supplement No. 1 between Mesa Airlines, Inc. and Obsidian Agency Services, Inc., dated December 14, 2016	DRS	May 7, 2018	10.15.2	
10.15.3	Mortgage Supplement No. 2 between Mesa Airlines, Inc. and Obsidian Agency Services, Inc., dated February 2, 2017	DRS	May 7, 2018	10.15.3	
10.15.4	Mortgage Supplement No. 3 between Mesa Airlines, Inc. and Obsidian Agency Services, Inc., dated July 5, 2017	DRS	May 7, 2018	10.15.4	
10.15.5	Mortgage Supplement No. 4 between Mesa Airlines, Inc. and Obsidian Agency Services, Inc., dated September 29, 2017	DRS	May 7, 2018	10.15.5	
10.15.6	Mortgage Supplement No. 5 between Mesa Airlines, Inc. and Obsidian Agency Services, Inc., dated March 1, 2018	DRS	May 7, 2018	10.15.6	
10.16	Credit Agreement between Mesa Airlines, Inc. and Export Development Canada, dated August 12, 2015	S-1/A	July 30, 2018	10.16	
10.17.1	Credit Agreement between Mesa Airlines, Inc. and Export Development Canada, dated January 18, 2016	S-1/A	July 30, 2018	10.17.1	
10.17.2	Amendment No. 1 to Credit Agreement between Mesa Airlines, Inc. and Export Development Canada, dated March 30, 2017	S-1/A	July 30, 2018	10.17.2	
10.17.3	Omnibus Amendment Agreement among the Registrant, Mesa Airlines, Inc. and Export Development Canada, dated April 30, 2018	S-1/A	July 30, 2018	10.17.3	
10.18	Credit Agreement between Mesa Airlines, Inc. and Export Development Canada, dated June 27, 2016	S-1/A	July 30, 2018	10.18	
10.19.1	Office Lease Agreement between the Registrant and DMB Property Ventures Limited Partnership, dated October 16, 1998	DRS	May 7, 2018	10.20.1	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.19.2	First Amendment to Lease between the Registrant and DMB Property Ventures Limited Partnership, dated March 9, 1999	DRS	May 7, 2018	10.20.2	
10.19.3	Second Amendment to Lease between the Registrant and DMB Property Ventures Limited Partnership, dated November 8, 1999	DRS	May 7, 2018	10.20.3	
10.19.4	Lease Amendment Three between the Registrant and CMD Realty Investment Fund IV, L.P., dated November 7, 2000	DRS	May 7, 2018	10.20.4	
10.19.5	Lease Amendment Four between the Registrant and CMD Realty Investment Fund IV, L.P., dated May 15, 2001	DRS	May 7, 2018	10.20.5	
10.19.6	Lease Amendment Five between the Registrant and CMD Realty Investment Fund IV, L.P., dated October 11, 2002	DRS	May 7, 2018	10.20.6	
10.19.7	Lease Amendment Six between the Registrant and CMD Realty Investment Fund IV, L.P., dated April 1, 2003	DRS	May 7, 2018	10.20.7	
10.19.8	Amended and Restated Lease Amendment Seven between the Registrant and CMD Realty Investment Fund IV, L.P., dated April 15, 2005	DRS	May 7, 2018	10.20.8	
10.19.9	Lease Amendment Eight between the Registrant and CMD Realty Investment Fund IV, L.P., dated October 12, 2005	DRS	May 7, 2018	10.20.9	
10.19.10	Lease Amendment Nine between the Registrant and Transwestern Phoenix Gateway, L.L.C., dated November 4, 2010	DRS	May 7, 2018	10.20.10	
10.19.11	Lease Amendment Eleven between the Registrant and Phoenix Office Grand Avenue Partners, LLC, dated July 31, 2014	DRS	May 7, 2018	10.20.11	
10.19.12	Lease Amendment Twelve between the Registrant and Phoenix Office Grand Avenue Partners, LLC, dated November 20, 2014	DRS	May 7, 2018	10.20.12	
10.20.1††	Letter Agreement No. 12 between the Registrant and General Electric Company, acting through its GE-Aviation business unit, dated October 22, 2019, and effective as of October 9, 2019				X
10.20.2††	Letter Agreement No. 13 between the Registrant and General Electric Company, acting through its GE-Aviation business unit, dated December 11, 2019, and effective as of December 13, 2019				X

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.20.3††	Letter Agreement No. 13-1 between the Registrant and General Electric Company, acting through its GE-Aviation business unit, dated March 26, 2020	8-K	March 31, 2020	10.1	
10.20.4††	Letter Agreement No. 12-1 between the Registrant and General Electric Company, acting through its GE-Aviation business unit, dated March 26, 2020	8-K	March 31, 2020	10.2	
10.20.5††	Amended and Restated Letter Agreement No. 13-2 between the Registrant and General Electric Company, acting through its GE-Aviation business unit, dated October 8, 2020				X
10.21.1	Payroll Support Program Agreement between The Department of the Treasury and Mesa Airlines, Inc., dated as of April 16,2020	10-Q	May 11, 2020	10.1	
10.22.1	Loan and Guarantee Agreement, dated as of October 30, 2020, among Mesa Airlines, Inc., as Borrower, the Guarantors party hereto from time to time, the United States Department of the Treasury, and The Bank of New York Mellon, as Administrative Agent and Collateral Agent.				X
21.1	List of subsidiaries of the Registrant				X
23.1	Consent of Ernst and Young LLP				X
23.2	Consent of Deloitte LLP.				X
31.1	Certification of Principal Executive Officer pursuant to Rule 13(a)-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002				X
31.2	Certification of Principal Financial Officer pursuant to Rule 13(a)-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002				X
32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
101.INS	Inline XBRL Instance Document				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)				

* This certification will not be deemed "***filed***" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent specifically incorporated by reference into such filing.

** The exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(b)(2). The Registrant agrees to furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon its request.

Management contract or compensatory plan.

† Confidential treatment has been granted with respect to certain portions of this agreement.

†† Certain confidential information contained in this agreement has been omitted because it (i) is not material and (ii) would be competitively harmful if publicly disclosed.

SIGNATURES

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

MESA AIR GROUP, INC.

Date: December 14, 2020

By: /s/ Michael J. Lotz
Michael J. Lotz
President and Chief Financial Officer
(Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on December 14, 2020 by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title	Date
/s/Jonathan G. Ornstein Jonathan G. Ornstein	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	December 14, 2020
/s/Michael J. Lotz Michael J. Lotz	President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	December 14, 2020
/s/Ellen N. Artist Ellen N. Artist	Director	December 14, 2020
/s/Mitchell Gordon Mitchell Gordon	Director	December 14, 2020
/s/Dana J. Lockhart Dana J. Lockhart	Director	December 14, 2020
/s/Daniel McHugh Daniel McHugh	Director	December 14, 2020
/s/Harvey W. Schiller Harvey W. Schiller	Director	December 14, 2020
/s/Spyridon Skiados Spyridon Skiados	Director	December 14, 2020

Exhibit 4.2

DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934

Mesa Air Group, Inc. ("Mesa," "we," "our," or "us") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our common stock.

DESCRIPTION OF CAPITAL STOCK

The following summary of the terms of our capital stock is based upon our Second Amended and Restated Articles of Incorporation (our "Articles") and our Amended and Restated Bylaws (our "Bylaws"). The summary is not complete, and is qualified by reference to our Articles and our Bylaws, which are filed as exhibits to this Annual Report on Form 10-K and are incorporated by reference herein. We encourage you to read our Articles, our Bylaws and the applicable provisions of the Nevada Revised Statutes (the "NRS") for additional information.

Authorized Shares of Capital Stock

Our authorized capital stock consists of 125,000,000 shares of common stock, no par value per share, and 5,000,000 shares of preferred stock, no par value per share. As of December [•], [•], there were [•] shares of common stock issued and outstanding and no shares of preferred stock issued and outstanding. The outstanding shares of our common stock are duly authorized, validly issued, fully paid and nonassessable.

Listing

Our common stock trades on the Nasdaq Global Select Market under the symbol "MESA."

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, subject to any exclusive voting or director designation rights of the holders of shares of any series of our preferred stock that we may designate in the future. The rights, preferences and privileges that may be granted to holders of our preferred stock, were we to issue such preferred stock, 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 Mesa or other corporate action. We have no present plan to issue any such shares of preferred stock, although our board of directors (our "Board") has the authority to do so without any action by our shareholders, and to fix the rights, preferences, privileges and restrictions of such preferred stock. Our shareholders do not have cumulative voting rights in the election of directors.

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 out of legally available funds, subject to preferences that may be applicable to any then-outstanding preferred stock and limitations under certain of our existing credit facilities and the NRS.

Rights upon 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.

Other Rights and Preferences

Our common stock has no sinking fund, redemption provisions, or preemptive, conversion, subscription or exchange rights. Holders of our common stock entitled to vote on a matter, other than with respect to the election of directors, may only take action at special or annual meetings of the shareholders where the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action, unless voting by classes or series is required for any action of the shareholders by the NRS, our Articles or our Bylaws, in which case the number of votes cast in favor of the action by the voting power of each such class or series must exceed the number of votes cast in opposition to the action by the voting power of each such class or series. Shareholders entitled to vote on the election of directors at a special or annual meeting of the shareholders at which a quorum is present may elect directors by a plurality of the votes cast. We reserve the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in our Articles, with the exception of Article 11, in the manner, and subject to approval by shareholders as now or hereafter prescribed by statute, and all rights conferred upon holders of our common stock are granted subject to this reservation.

Transfer Agent and Registrar

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

Certain Transfer Restrictions

Our Articles impose limits on certain transfers of our stock, which limits are intended to preserve our ability to use our net operating loss carryforwards. Specifically, our Articles prohibit the transfer of any shares of our capital stock that would result in (i) any person or entity owning 4.75% or more of our then-outstanding capital stock, or (ii) an increase in the percentage ownership of any person or entity owning 4.75% or more of our then-outstanding capital stock. These transfer restrictions expire upon the earliest of (i) the repeal of Section 382 of the Internal Revenue Code of 1986, as amended, or any successor statute if our Board determines that such restrictions are no longer necessary to preserve our ability to use our net operating loss carryforwards, (ii) the beginning of a fiscal year to which our Board determines that no net operating losses may be carried forward, or (iii) such other date as determined by our Board. These transfer restrictions apply to the beneficial owner of the shares of our capital stock. The clients of an investment advisor are treated as the beneficial owners of stock for this purpose if the clients have the right to receive dividends, if any, the power to acquire or dispose of the shares of our capital stock, and the right to proceeds from the sale of our capital stock. Certain transactions approved by our Board, such as mergers and consolidations meeting certain requirements set forth in our Articles, are exempt from the above-described transfer restrictions. Our Board also has the ability to grant waivers, in its discretion, with respect to transfers of our stock that would otherwise be prohibited. Our Board has agreed to waive the above-referenced restrictions in our Articles to those persons or entities that acquire shares of our common stock in excess of the 4.75% threshold in this offering. Any transfer of common stock in violation of these restrictions will be void and will be treated as if such transfer never occurred.

Limited Ownership and Voting by Foreign Owners

To comply with restrictions imposed by federal law on foreign ownership of U.S. airlines, our Articles restrict the ownership and voting of shares of our common stock by people and entities who are not "citizens of the United States" as that term is defined in 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% of the voting interest is owned or controlled by persons who are citizens of the United States. Our Articles prohibit any non-U.S. citizen from owning or controlling more than 24.9% of the aggregate votes of all outstanding shares of our common stock or 49.0% of the total number of outstanding shares of our capital stock. The restrictions imposed by the above-described ownership caps are applied to each non-U.S. citizen in reverse chronological order based on the date of registration on our foreign stock record. At no time may shares of our capital stock held by non-U.S. citizens be voted unless such shares are reflected on the foreign stock record. The voting rights of non-U.S. citizens having voting control over any shares of our capital stock are subject to automatic suspension to the extent required to ensure that we are in compliance with applicable law. In the event any transfer or issuance of shares of our capital stock to a non-U.S. citizen would result in non-U.S. citizens owning more than the above-described cap amounts, such transfer or issuance will be void and of no effect.

Anti-Takeover Provisions of Our Articles, Our Bylaws and the NRS

Certain provisions of the NRS deter hostile takeovers. Specifically, NRS 78.411 through 78.444 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 becoming an "interested shareholder" did own, 10% or more of a corporation's voting power. Our Articles exclude us from the restrictions imposed by these statutes.

Nevada's "acquisition of controlling interest" statutes, NRS 78.378 through 78.3793, contain provisions governing the acquisition of a controlling interest in certain Nevada corporations. These "control share" laws provide generally that any person that acquires a "controlling interest" in certain Nevada corporations may be denied voting rights, unless a majority of the disinterested stockholders of the corporation elects to restore such voting rights. These statutes provide that a person acquires a "controlling interest" whenever a person acquires shares of a subject corporation that, but for the application of these provisions of the NRS, would enable that person to exercise (1) one-fifth or more, but less than one-third, (2) one-third or more, but less than a majority or (3) a majority or more, of all of the voting power of the corporation in the election of directors. Once an acquirer crosses one of these thresholds, shares that it acquired in the transaction taking it over the threshold and within the 90 days immediately preceding the date when the acquiring person acquired or offered to acquire a controlling interest become "control shares" to which the voting restrictions described above apply. Our Articles provide that these statutes do not apply to us or to any acquisition of our common stock.

Section 78.139 of the NRS, to which we are subject, provides that directors may resist a change or potential change in control if the directors, by majority vote of a quorum, determine that the change is opposed to, or not in, the best interests of the corporation.

In order to ensure that our capacity purchase agreements are not subject to early termination, our Articles 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 also grant our Board the ability to establish one or more series of preferred stock (including convertible preferred stock), to determine, with respect to any series of preferred stock, the voting powers, designations, preferences, limitations, restrictions and relative rights of each such series, and to authorize the issuance of shares of any such series, making it possible for our Board to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of Mesa. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of Mesa.

Exhibit 4.3

WARRANT AGREEMENT

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WARRANT AGREEMENT dated as of October 30, 2020 (this "Agreement"), between MESA AIR GROUP, INC., a corporation organized under the laws of Nevada (the "Company") and the UNITED STATES DEPARTMENT OF THE TREASURY ("Treasury").

WHEREAS, the Borrower (as defined in the Loan Agreement) has requested that Treasury make a Loan (as defined in the Loan Agreement) to the Borrower as is permissible under the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. 116-136 (Mar. 27, 2020), as the same may be amended from time to time, and Treasury is willing to do so on the terms and conditions set forth in the Loan and Guarantee Agreement dated as of October 30, 2020, between Mesa Airlines, Inc. and Treasury (the "Loan Agreement"); and

WHEREAS, as appropriate financial protection of the Federal Government of the United States of America for the Loan, and as a condition to the effectiveness of the Loan Agreement, Mesa Air Group, Inc. has agreed to enter into this Agreement to issue in a private placement warrants to purchase the number of shares of its Common Stock determined in accordance with Schedule 1 to this Agreement (the "Warrants") to Treasury;

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements set forth herein, the parties agree as follows:

Article I
Closing

1.1 Issuance.

(a) On the terms and subject to the conditions set forth in this Agreement, the Company agrees to issue to Treasury, on each Warrant Closing Date, Warrants for a number of shares of Common Stock determined by the formula set forth in Schedule 1.

1.2 Initial Closing; Warrant Closing Date.

(a) On the terms and subject to the conditions set forth in this Agreement, the closing of the initial issuance of the Warrants (the "Initial Closing") will take place on the Closing Date (as defined in the Loan Agreement). After the Initial Closing, the closing of any subsequent issuance will take place on the date of each subsequent Borrowing (as defined in the Loan Agreement), if any, of the Loan (each subsequent closing, together with the Initial Closing, a "Closing" and each such date a "Warrant Closing Date").

(b) On each Warrant Closing Date, the Company will issue to Treasury a duly executed Warrant or Warrants for a number of shares of Common Stock determined by the formula set forth in Schedule 1, as evidenced by one or more certificates dated the Warrant Closing Date and bearing appropriate legends as hereinafter provided for and in substantially the form attached hereto as Annex B.

(c) On each Warrant Closing Date, the Company shall deliver to Treasury (i) a written opinion from counsel to the Company (which may be internal counsel) addressed to Treasury and dated as of such Warrant Closing Date, in substantially the form attached hereto as Annex A and (ii) a certificate executed by the chief executive officer, president, executive vice president, chief financial officer, principal accounting officer, treasurer or controller confirming that the representations and warranties of the Company in this Agreement are true and correct with the same force and effect as though expressly made at and as of such Warrant Closing Date and the Company has complied with all agreements on its part to be performed or satisfied hereunder at or prior to such Closing.

(d) On the initial Warrant Closing Date, the Company shall deliver to Treasury (i) such customary certificates of resolutions or other action, incumbency certificates and/or other certificates of the chief executive officer, president, executive vice president, chief financial officer, principal accounting officer, treasurer or controller as Treasury may require evidencing the identity, authority and capacity of each such officer thereof authorized to act as such officer in connection with this Agreement and (ii) customary resolutions or evidence of corporate authorization, secretary's certificates and such other documents and certificates (including Organizational Documents and good standing certificates) as Treasury may reasonably request relating to the organization, existence and good standing of the Company and any other legal matters relating to the Company, this Agreement, the Warrants or the transactions contemplated hereby or thereby.

1.3 Interpretation.

(a) When a reference is made in this Agreement to "Recitals," "Articles," "Sections," or "Annexes" such reference shall be to a Recital, Article or Section of, or Annex to, this Warrant Agreement, unless otherwise indicated. The terms defined in the singular have a comparable meaning when used in the plural, and vice versa. References to "herein", "hereof", "hereunder" and the like refer to this Agreement as a whole and not to any particular section or provision, unless the context requires otherwise. The table of contents and headings contained in this Agreement are for reference purposes only and are not part of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed followed by the words "without limitation." No rule of construction against the draftsperson shall be applied in connection with the interpretation or enforcement of this Agreement, as this Agreement is the product of negotiation between sophisticated parties advised by counsel. All references to "$" or "dollars" mean the lawful currency of the United States of America. Except as expressly stated in this Agreement, all references to any statute, rule or regulation are to the statute, rule or regulation as amended, modified, supplemented or replaced from time to time (and, in the case of statutes, include any rules and regulations promulgated under the statute) and to any section of any statute, rule or regulation include any successor to the section.

(b) Capitalized terms not defined herein have the meanings ascribed thereto in Annex B.

Article II
Representations and Warranties

2.1 Representations and Warranties of the Company. The Company represents and warrants to Treasury that as of the date hereof and each Warrant Closing Date (or such other date specified herein):

(a) Existence, Qualification and Power. The Company is duly organized or formed, validly existing and, if applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, and the Company and each Subsidiary (a) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the this Agreement and the Warrants, and (b) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except, in each case referred to in clause (a)(i) or (b), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) Capitalization. The authorized capital stock of the Company, and the outstanding capital stock of the Company (including securities convertible into, or exercisable or exchangeable for, capital stock of the Company) as of the most recent fiscal month-end preceding the date hereof (the "Capitalization Date") is set forth in Schedule 2. The outstanding shares of capital stock of the Company have been duly authorized and are validly issued and outstanding, fully paid and nonassessable, and subject to no preemptive rights (and were not issued in violation of any preemptive rights). Except as provided in the Warrants, as of the date hereof, the Company does not have outstanding any securities or other obligations providing the holder the right to acquire Common Stock that is not reserved for issuance as specified on Schedule 2, and the Company has not made any other commitment to authorize, issue or sell any Common Stock. Since the Capitalization Date, the Company has not issued any shares of Common Stock, other than (i) shares issued upon the exercise of stock options or delivered under other equity-based awards or other convertible securities or warrants which were issued and outstanding on the Capitalization Date and disclosed on Schedule 2 and (ii) shares disclosed on Schedule 2 as it may be updated by written notice from the Company to Treasury in connection with each Warrant Closing Date.

(c) Listing. The Common Stock has been registered pursuant to Section 12(b) of the Exchange Act and the shares of the Common Stock outstanding on the date hereof are listed on a national securities exchange. The Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act or the listing of the Common Stock on such national securities exchange, nor has the Company received any notification that the Securities and Exchange Commission (the "SEC") or such exchange is contemplating terminating such registration or listing. The Company is in compliance with applicable continued listing requirements of such exchange in all material respects.

(d) Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Company of this Agreement, except for such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and are in full force and effect.

(e) Execution and Delivery; Binding Effect. This Agreement has been duly authorized, executed and delivered by the Company. This Agreement constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization,

receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

(f) The Warrants and Warrant Shares. Each Warrant has been duly authorized and, when executed and delivered as contemplated hereby, will constitute a valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity. The Warrant Shares have been duly authorized and reserved for issuance upon exercise of the Warrants and when so issued in accordance with the terms of the Warrants will be validly issued, fully paid and non-assessable, subject, if applicable, to the approvals of its stockholders set forth on Schedule 3.

(g) Authorization, Enforceability.

(i) The Company has the corporate power and authority to execute and deliver this Agreement and the Warrants and, subject, if applicable, to the approvals of its stockholders set forth on Schedule 3, to carry out its obligations hereunder and thereunder (which includes the issuance of the Warrants and Warrant Shares). The execution, delivery and performance by the Company of this Agreement and the Warrants and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate or other organizational action on the part of the Company and its stockholders, and no further approval or authorization is required on the part of the Company, subject, in each case, if applicable, to the approvals of its stockholders set forth on Schedule 3.

(ii) The execution, delivery and performance by the Company of this Agreement do not and will not (a) contravene the terms of its Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien (as defined in the Loan Agreement) under, or require any payment to be made under (i) any material Contractual Obligation to which the Company is a party or affecting the Company or the properties of the Company or any Subsidiary or (ii) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Company or any Subsidiary or its property is subject or (c) violate any Law, except to the extent that such violation could not reasonably be expected to have a Material Adverse Effect.

(iii) Other than any current report on Form 8-K required to be filed with the SEC (which shall be made on or before the date on which it is required to be filed), such filings and approvals as are required to be made or obtained under any state "blue sky" laws, the filing of any proxy statement contemplated by Section 3.1 and such filings and approvals as have been made or obtained, no notice to, filing with, exemption or review by, or authorization, consent or approval of, any Governmental Authority is required to be made or obtained by the Company in connection with the execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the issuance of the Warrants except for any such notices, filings, exemptions, reviews, authorizations, consents and approvals the failure of which to make or obtain would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(h) Anti-takeover Provisions and Rights Plan. The Board of Directors of the Company (the "Board of Directors") has taken all necessary action, and will in the future take any necessary action, to ensure that the transactions contemplated by this Agreement and the Warrants and the consummation of the transactions contemplated hereby and thereby, including the exercise of the Warrants in accordance with their terms, will be exempt from any anti-takeover or similar provisions of the Company's Organizational Documents, and any other provisions of any applicable "moratorium", "control share", "fair price", "interested stockholder" or other anti-takeover laws and regulations of any jurisdiction, whether existing on the date hereof or implemented after the date hereof. The Company has taken all actions necessary, and will in the future take any necessary action, to render any stockholders' rights plan of the Company inapplicable to this Agreement and the Warrants and the consummation of the transactions contemplated hereby and thereby, including the exercise of the Warrants by Treasury in accordance with its terms.

(i) Reports.

(i) Since December 31, 2017, the Company and each Subsidiary has timely filed all reports, registrations, documents, filings, statements and submissions, together with any amendments thereto, that it was required to file with any Governmental Authority (the foregoing, collectively, the "Company Reports") and has paid all fees and assessments due and payable in connection therewith, except, in each case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. As of their respective dates of filing, the Company Reports complied in all material respects with all statutes and applicable rules and regulations of the applicable Governmental Authority. In the case of each such Company Report filed with or furnished to the SEC, such Company Report (A) did not, as of its date or if amended prior to the date hereof, as of the date of such amendment, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, and (B) complied as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act. With respect to all other Company Reports, the Company Reports were complete and accurate in all material respects as of their respective dates. No executive officer of the Company or any Subsidiary has failed in any respect to make the certifications required of him or her under Section 302 or 906 of the Sarbanes-Oxley Act of 2002.

(ii) The Company (A) has implemented and maintains disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) to ensure that material information relating to the Company, including its Subsidiaries, is made known to the chief executive officer and the chief financial officer of the Company by others within those entities, and (B) has disclosed, based on its most recent evaluation prior to the date hereof, to the Company's outside auditors and the audit committee of the Board of Directors (x) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and (y) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

(j) Offering of Securities. Neither the Company nor any person acting on its behalf has taken any action (including any offering of any securities of the Company under circumstances which would require the integration of such offering with the offering of any of the Warrants under the Securities Act, and the rules and regulations of the Securities and Exchange Commission (the "SEC") promulgated thereunder), which might subject the offering, issuance or sale of any of the Warrants to Treasury pursuant to this Agreement to the registration requirements of the Securities Act.

(k) Brokers and Finders. No broker, finder or investment banker is entitled to any financial advisory, brokerage, finder's or other fee or commission in connection with this Agreement or the Warrants or the transactions contemplated hereby or thereby based upon arrangements made by or on behalf of the Company or any Subsidiary for which Treasury could have any liability.

Article III
Covenants

3.1 Commercially Reasonable Efforts.

(a) Subject to the terms and conditions of this Agreement, each of the parties will use its commercially reasonable efforts in good faith to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or desirable, or advisable under applicable laws, to enable consummation of the transactions contemplated hereby and shall use commercially reasonable efforts to cooperate with the other party to that end.

(b) If the Company is required to obtain any stockholder approvals, then the Company shall comply with this Section 3.1(b) and Section 3.1(c). The Company shall call a special meeting of its stockholders, as promptly as practicable following the Initial Closing, to vote on proposals (collectively, the "Stockholder Proposals") to (i) approve the exercise of the Warrants for Common Stock for purposes of the rules of the national securities exchange on which the Common Stock is listed and/or (ii) amend the Company's Organizational Documents to increase the number of authorized shares of Common Stock to at least such number as shall be sufficient to permit the full exercise of the Warrants for Common Stock and comply with the other provisions of this Section 3.1(b) and Section 3.1(c). The Board of Directors shall recommend to the Company's stockholders that such stockholders vote in favor of the Stockholder Proposals. In connection with such meeting, the Company shall prepare (and Treasury will reasonably cooperate with the Company to prepare) and file with the SEC as promptly as practicable (but in no event more than ten Business Days after the Initial Closing) a preliminary proxy statement, shall use its reasonable best efforts to respond to any comments of the SEC or its staff thereon and to cause a definitive proxy statement related to such stockholders' meeting to be mailed to the Company's stockholders not more than five Business Days after clearance thereof by the SEC, and shall use its reasonable best efforts to solicit proxies for such stockholder approval of the Stockholder Proposals. The Company shall notify Treasury promptly of the receipt of any comments from the SEC or its staff with respect to the proxy statement and of any request by the SEC or its staff for amendments or supplements to such proxy statement or for additional information and will supply Treasury with copies of all correspondence between the Company or any of its representatives, on the one hand, and the SEC or its staff, on the other hand, with respect to such proxy statement. If at any time prior to such stockholders' meeting there shall occur any event that is required to be set forth in an amendment or supplement to the proxy statement, the Company shall as promptly as practicable prepare and mail to its stockholders such

an amendment or supplement. Each of Treasury and the Company agrees promptly to correct any information provided by it or on its behalf for use in the proxy statement if and to the extent that such information shall have become false or misleading in any material respect, and the Company shall as promptly as practicable prepare and mail to its stockholders an amendment or supplement to correct such information to the extent required by applicable laws and regulations. The Company shall consult with Treasury prior to filing any proxy statement, or any amendment or supplement thereto, and provide Treasury with a reasonable opportunity to comment thereon. In the event that the approval of any of the Stockholder Proposals is not obtained at such special stockholders meeting, the Company shall include a proposal to approve (and the Board of Directors shall recommend approval of) each such proposal at a meeting of its stockholders no less than once in each subsequent six-month period beginning on January 1, 2021 until all such approvals are obtained or made.

(c) None of the information supplied by the Company or any of the Company Subsidiaries for inclusion in any proxy statement in connection with any such stockholders meeting of the Company will, at the date it is filed with the SEC, when first mailed to the Company's stockholders and at the time of any stockholders meeting, and at the time of any amendment or supplement thereof, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

3.2 Expenses. The Company shall pay (i) all reasonable out-of-pocket expenses incurred by Treasury (including the reasonable fees, charges and disbursements of any counsel for Treasury) in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the Warrants, any other agreements or documents executed in connection herewith or therewith, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by Treasury (including the fees, charges and disbursements of any counsel for Treasury), in connection with the enforcement or protection of its rights in connection with this Agreement and the Warrants, any other agreements or documents executed in connected herewith or therewith, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), including all such out-of- pocket expenses incurred during any workout, restructuring, negotiations or enforcement in respect of such Warrant Agreement, Warrant and other agreements or documents executed in connection herewith or therewith.

3.3 Sufficiency of Authorized Common Stock; Exchange Listing.

During the period from each Warrant Closing Date (or, if the approval of the Stockholder Proposals is required, the date of such approval) until the date on which no Warrants remain outstanding, the Company shall at all times have reserved for issuance, free of preemptive or similar rights, a sufficient number of authorized and unissued Warrant Shares to effectuate such exercise. Nothing in this Section 3.3 shall preclude the Company from satisfying its obligations in respect of the exercise of the Warrants by delivery of shares of Common Stock which are held in the treasury of the Company. As soon as reasonably practicable following each Warrant Closing Date, the Company shall, at its expense, cause the Warrant Shares to be listed on the same national securities exchange on which the Common Stock is listed, subject to official notice of issuance, and shall maintain such listing for so long as any Common Stock is listed on

such exchange. The Company will use commercially reasonable efforts to maintain the listing of Common Stock on such national securities exchange so long as any Warrants or Warrant Shares remain outstanding. Neither the Company nor any of its Subsidiaries shall take any action which would be reasonably expected to result in the delisting or suspension of the Common Stock on such exchange. The foregoing shall not preclude the Company from undertaking any transaction set forth in Section 4.3 subject to compliance with that provision.

Article IV
Additional Agreements

4.1 Investment Purposes. Treasury acknowledges that the Warrants and the Warrant Shares have not been registered under the Securities Act or under any state securities laws. Treasury (a) is acquiring the Warrants pursuant to an exemption from registration under the Securities Act solely for investment without a view to sell and with no present intention to distribute them to any person in violation of the Securities Act or any applicable U.S. state securities laws; (b) will not sell or otherwise dispose of any of the Warrants or the Warrant Shares, except in compliance with the registration requirements or exemption provisions of the Securities Act and any applicable U.S. state securities laws; and (c) has such knowledge and experience in financial and business matters and in investments of this type that it is capable of evaluating the merits and risks of the Warrants and the Warrant Shares and of making an informed investment decision.

4.2 Legends.

(a) Treasury agrees that all certificates or other instruments representing the Warrants and the Warrant Shares will bear a legend substantially to the following effect:

> "THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS."

(b) In the event that any Warrants or Warrant Shares (i) become registered under the Securities Act or (ii) are eligible to be transferred without restriction in accordance with Rule 144 or another exemption from registration under the Securities Act (other than Rule 144A), the Company shall issue new certificates or other instruments representing such Warrants or Warrant Shares, which shall not contain the legend in Section 4.2(a) above; *provided* that Treasury surrenders to the Company the previously issued certificates or other instruments.

4.3 Certain Transactions. The Company will not merge or consolidate with, or sell, transfer or lease all or substantially all of its property or assets to, any other party unless the successor, transferee or lessee party (or its ultimate parent entity), as the case may be (if not the Company), expressly assumes the due and punctual performance and observance of each and every covenant, agreement and condition of this Agreement and the Warrants to be performed and observed by the Company.

4.4 Transfer of Warrants and Warrant Shares. Subject to compliance with applicable securities laws, Treasury shall be permitted to transfer, sell, assign or otherwise dispose of ("Transfer") all or a portion of the Warrants or Warrant Shares at any time, and the Company shall take all steps as may be reasonably requested by Treasury to facilitate the Transfer of the Warrants and the Warrant Shares.

4.5 Registration Rights.

(a) Registration.

(i) Subject to the terms and conditions of this Agreement, the Company covenants and agrees that on or before the earlier of (A) 30 days after the date on which all Warrants that may be issued pursuant to this Agreement have been issued and (B) June 30, 2021 (the end of such period, the "Registration Commencement Date"), the Company shall prepare and file with the SEC a Shelf Registration Statement covering the maximum number of Registrable Securities (or otherwise designate an existing Shelf Registration Statement filed with the SEC to cover the Registrable Securities) that may be issued pursuant to this Agreement and any Warrants outstanding at that time, and, to the extent the Shelf Registration Statement has not theretofore been declared effective or is not automatically effective upon such filing, the Company shall use reasonable best efforts to cause such Shelf Registration Statement to be declared or become effective and to keep such Shelf Registration Statement continuously effective and in compliance with the Securities Act and usable for resale of such Registrable Securities for a period from the date of its initial effectiveness until such time as there are no Registrable Securities remaining (including by refiling such Shelf Registration Statement (or a new Shelf Registration Statement) if the initial Shelf Registration Statement expires). So long as the Company is a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) at the time of filing of the Shelf Registration Statement with the SEC, such Shelf Registration Statement shall be designated by the Company as an automatic Shelf Registration Statement. Notwithstanding the foregoing, if on the date hereof the Company is not eligible to file a registration statement on Form S-3, then the Company shall not be obligated to file a Shelf Registration Statement unless and until it is so eligible and is requested to do so in writing by Treasury.

(ii) Any registration pursuant to Section 4.5(a)(i) shall be effected by means of a shelf registration on an appropriate form under Rule 415 under the Securities Act (a "Shelf Registration Statement"). If Treasury or any other Holder intends to distribute any Registrable Securities by means of an underwritten offering it shall promptly so advise the Company and the Company shall take all reasonable steps to facilitate such distribution, including the actions required pursuant to Section 4.5(c); *provided* that the Company shall not be required to facilitate an underwritten offering of Registrable Securities unless the total number of Warrant Shares and Warrants expected to be sold in such offering exceeds, or are exercisable for, at least 20% of the total number of Warrant Shares for which Warrants issued under this Agreement could be exercised (giving effect to the anti-dilution adjustments in Warrants); and *provided*, *further* that the Company shall not be required to facilitate more than two completed underwritten offerings within

any 12-month period. The lead underwriters in any such distribution shall be selected by the Holders of a majority of the Registrable Securities to be distributed.

(iii) The Company shall not be required to effect a registration (including a resale of Registrable Securities from an effective Shelf Registration Statement) or an underwritten offering pursuant to Section 4.5(a): (A) prior to the Registration Commencement Date; (B) with respect to securities that are not Registrable Securities; or (C) if the Company has notified Treasury and all other Holders that in the good faith judgment of the Board of Directors, it would be materially detrimental to the Company or its securityholders for such registration or underwritten offering to be effected at such time, in which event the Company shall have the right to defer such registration or offering for a period of not more than 45 days after receipt of the request of Treasury or any other Holder; *provided* that such right to delay a registration or underwritten offering shall be exercised by the Company (1) only if the Company has generally exercised (or is concurrently exercising) similar black-out rights against holders of similar securities that have registration rights and (2) not more than three times in any 12-month period and not more than 90 days in the aggregate in any 12-month period. The Company shall notify the Holders of the date of any anticipated termination of any such deferral period prior to such date.

(iv) If during any period when an effective Shelf Registration Statement is not available, the Company proposes to register any of its equity securities, other than a registration pursuant to Section 4.5(a)(i) or a Special Registration, and the registration form to be filed may be used for the registration or qualification for distribution of Registrable Securities, the Company will give prompt written notice to Treasury and all other Holders of its intention to effect such a registration (but in no event less than ten days prior to the anticipated filing date) and will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten Business Days after the date of the Company's notice (a "Piggyback Registration"). Any such person that has made such a written request may withdraw its Registrable Securities from such Piggyback Registration by giving written notice to the Company and the managing underwriter, if any, on or before the fifth Business Day prior to the planned effective date of such Piggyback Registration. The Company may terminate or withdraw any registration under this Section 4.5(a)(iv) prior to the effectiveness of such registration, whether or not Treasury or any other Holders have elected to include Registrable Securities in such registration.

(v) If the registration referred to in Section 4.5(a)(iv) is proposed to be underwritten, the Company will so advise Treasury and all other Holders as a part of the written notice given pursuant to Section 4.5(a)(iv). In such event, the right of Treasury and all other Holders to registration pursuant to Section 4.5(a) will be conditioned upon such persons' participation in such underwriting and the inclusion of such person's Registrable Securities in the underwriting if such securities are of the same class of securities as the securities to be offered in the underwritten offering, and each such person will (together with the Company and the other persons distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company; *provided* that Treasury (as opposed to other Holders) shall not be required to indemnify any person in connection with any registration. If any participating person disapproves of the terms

of the underwriting, such person may elect to withdraw therefrom by written notice to the Company, the managing underwriters and Treasury (if Treasury is participating in the underwriting).

(vi) If either (x) the Company grants "piggyback" registration rights to one or more third parties to include their securities in an underwritten offering under the Shelf Registration Statement pursuant to Section 4.5(a)(ii) or (y) a Piggyback Registration under Section 4.5(a)(iv) relates to an underwritten offering on behalf of the Company, and in either case the managing underwriters advise the Company that in their reasonable opinion the number of securities requested to be included in such offering exceeds the number which can be sold without adversely affecting the marketability of such offering (including an adverse effect on the per share offering price), the Company will include in such offering only such number of securities that in the reasonable opinion of such managing underwriters can be sold without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), which securities will be so included in the following order of priority: (A) first, in the case of a Piggyback Registration under Section 4.5(a)(iv), the securities the Company proposes to sell, (B) then the Registrable Securities of Treasury and all other Holders who have requested inclusion of Registrable Securities pursuant to Section 4.5(a)(ii) or Section 4.5(a)(iv), as applicable, *pro rata* on the basis of the aggregate number of such securities or shares owned by each such person and (C) lastly, any other securities of the Company that have been requested to be so included, subject to the terms of this Agreement; *provided, however,* that if the Company has, prior to the date hereof, entered into an agreement with respect to its securities that is inconsistent with the order of priority contemplated hereby then it shall apply the order of priority in such conflicting agreement to the extent that this Agreement would otherwise result in a breach under such agreement.

(b) Expenses of Registration. All Registration Expenses incurred in connection with any registration, qualification or compliance hereunder shall be borne by the Company. All Selling Expenses incurred in connection with any registrations hereunder shall be borne by the holders of the securities so registered *pro rata* on the basis of the aggregate offering or sale price of the securities so registered.

(c) Obligations of the Company. The Company shall use its reasonable best efforts, for so long as there are Registrable Securities outstanding, to take such actions as are under its control to not become an ineligible issuer (as defined in Rule 405 under the Securities Act) and to remain a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) if it has such status on the date hereof or becomes eligible for such status in the future. In addition, whenever required to effect the registration of any Registrable Securities or facilitate the distribution of Registrable Securities pursuant to an effective Shelf Registration Statement, the Company shall, as expeditiously as reasonably practicable:

(i) Prepare and file with the SEC a prospectus supplement with respect to a proposed offering of Registrable Securities pursuant to an effective registration statement, subject to Section 4.5(d), keep such registration statement effective and keep such prospectus supplement current until the securities described therein are no longer Registrable Securities. The plan of distribution included in such registration statement, or, as applicable, prospectus supplement thereto, shall include, among other things, an underwritten offering, ordinary brokerage transactions and transactions in which the

broker-dealer solicits purchasers, block trades, privately negotiated transactions, the writing or settlement of options or other derivative transactions and any other method permitted pursuant to applicable law, and any combination of any such methods of sale.

(ii) Prepare and file with the SEC such amendments and supplements to the applicable registration statement and the prospectus or prospectus supplement used in connection with such registration statement 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.

(iii) Furnish to the Holders and any underwriters such number of copies of the applicable registration statement and each such amendment and supplement thereto (including in each case all exhibits) and of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned or to be distributed by them.

(iv) 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 or any managing underwriter(s), to keep such registration or qualification in effect for so long as such registration statement remains in effect, and to take any other action which may be reasonably necessary to enable such seller to consummate the disposition in such jurisdictions of the securities owned by such Holder; *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.

(v) Notify each Holder of Registrable Securities 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 applicable prospectus, 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 in light of the circumstances then existing.

(vi) Give written notice to the Holders:

(A) when any registration statement filed pursuant to Section 4.5(a) or any amendment thereto has been filed with the SEC (except for any amendment effected by the filing of a document with the SEC pursuant to the Exchange Act) and when such registration statement or any post-effective amendment thereto has become effective;

(B) of any request by the SEC for amendments or supplements to any registration statement or the prospectus included therein or for additional information;

(C) of the issuance by the SEC of any stop order suspending the effectiveness of any registration statement or the initiation of any proceedings for

that purpose;

(D) of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification of the Common Stock for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(E) of the happening of any event that requires the Company to make changes in any effective registration statement or the prospectus related to the registration statement in order to make the statements therein not misleading (which notice shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made); and

(F) if at any time the representations and warranties of the Company contained in any underwriting agreement contemplated by Section 4.5(c)(x) cease to be true and correct.

(vii) Use its reasonable best efforts to prevent the issuance or obtain the withdrawal of any order suspending the effectiveness of any registration statement referred to in Section 4.5(c)(vi)(C) at the earliest practicable time.

(viii) Upon the occurrence of any event contemplated by Section 4.5(c)(v), 4.5(c)(vi)(E) or 4.5(d), promptly prepare a post-effective amendment to such registration statement or a supplement to the related prospectus or file any other required document so that, as thereafter delivered to the Holders and any underwriters, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with Section 4.5(c)(vi)(E) to suspend the use of the prospectus until the requisite changes to the prospectus have been made, then the Holders and any underwriters shall suspend use of such prospectus and use their reasonable best efforts to return to the Company all copies of such prospectus (at the Company's expense) other than permanent file copies then in such Holders' or underwriters' possession. The total number of days that any such suspension may be in effect in any 12-month period shall not exceed 90 days. The Company shall notify the Holders of the date of any anticipated termination of any such suspension period prior to such date.

(ix) Use reasonable best efforts to procure the cooperation of the Company's transfer agent in settling any offering or sale of Registrable Securities, including with respect to the transfer of physical stock certificates into book-entry form in accordance with any procedures reasonably requested by the Holders or any managing underwriter(s).

(x) If an underwritten offering is requested pursuant to Section 4.5(a)(ii), enter into an underwriting agreement in customary form, scope and substance and take all such other actions reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith or by the managing underwriter(s), if any, to expedite or facilitate the underwritten disposition of such Registrable Securities, and in connection therewith in any underwritten offering (including making members of management and executives of the Company available to participate in "road shows", similar sales events and other marketing activities), (A) make such representations and warranties to the Holders that are selling stockholders and the managing underwriter(s), if any, with respect to the business of the Company and its subsidiaries, and the Shelf Registration Statement, prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in customary form, substance and scope, and, if true, confirm the same if and when requested, (B) use its reasonable best efforts to furnish the underwriters with opinions and "10b-5" letters of counsel to the Company, addressed to the managing underwriter(s), if any, covering the matters customarily covered in such opinions and letters requested in underwritten offerings, (C) use its reasonable best efforts to obtain "cold comfort" letters from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any business acquired by the Company for which financial statements and financial data are included in the Shelf Registration Statement) who have certified the financial statements included in such Shelf Registration Statement, addressed to each of the managing underwriter(s), if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters, (D) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures customary in underwritten offerings (provided that Treasury shall not be obligated to provide any indemnity), and (E) deliver such documents and certificates as may be reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith, their counsel and the managing underwriter(s), if any, to evidence the continued validity of the representations and warranties made pursuant to clause (A) above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company.

(xi) Make available for inspection by a representative of Holders that are selling stockholders, the managing underwriter(s), if any, and any attorneys or accountants retained by such Holders or managing underwriter(s), at the offices where normally kept, during reasonable business hours, financial and other records, pertinent corporate documents and properties of the Company, and cause the officers, directors and employees of the Company to supply all information in each case reasonably requested (and of the type customarily provided in connection with due diligence conducted in connection with a registered public offering of securities) by any such representative, managing underwriter(s), attorney or accountant in connection with such Shelf Registration Statement.

(xii) Use reasonable best efforts to cause all such Registrable Securities to be listed on each national securities exchange on which similar securities issued by the Company are then listed or, if no similar securities issued by the Company are then listed on any national securities exchange, use its reasonable best efforts to cause all such Registrable Securities to be listed on such securities exchange as Treasury may designate.

(xiii) If requested by Holders of a majority of the Registrable Securities being registered and/or sold in connection therewith, or the managing underwriter(s), if any, promptly include in a prospectus supplement or amendment such information as the

Holders of a majority of the Registrable Securities being registered and/or sold in connection therewith or managing underwriter(s), if any, may reasonably request in order to permit the intended method of distribution of such securities and make all required filings of such prospectus supplement or such amendment as soon as practicable after the Company has received such request.

(xiv) Timely provide to its security holders earning statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

(d) Suspension of Sales. Upon receipt of written notice from the Company that a registration statement, prospectus or prospectus supplement contains or may contain an untrue statement of a material fact or omits or may omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that circumstances exist that make inadvisable use of such registration statement, prospectus or prospectus supplement, Treasury and each Holder of Registrable Securities shall forthwith discontinue disposition of Registrable Securities until Treasury and/or Holder has received copies of a supplemented or amended prospectus or prospectus supplement, or until Treasury and/or such Holder is advised in writing by the Company that the use of the prospectus and, if applicable, prospectus supplement may be resumed, and, if so directed by the Company, Treasury and/or such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in Treasury and/or such Holder's possession, of the prospectus and, if applicable, prospectus supplement covering such Registrable Securities current at the time of receipt of such notice. The total number of days that any such suspension may be in effect in any 12-month period shall not exceed 90 days. The Company shall notify Treasury prior to the anticipated termination of any such suspension period of the date of such anticipated termination

(e) Termination of Registration Rights. A Holder's registration rights as to any securities held by such Holder shall not be available unless such securities are Registrable Securities.

(f) Furnishing Information.

(i) Neither Treasury nor any Holder shall use any free writing prospectus (as defined in Rule 405) in connection with the sale of Registrable Securities without the prior written consent of the Company.

(ii) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 4.5(c) that Treasury and/or the selling Holders and the underwriters, if any, shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to effect the registered offering of their Registrable Securities.

(g) Indemnification.

(i) The Company agrees to indemnify each Holder and, if a Holder is a person other than an individual, such Holder's officers, directors, employees, agents, representatives and Affiliates, and each Person, if any, that controls a Holder within the

meaning of the Securities Act (each, an "Indemnitee"), against any and all losses, claims, damages, actions, liabilities, costs and expenses (including reasonable fees, expenses and disbursements of attorneys and other professionals incurred in connection with investigating, defending, settling, compromising or paying any such losses, claims, damages, actions, liabilities, costs and expenses), joint or several, arising out of or based upon any untrue statement or alleged untrue statement of material fact contained in any registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto or any documents incorporated therein by reference or contained in any free writing prospectus (as such term is defined in Rule 405) prepared by the Company or authorized by it in writing for use by such Holder (or any amendment or supplement thereto); or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided*, that the Company shall not be liable to such Indemnitee in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon (A) an untrue statement or omission made in such registration statement, including any such preliminary prospectus or final prospectus contained therein or any such amendments or supplements thereto or contained in any free writing prospectus (as such term is defined in Rule 405) prepared by the Company or authorized by it in writing for use by such Holder (or any amendment or supplement thereto), in reliance upon and in conformity with information regarding such Indemnitee or its plan of distribution or ownership interests which was furnished in writing to the Company by such Indemnitee for use in connection with such registration statement, including any such preliminary prospectus or final prospectus contained therein or any such amendments or supplements thereto, or (B) offers or sales effected by or on behalf of such Indemnitee "by means of" (as defined in Rule 159A) a "free writing prospectus" (as defined in Rule 405) that was not authorized in writing by the Company.

(ii) If the indemnification provided for in Section 4.5(g)(i) is unavailable to an Indemnitee with respect to any losses, claims, damages, actions, liabilities, costs or expenses referred to therein or is insufficient to hold the Indemnitee harmless as contemplated therein, then the Company, in lieu of indemnifying such Indemnitee, shall contribute to the amount paid or payable by such Indemnitee as a result of such losses, claims, damages, actions, liabilities, costs or expenses in such proportion as is appropriate to reflect the relative fault of the Indemnitee, on the one hand, and the Company, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, actions, liabilities, costs or expenses as well as any other relevant equitable considerations. The relative fault of the Company, on the one hand, and of the Indemnitee, on the other hand, shall be determined by reference to, among other factors, whether the untrue statement of a material fact or omission to state a material fact relates to information supplied by the Company or by the Indemnitee and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; the Company and each Holder agree that it would not be just and equitable if contribution pursuant to this Section 4.5(g)(ii) were determined by *pro rata* allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 4.5(g)(i). No Indemnitee guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from the Company if the Company was not guilty of such fraudulent misrepresentation.

(h) Assignment of Registration Rights. The rights of Treasury to registration of Registrable Securities pursuant to Section 4.5(a) may be assigned by Treasury to a transferee or assignee of Registrable Securities in connection with a transfer of a total number of Warrant Shares and/or Warrants exercisable for at least 20% of the total number of Warrant Shares for which Warrants issued and to be issued under this Agreement could be exercised (giving effect to the anti-dilution adjustments in Warrants); *provided*, *however*, the transferor shall, within ten days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the number and type of Registrable Securities that are being assigned.

(i) Clear Market. With respect to any underwritten offering of Registrable Securities by Treasury or other Holders pursuant to this Section 4.5, the Company agrees not to effect (other than pursuant to such registration or pursuant to a Special Registration) any public sale or distribution, or to file any Shelf Registration Statement (other than such registration or a Special Registration) covering, in the case of an underwritten offering of Common Stock or Warrants, any of its equity securities, or, in each case, any securities convertible into or exchangeable or exercisable for such securities, during the period not to exceed 30 days following the effective date of such offering. The Company also agrees to cause such of its directors and senior executive officers to execute and deliver customary lock-up agreements in such form and for such time period up to 30 days as may be requested by the managing underwriter. "Special Registration" means the registration of (A) equity securities and/or options or other rights in respect thereof solely registered on Form S-4 or Form S-8 (or successor form) or (B) shares of equity securities and/or options or other rights in respect thereof to be offered to directors, members of management, employees, consultants, customers, lenders or vendors of the Company or Company Subsidiaries or in connection with dividend reinvestment plans.

(j) Rule 144; Rule 144A. With a view to making available to Treasury and Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its reasonable best efforts to:

(i) make and keep adequate public information available, as those terms are understood and defined in Rule 144(c)(1) or any similar or analogous rule promulgated under the Securities Act, at all times after the date hereof;

(ii) (A) file with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act, and (B) if at any time the Company is not required to file such reports, make available, upon the request of any Holder, such information necessary to permit sales pursuant to Rule 144A (including the information required by Rule 144A(d)(4) under the Securities Act);

(iii) so long as Treasury or a Holder owns any Registrable Securities, furnish to Treasury or such Holder forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of Rule 144 under the Securities Act, and of the Exchange Act; a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as Treasury or Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities to the public without registration; *provided*, *however*, that the availability of the

foregoing reports on the EDGAR filing system of the SEC will be deemed to satisfy the foregoing delivery requirements; and

(iv) take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act.

(k) As used in this Section 4.5, the following terms shall have the following respective meanings:

(i) "Holder" means Treasury and any other holder of Registrable Securities to whom the registration rights conferred by this Agreement have been transferred in compliance with Section 4.5(h) hereof.

(ii) "Register," "registered," and "registration" shall refer to a registration effected by preparing and (A) filing a registration statement in compliance with the Securities Act and applicable rules and regulations thereunder, and the declaration or ordering of effectiveness of such registration statement or (B) filing a prospectus and/or prospectus supplement in respect of an appropriate effective registration statement on Form S-3.

(iii) "Registrable Securities" means (A) the Warrants (subject to Section 4.5(p)) and (B) any equity securities issued or issuable directly or indirectly with respect to the securities referred to in the foregoing clause (A) by way of conversion, exercise or exchange thereof, including the Warrant Shares, or share dividend or share split or in connection with a combination of shares, recapitalization, reclassification, merger, amalgamation, arrangement, consolidation or other reorganization, *provided* that, once issued, such securities will not be Registrable Securities when (1) they are sold pursuant to an effective registration statement under the Securities Act, (2) except as provided below in Section 4.5(o), they may be sold pursuant to Rule 144 without limitation thereunder on volume or manner of sale, (3) they shall have ceased to be outstanding or (4) they have been sold in a private transaction in which the transferor's rights under this Agreement are not assigned to the transferee of the securities. No Registrable Securities may be registered under more than one registration statement at any one time.

(iv) "Registration Expenses" mean all expenses incurred by the Company in effecting any registration pursuant to this Agreement (whether or not any registration or prospectus becomes effective or final) or otherwise complying with its obligations under this Section 4.5, including all registration, filing and listing fees, printing expenses, fees and disbursements of counsel for the Company, blue sky fees and expenses, expenses incurred in connection with any "road show", the reasonable fees and disbursements of Treasury's counsel (if Treasury is participating in the registered offering), and expenses of the Company's independent accountants in connection with any regular or special reviews or audits incident to or required by any such registration, but shall not include Selling Expenses.

(v) "Rule 144", "Rule 144A", "Rule 159A", "Rule 405" and "Rule 415" mean, in each case, such rule promulgated under the Securities Act (or any successor

provision), as the same shall be amended from time to time.

(vi) "Selling Expenses" mean all discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities and fees and disbursements of counsel for any Holder (other than the fees and disbursements of Treasury's counsel included in Registration Expenses).

(l) At any time, any holder of Securities (including any Holder) may elect to forfeit its rights set forth in this Section 4.5 from that date forward; *provided*, that a Holder forfeiting such rights shall nonetheless be entitled to participate under Section 4.5(a)(iv) – (vi) in any Pending Underwritten Offering to the same extent that such Holder would have been entitled to if the holder had not withdrawn; and *provided*, *further*, that no such forfeiture shall terminate a Holder's rights or obligations under Section 4.5(f) with respect to any prior registration or Pending Underwritten Offering. "*Pending Underwritten Offering"* means, with respect to any Holder forfeiting its rights pursuant to this Section 4.5(l), any underwritten offering of Registrable Securities in which such Holder has advised the Company of its intent to register its Registrable Securities either pursuant to Section 4.5(a)(ii) or 4.5(a)(iv) prior to the date of such Holder's forfeiture.

(m) Specific Performance. The parties hereto acknowledge that there would be no adequate remedy at law if the Company fails to perform any of its obligations under this Section 4.5 and that Treasury and the Holders from time to time may be irreparably harmed by any such failure, and accordingly agree that Treasury and such Holders, in addition to any other remedy to which they may be entitled at law or in equity, to the fullest extent permitted and enforceable under applicable law shall be entitled to compel specific performance of the obligations of the Company under this Section 4.5 in accordance with the terms and conditions of this Section 4.5.

(n) No Inconsistent Agreements. The Company shall not, on or after the date hereof, enter into any agreement with respect to its securities that may impair the rights granted to Treasury and the Holders under this Section 4.5 or that otherwise conflicts with the provisions hereof in any manner that may impair the rights granted to Treasury and the Holders under this Section 4.5. In the event the Company has, prior to the date hereof, entered into any agreement with respect to its securities that is inconsistent with the rights granted to Treasury and the Holders under this Section 4.5 (including agreements that are inconsistent with the order of priority contemplated by Section 4.5(a)(vi)) or that may otherwise conflict with the provisions hereof, the Company shall use its reasonable best efforts to amend such agreements to ensure they are consistent with the provisions of this Section 4.5. Any transaction entered into by the Company that would reasonably be expected to require the inclusion in a Shelf Registration Statement or any Company Report filed with the SEC of any separate financial statements pursuant to Rule 3-05 of Regulation S-X or pro forma financial statements pursuant to Article 11 of Regulation S-X shall include provisions requiring the Company's counterparty to provide any information necessary to allow the Company to comply with its obligation hereunder.

(o) Certain Offerings by Treasury. In the case of any securities held by Treasury that cease to be Registrable Securities solely by reason of clause (2) in the definition of "Registrable Securities," the provisions of Sections 4.5(a)(ii), clauses (iv), (ix) and (x)-(xii) of Section 4.5(c), Section 4.5(g) and Section 4.5(i) shall continue to apply until such securities otherwise cease to

be Registrable Securities. In any such case, an "underwritten" offering or other disposition shall include any distribution of such securities on behalf of Treasury by one or more broker-dealers, an "underwriting agreement" shall include any purchase agreement entered into by such broker- dealers, and any "registration statement" or "prospectus" shall include any offering document approved by the Company and used in connection with such distribution.

(p) Registered Sales of the Warrants. The Holders agree to sell the Warrants or any portion thereof under the Shelf Registration Statement only beginning 30 days after notifying the Company of any such sale, during which 30-day period Treasury and all Holders of the Warrants shall take reasonable steps to agree to revisions to the Warrants, at the expense of the Company, to permit a public distribution of the Warrants, including entering into a revised warrant agreement, appointing a warrant agent, and making the securities eligible for book entry clearing and settlement at the Depositary Trust Company.

4.6 Voting of Warrant Shares. Notwithstanding anything in this Agreement to the contrary, Treasury shall not exercise any voting rights with respect to the Warrant Shares.

Article V
Miscellaneous

5.1 Survival of Representations and Warranties. The representations and warranties of the Company made herein or in any certificates delivered in connection with the Initial Closing or any subsequent Closing shall survive such Closing without limitation.

5.2 Amendment. No amendment of any provision of this Agreement will be effective unless made in writing and signed by an officer or a duly authorized representative of each party; *provided* that Treasury may unilaterally amend any provision of this Agreement to the extent required to comply with any changes after the date hereof in applicable federal statutes. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative of any rights or remedies provided by law.

5.3 Waiver of Conditions. No waiver will be effective unless it is in a writing signed by a duly authorized officer of the waiving party that makes express reference to the provision or provisions subject to such waiver.

5.4 Governing Law: Submission to Jurisdiction, Etc. This Agreement will be governed by and construed in accordance with the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each of the parties hereto agrees (a) to submit to the exclusive jurisdiction and venue of the United States District Court for the District of Columbia and the United States Court of Federal Claims for any and all civil actions, suits or proceedings arising out of or relating to this Agreement or the Warrants or the transactions contemplated hereby or thereby, and (b) that notice may be served upon (i) the Company at the address and in the manner set forth for notices to the Company in Section 5.5 and (ii) Treasury in accordance with federal law. To the extent permitted by applicable law, each of the parties hereto hereby

unconditionally waives trial by jury in any civil legal action or proceeding relating to this Agreement or the Warrants or the transactions contemplated hereby or thereby.

5.5 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other will be in writing and will be deemed to have been duly given (a) on the date of delivery if delivered personally, or by facsimile, upon confirmation of receipt, or (b) on the second Business Day following the date of dispatch if delivered by a recognized next day courier service. All notices to the Company shall be delivered as set forth below, or pursuant to such other instruction as may be designated in writing by the Company to Treasury. All notices to Treasury shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by Treasury to the Company.

If to the Company:

Mesa Air Group, Inc.
410 N. 44th Street Suite 700
Phoenix, Arizona 85008
Attention: Brian S. Gillman, Executive Vice President & General Counsel

Telephone: 602.685.4000
Facsimile: 602.685.4350
If to Treasury:

United States Department of the Treasury
1500 Pennsylvania Avenue, NW, Room 2312
Washington, D.C. 20220
Attention: Assistant General Counsel (Banking and Finance)

5.6 Definitions.

(a) The term "Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other 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).

(b) The term "Laws" has the meaning ascribed thereto in the Loan Agreement.

(c) The term "Lien" has the meaning ascribed thereto in the Loan Agreement.

(d) The term "Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect on, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Company and its Subsidiaries taken as a whole; or (b) a material adverse effect on (i) the ability of the Company to perform its obligations under this Agreement or any Warrant or (ii) the legality, validity, binding effect or enforceability against the Company of this Agreement or any Warrant to which it is a party.

(e) The term "Organizational Documents" has the meaning ascribed thereto in the Loan Agreement.

(f) The term "Subsidiary" has the meaning ascribed thereto in the Loan Agreement.

5.7 Assignment. Neither this Agreement nor any right, remedy, obligation nor liability arising hereunder or by reason hereof shall be assignable by any party hereto without the prior written consent of the other party, and any attempt to assign any right, remedy, obligation or liability hereunder without such consent shall be void, except (a) an assignment, in the case of a Business Combination where such party is not the surviving entity, or a sale of substantially all of its assets, to the entity which is the survivor of such Business Combination or the purchaser in such sale and (b) as provided in Section 4.5.

5.8 Severability. If any provision of this Agreement or the Warrants, or the application thereof to any person or circumstance, is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the parties.

5.9 No Third Party Beneficiaries. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person or entity other than the Company and Treasury any benefit, right or remedies, except that the provisions of Section 4.5 shall inure to the benefit of the persons referred to in that Section.

* * *

[Signature page follows]

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

UNITED STATES DEPARTMENT OF THE TREASURY

By: /s/ Brent J. McIntosh
Name: Brent J. McIntosh
Title: Under Secretary for International Affairs

MESA AIR GROUP, INC.

By: _____
Name:
Title:

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

THE UNITED STATES DEPARTMENT OF THE TREASURY

By: _____
Name:
Title:

MESA AIR GROUP, INC.

By: /s/ Michael J. Lotz
Name: Michael J. Lotz
Title: President and Chief Financial Officer

ANNEX A

FORM OF OPINION

(a) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the state of its incorporation.

(b) Each of the Warrants has been duly authorized and, when executed and delivered as contemplated by the Agreement, will constitute a valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity.

(c) The shares of Common Stock issuable upon exercise of the Warrants have been duly authorized and reserved for issuance upon exercise of the Warrants and when so issued in accordance with the terms of the Warrants will be validly issued, fully paid and non-assessable [***insert, if applicable:*** , subject to the approvals of the Company's stockholders set forth on Schedule 3].

(d) The Company has the corporate power and authority to execute and deliver the Agreement and the Warrants and [***insert, if applicable:*** , subject to the approvals of the Company's stockholders set forth on Schedule 3] to carry out its obligations thereunder (which includes the issuance of the Warrants and Warrant Shares).

(e) The execution, delivery and performance by the Company of the Agreement and the Warrants and the consummation of the transactions contemplated thereby have been duly authorized by all necessary corporate action on the part of the Company and its stockholders, and no further approval or authorization is required on the part of the Company [***insert, if applicable:*** , subject, in each case, to the approvals of the Company's stockholders set forth on Schedule 3].

(f) The Agreement is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity; *provided*, *however*, such counsel need express no opinion with respect to Section 4.5(g) or the severability provisions of the Agreement insofar as Section 4.5(g) is concerned.

(g) No registration of the Warrant and the Common Stock issuable upon exercise of the Warrant under the U.S. Securities Act of 1933, as amended, is required for the offer and sale of the Warrant or the Common Stock issuable upon exercise of the Warrant by the Company to the Holder pursuant to and in the manner contemplated by this Agreement.

(h) The Company is not required to be registered as an investment company under the Investment Company Act of 1940, as amended.

FORM OF WARRANT

[SEE ATTACHED]

[FORM OF] WARRANT TO PURCHASE COMMON STOCK

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS.

WARRANT
to purchase [●]
Shares of Common Stock
of Mesa Air Group, Inc.
Issue Date: [●]

1. Definitions. Unless the context otherwise requires, when used herein the following terms shall have the meanings indicated.

"*Affiliate*" means, with respect to any person, any person directly or indirectly controlling, controlled by or under common control with, such other person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") when used with respect to any person, means the possession, directly or indirectly, of the power to cause the direction of management and/or policies of such person, whether through the ownership of voting securities by contract or otherwise.

"*Aggregate Net Cash Settlement Amount*" has the meaning ascribed thereto in Section 2(i).

"*Aggregate Net Share Settlement Amount*" has the meaning ascribed thereto in Section 2(ii).

"*Appraisal Procedure*" means a procedure whereby two independent appraisers, one chosen by the Company and one by the Original Warrantholder, shall mutually agree upon the determinations then the subject of appraisal. Each party shall deliver a notice to the other appointing its appraiser within 10 days after the Appraisal Procedure is invoked. If within 30 days after appointment of the two appraisers they are unable to agree upon the amount in question, a third independent appraiser shall be chosen within 10 days thereafter by the mutual consent of such first two appraisers. The decision of the third appraiser so appointed and chosen shall be given within 30 days after the selection of such third appraiser. If three appraisers shall be appointed and the determination of one appraiser is disparate from the middle determination by more than twice the amount by which the other determination is disparate from the middle determination, then the determination of such appraiser shall be excluded, the remaining two determinations shall be averaged and such average shall be binding and conclusive upon the Company and the Original Warrantholder; otherwise, the average of all three determinations shall be binding upon the Company and the Original Warrantholder. The costs of conducting any Appraisal Procedure shall be borne by the Company.

"*Average Market Price*" means, with respect to any security, the arithmetic average of the Market Price of such security for the 15 consecutive trading day period ending on and

including the trading day immediately preceding the determination date.

"*Board of Directors*" means the board of directors of the Company, including any duly authorized committee thereof.

"*Business Combination*" means a merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Company's stockholders.

"*Business Day*" means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close; *provided* that banks shall be deemed to be generally open for business in the event of a "shelter in place" or similar closure of physical branch locations at the direction of any governmental entity if such banks' electronic funds transfer system (including wire transfers) are open for use by customers on such day.

"*Capital Stock*" means (A) with respect to any Person that is a corporation or company, any and all shares, interests, participations or other equivalents (however designated) of capital or capital stock of such Person and (B) with respect to any Person that is not a corporation or company, any and all partnership or other equity interests of such Person.

"*Charter*" means, with respect to any Person, its certificate or articles of incorporation, articles of association, or similar organizational document.

"*Common Stock*" means common stock of the Company, no par value, subject to adjustment as provided in Section 13(E).

"*Company*" means the Person whose name, corporate or other organizational form and jurisdiction of organization is set forth in Item 1 of Schedule A hereto.

"*conversion*" has the meaning set forth in Section 13(B). "*convertible securities*" has the meaning set forth in Section 13(B).

"*Depositary*" means The Depositary Trust Company, its nominees and their respective successors.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"*Exercise Date*" means each date a Notice of Exercise substantially in the form annexed hereto is delivered to the Company in accordance with Section 2 hereof.

"*Exercise Price*" means the amount set forth in Item 2 of Schedule A hereto, subject to adjustment as contemplated herein.

"*Fair Market Value*" means, with respect to any security or other property, the fair market value of such security or other property as determined by the Board of Directors, acting in good faith in reliance on an opinion of a nationally recognized independent investment banking firm retained by the Company for this purpose. For so long as the Original Warrantholder holds this Warrant or any portion thereof, it may object in writing to the Board of

Director's calculation of fair market value within 10 days of receipt of written notice thereof. If the Original Warrantholder and the Company are unable to agree on fair market value during the 10-day period following the delivery of the Original Warrantholder's objection, the Appraisal Procedure may be invoked by either party to determine Fair Market Value by delivering written notification thereof not later than the 30th day after delivery of the Original Warrantholder's objection.

"*Initial Number*" has the meaning set forth in Section 13(B).

"Issue Date" means the date set forth in Item 3 of Schedule A hereto.

"*Market Price*" means, with respect to a particular security, on any given day, the last reported sale price regular way or, in case no such reported sale takes place on such day, the average of the last closing bid and ask prices regular way, in either case on the principal national securities exchange on which the applicable securities are listed or admitted to trading, or if not listed or admitted to trading on any national securities exchange, the average of the closing bid and ask prices as furnished by two members of the Financial Industry Regulatory Authority, Inc. selected from time to time by the Company for that purpose. "Market Price" shall be determined without reference to after hours or extended hours trading. If such security is not listed and traded in a manner that the quotations referred to above are available for the period required hereunder, the Market Price of such security shall be deemed to be (i) in the event that any portion of the Warrant is held by the Original Warrantholder, the fair market value per share of such security as determined in good faith by the Original Warrantholder or (ii) in all other circumstances, the fair market value per share of such security as determined in good faith by the Board of Directors in reliance on an opinion of a nationally recognized independent investment banking corporation retained by the Company for this purpose and certified in a resolution to the Warrantholder.

"*Original Warrantholder*" means the United States Department of the Treasury. Any actions specified to be taken by the Original Warrantholder hereunder may only be taken by such Person and not by any other Warrantholder.

"*Permitted Transactions*" has the meaning set forth in Section 13(B).

"*Per Share Net Cash Settlement Amount*" means the Average Market Price of a share of Common Stock determined as of the relevant Exercise Date less the then applicable Exercise Price.

"*Per Share Net Share Settlement Amount*" means the quotient of (i) the Average Market Price of a share of Common Stock determined as of the relevant Exercise Date less the then applicable Exercise Price *divided by* (ii) the Average Market Price of a share of Common Stock determined as of the relevant Exercise Date.

"*Person*" has the meaning given to it in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act.

"*Per Share Fair Market Value*" has the meaning set forth in Section 13(C).

"*Pro Rata Repurchases*" means any purchase of shares of Common Stock by the Company or any Affiliate thereof pursuant to (A) any tender offer or exchange offer subject to Section 13(e) or 14(e) of the Exchange Act or Regulation 14E promulgated thereunder or (B) any other offer available to substantially all holders of Common Stock, in the case of both (A) or (B), whether for cash, shares of Capital Stock of the Company, other securities of the Company, evidences of indebtedness of the Company or any other Person or any other property (including, without limitation, shares of Capital Stock, other securities or evidences of indebtedness of a subsidiary), or any combination thereof, effected while this Warrant is outstanding. The "*Effective Date*" of a Pro Rata Repurchase shall mean the date of acceptance of shares for purchase or exchange by the Company under any tender or exchange offer which is a Pro Rata Repurchase or the date of purchase with respect to any Pro Rata Repurchase that is not a tender or exchange offer.

"*Regulatory Approvals*" with respect to the Warrantholder, means, to the extent applicable and required to permit the Warrantholder to exercise this Warrant for shares of Common Stock and to own such Common Stock without the Warrantholder being in violation of applicable law, rule or regulation, the receipt of any necessary approvals and authorizations of, filings and registrations with, notifications to, or expiration or termination of any applicable waiting period under, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"trading day" means (A) if the shares of Common Stock are not traded on any national or regional securities exchange or association or over-the-counter market, a Business Day or (B) if the shares of Common Stock are traded on any national or regional securities exchange or association or over-the-counter market, a Business Day on which such relevant exchange or quotation system is scheduled to be open for business and on which the shares of Common Stock (i) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market for any period or periods aggregating one half hour or longer; and (ii) have traded at least once on the national or regional securities exchange or association or over- the-counter market that is the primary market for the trading of the shares of Common Stock.

"*U.S. GAAP*" means United States generally accepted accounting principles. "*Warrant*" means this Warrant, issued pursuant to the Warrant Agreement.

"*Warrant Agreement*" means the Warrant Agreement, dated as of the date set forth in Item 4 of Schedule A hereto, as amended from time to time, between the Company and the United States Department of the Treasury.

"*Warrantholder*" has the meaning set forth in Section 2. "*Warrant Shares*" has the meaning set forth in Section 2.

2. Number of Warrant Shares; Net Exercise. This certifies that, for value received, the United States Department of the Treasury or its permitted assigns (the "*Warrantholder*") is

entitled, upon the terms and subject to the conditions hereinafter set forth, to acquire from the Company, in whole or in part, after the receipt of all applicable Regulatory Approvals, if any, up to an aggregate of the number of fully paid and nonassessable shares of Common Stock set forth in Item 5 of Schedule A hereto. The number of shares of Common Stock (the "*Warrant Shares*") issuable upon exercise of this Warrant and the Exercise Price are subject to adjustment as provided herein, and all references to "Common Stock," "Warrant Shares" and "Exercise Price" herein shall be deemed to include any such adjustment or series of adjustments.

Upon exercise of the Warrant in accordance with Section 3 hereof, the Company shall elect to pay or deliver, as the case may be, to the exercising Warrantholder (a) cash ("*Net Cash Settlement*") or (b) Warrant Shares together with cash, if applicable, in lieu of delivering any fractional shares in accordance with Section 5 of this Warrant ("*Net Share Settlement*"). The Company will notify the exercising Warrantholder of its election of a settlement method within one Business Day after the relevant Exercise Date and if it fails to deliver a timely notice shall be deemed to have elected Net Share Settlement.

(i) *Net Cash Settlement.* If the Company elects Net Cash Settlement, it shall pay to the Warrantholder cash equal to the Per Share Net Cash Settlement Amount multiplied by the number of Warrant Shares as to which the Warrant has been exercised as indicated in the Notice of Exercise (the "*Aggregate Net Cash Settlement Amount*").

(ii) *Net Share Settlement*. If the Company elects Net Share Settlement, it shall deliver to the Warrantholder a number of shares of Common Stock equal to the Per Share Net Share Settlement Amount multiplied by the number of Warrant Shares as to which the Warrant has been exercised as indicated in the Notice of Exercise (the "*Aggregate Net Share Settlement Amount*").

3. Term; Method of Exercise. Subject to Section 2, to the extent permitted by applicable laws and regulations, this Warrant is exercisable, in whole or in part by the Warrantholder, at any time or from time to time after the execution and delivery of this Warrant by the Company on the date hereof, but in no event later than 5:00 p.m., New York City time on the fifth anniversary of the Issue Date of this Warrant, by the surrender of this Warrant and delivery of the Notice of Exercise annexed hereto, duly completed and executed on behalf of the Warrantholder, at the principal executive office of the Company located at the address set forth in Item 6 of Schedule A hereto (or such other office or agency of the Company in the United States as it may designate by notice in writing to the Warrantholder at the address of the Warrantholder appearing on the books of the Company).

If the Warrantholder does not exercise this Warrant in its entirety, the Warrantholder will be entitled to receive from the Company within a reasonable time after the date on which this Warrant has been duly exercised in accordance with the terms of this Warrant, and in any event not exceeding three Business Days after the date thereof, a new warrant in substantially identical form for the purchase of that number of Warrant Shares equal to the difference between the number of Warrant Shares subject to this Warrant and the number of Warrant Shares as to which this Warrant is so exercised. Notwithstanding anything in this Warrant to the contrary, the Warrantholder hereby acknowledges and agrees that its exercise of this Warrant for Warrant Shares is subject to the condition that the Warrantholder will have first received any applicable Regulatory Approvals.

4. Method of Settlement.

(i) *Net Cash Settlement*. If the Company elects Net Cash Settlement, the Company shall, within a reasonable time, not to exceed five Business Days after the date on which this Warrant has been duly exercised in accordance with the terms of this Warrant, pay to the exercising Warrantholder the Aggregate Net Cash Settlement Amount.

(ii) *Net Share Settlement*. If the Company elects Net Share Settlement, shares of Common Stock equal to the Aggregate Net Share Settlement Amount shall be (x) issued in such name or names as the exercising Warrantholder may designate and (y) delivered by the Company or the Company's transfer agent to such Warrantholder or its nominee or nominees (i) if the shares are then able to be so delivered, via book-entry transfer crediting the account of such Warrantholder (or the relevant agent member for the benefit of such Warrantholder) through the Depositary's DWAC system (if the Company's transfer agent participates in such system), or (ii) otherwise in certificated form by physical delivery to the address specified by the Warrantholder in the Notice of Exercise, within a reasonable time, not to exceed three Business Days after the date on which this Warrant has been duly exercised in accordance with the terms of this Warrant. The Company hereby represents and warrants that any Warrant Shares issued upon the exercise of this Warrant in accordance with the provisions of Section 3 will be duly and validly authorized and issued, fully paid and nonassessable and free from all taxes, liens and charges (other than liens or charges created by the Warrantholder, income and franchise taxes incurred in connection with the exercise of the Warrant or taxes in respect of any transfer occurring contemporaneously therewith). The Company agrees that the Warrant Shares so issued will be deemed to have been issued to the Warrantholder as of the close of business on the date on which this Warrant and payment of the Exercise Price are delivered to the Company in accordance with the terms of this Warrant, notwithstanding that the stock transfer books of the Company may then be closed or certificates representing such Warrant Shares may not be actually delivered on such date. The Company will at all times reserve and keep available, out of its authorized but unissued Common Stock, solely for the purpose of providing for the exercise of this Warrant, the aggregate number of shares of Common Stock then issuable upon exercise of this Warrant at any time. The Company will (A) procure, at its sole expense, the listing of the Warrant Shares issuable upon exercise of this Warrant at any time, subject to issuance or notice of issuance, on all principal stock exchanges on which the Common Stock is then listed or traded and (B) maintain such listings of such Warrant Shares at all times after issuance. The Company will use reasonable best efforts to ensure that the Warrant Shares may be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the Warrant Shares are listed or traded.

5. No Fractional Warrant Shares or Scrip. No fractional Warrant Shares or scrip representing fractional Warrant Shares shall be issued upon any exercise of this Warrant. In lieu of any fractional Share to which the Warrantholder would otherwise be entitled, the Warrantholder shall be entitled to receive a cash payment equal to the Average Market Price of the Common Stock determined as of the Exercise Date multiplied by such fraction of a share, less the pro-rated Exercise Price for such fractional share.

6. No Rights as Stockholders; Transfer Books. This Warrant does not entitle the Warrantholder to any voting rights or other rights as a stockholder of the Company prior to the date of exercise hereof. The Company will at no time close its transfer books against transfer of this Warrant in any manner which interferes with the timely exercise of this Warrant.

7. Charges, Taxes and Expenses. Issuance of certificates for Warrant Shares to the Warrantholder upon the exercise of this Warrant shall be made without charge to the Warrantholder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; *provided*, *however*, that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate, or any certificates or other securities in a name other than that of the registered holder of the Warrant surrendered upon exercise of the Warrant.

8. Transfer/Assignment.

(A) Subject to compliance with clause (B) of this Section 8, this Warrant and all rights hereunder are transferable, in whole or in part, upon the books of the Company by the registered holder hereof in person or by duly authorized attorney, and a new warrant shall be made and delivered by the Company, of the same tenor and date as this Warrant but registered in the name of one or more transferees, upon surrender of this Warrant, duly endorsed, to the office or agency of the Company described in Section 3. All expenses (other than stock transfer taxes) and other charges payable in connection with the preparation, execution and delivery of the new warrants pursuant to this Section 8 shall be paid by the Company.

(B) If and for so long as required by the Warrant Agreement, this Warrant shall contain the legend as set forth in Sections 4.2(a) of the Warrant Agreement.

9. Exchange and Registry of Warrant. This Warrant is exchangeable, upon the surrender hereof by the Warrantholder to the Company, for a new warrant or warrants of like tenor and representing the right to purchase the same aggregate number of Warrant Shares. The Company shall maintain a registry showing the name and address of the Warrantholder as the registered holder of this Warrant. This Warrant may be surrendered for exchange or exercise in accordance with its terms, at the office of the Company, and the Company shall be entitled to rely in all respects, prior to written notice to the contrary, upon such registry.

10. Loss, Theft, Destruction or Mutilation of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in the case of any such loss, theft or destruction, upon receipt of a bond, indemnity or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, the Company shall make and deliver, in lieu of such lost, stolen, destroyed or mutilated Warrant, a new Warrant of like tenor and representing the right to purchase the same aggregate number of Warrant Shares as provided for in such lost, stolen, destroyed or mutilated Warrant.

11. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding day that is a

Business Day.

12. Information. With a view to making available to Warrantholders the benefits of certain rules and regulations of the SEC which may permit the sale of the Warrants and Warrant Shares to the public without registration, the Company agrees to use its reasonable best efforts to:

(A) make and keep adequate public information available, as those terms are understood and defined in Rule 144(c) or any similar or analogous rule promulgated under the Securities Act, at all times after the date hereof;

(B) (x) file with the SEC, in a timely manner, all reports and other documents required of the Company under the Securities Act and the Exchange Act, and (y) if at any time the Company is not required to file such reports, make available, upon the request of any Warrantholder, such information necessary to permit sales pursuant to Rule 144A (including the information required by Rule 144A(d)(4) under the Securities Act);

(C) furnish to any holder of Warrants or Warrant Shares forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of the Exchange Act and Rule 144(c)(1); a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as the Warrantholder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities to the public without registration; and

(D) take such further action as any Warrantholder may reasonably request, all to the extent required from time to time to enable such Waranholder to sell Warrants or Warrant Shares without registration under the Securities Act.

13. Adjustments and Other Rights. The Exercise Price and the number of Warrant Shares issuable upon exercise of the Warrant shall be subject to adjustment from time to time as follows; *provided*, that if more than one subsection of this Section 13 is applicable to a single event, the subsection shall be applied that produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of this Section 13 so as to result in duplication:

(A) Stock Splits, Subdivisions, Reclassifications or Combinations. If the Company shall (i) declare and pay a dividend or make a distribution on its Common Stock in shares of Common Stock, (ii) subdivide or reclassify the outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify the outstanding shares of Common Stock into a smaller number of shares, the number of Warrant Shares issuable upon exercise of this Warrant at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be proportionately adjusted so that the Warrantholder after such date shall be entitled to acquire the number of shares of Common Stock which such holder would have owned or been entitled to receive in respect of the shares of Common Stock subject to this Warrant after such date had this Warrant been exercised immediately prior to such date. In such event, the Exercise Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by dividing (x) the product of (1) the number of Warrant Shares issuable upon the exercise of this Warrant before such adjustment and (2) the Exercise Price in effect immediately prior to the record or effective date, as the

case may be, for the dividend, distribution, subdivision, combination or reclassification giving rise to this adjustment by (y) the new number of Warrant Shares issuable upon exercise of the Warrant determined pursuant to the immediately preceding sentence.

(B) Certain Issuances of Common Stock or Convertible Securities. If the Company shall issue shares of Common Stock (or rights or warrants or other securities exercisable or convertible into or exchangeable (collectively, a "*conversion*") for shares of Common Stock) (collectively, "*convertible securities*") (other than in Permitted Transactions (as defined below) or a transaction to which subsection (A) of this Section 13 is applicable) without consideration or at a consideration per share (or having a conversion price per share) that is less than 90% of the Average Market Price determined as of the date of the agreement on pricing such shares (or such convertible securities) then, in such event:

(A) the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to the date of the agreement on pricing of such shares (or of such convertible securities) (the "*Initial Number*") shall be increased to the number obtained by multiplying the Initial Number by a fraction (A) the numerator of which shall be the sum of (x) the number of shares of Common Stock of the Company outstanding on such date and (y) the number of additional shares of Common Stock issued (or into which convertible securities may be exercised or convert) and (B) the denominator of which shall be the sum of (I) the number of shares of Common Stock outstanding on such date and (II) the number of shares of Common Stock which the aggregate consideration receivable by the Company for the total number of shares of Common Stock so issued (or into which convertible securities may be exercised or convert) would purchase at the Average Market Price determined as of the date of the agreement on pricing such shares (or such convertible securities); and

(B) the Exercise Price payable upon exercise of the Warrant shall be adjusted by multiplying such Exercise Price in effect immediately prior to the date of the agreement on pricing of such shares (or of such convertible securities) by a fraction, the numerator of which shall be the number of shares of Common Stock issuable upon exercise of this Warrant prior to such date and the denominator of which shall be the number of shares of Common Stock issuable upon exercise of this Warrant immediately after the adjustment described in clause (A) above.

For purposes of the foregoing, the aggregate consideration receivable by the Company in connection with the issuance of such shares of Common Stock or convertible securities shall be deemed to be equal to the sum of the net offering price (including the Fair Market Value of any non-cash consideration and after deduction of any related expenses payable to third parties) of all such securities plus the minimum aggregate amount, if any, payable upon exercise or conversion of any such convertible securities into shares of Common Stock; and "*Permitted Transactions*" shall mean issuances (i) as consideration for or to fund the acquisition of businesses and/or related assets, (ii) in connection with employee benefit plans and compensation related arrangements in the ordinary course and consistent with past practice approved by the Board of Directors, (iii) in connection with a public or broadly marketed offering and sale of Common Stock or convertible securities for cash conducted by the Company or its affiliates pursuant to registration under the Securities Act or Rule 144A thereunder on a basis consistent with capital

raising transactions by comparable institutions and (iv) in connection with the exercise of preemptive rights on terms existing as of the Issue Date. Any adjustment made pursuant to this Section 13(B) shall become effective immediately upon the date of such issuance.

(C) Other Distributions. In case the Company shall fix a record date for the making of a distribution to all holders of shares of its Common Stock of securities, evidences of indebtedness, assets, cash, rights or warrants (excluding dividends of its Common Stock and other dividends or distributions referred to in Section 13(A)), in each such case, the Exercise Price in effect prior to such record date shall be reduced immediately thereafter to the price determined by multiplying the Exercise Price in effect immediately prior to the reduction by the quotient of (x) the Average Market Price of the Common Stock determined as of the first date on which the Common Stock trades regular way on the principal national securities exchange on which the Common Stock is listed or admitted to trading without the right to receive such distribution, minus the amount of cash and/or the Fair Market Value of the securities, evidences of indebtedness, assets, rights or warrants to be so distributed in respect of one share of Common Stock (such amount and/or Fair Market Value, the "*Per Share Fair Market Value*") divided by (y) the Average Market Price specified in clause (x); such adjustment shall be made successively whenever such a record date is fixed. In such event, the number of Warrant Shares issuable upon the exercise of this Warrant shall be increased to the number obtained by dividing (x) the product of (1) the number of Warrant Shares issuable upon the exercise of this Warrant before such adjustment, and (2) the Exercise Price in effect immediately prior to the distribution giving rise to this adjustment by (y) the new Exercise Price determined in accordance with the immediately preceding sentence. In the event that such distribution is not so made, the Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant then in effect shall be readjusted, effective as of the date when the Board of Directors determines not to distribute such shares, evidences of indebtedness, assets, rights, cash or warrants, as the case may be, to the Exercise Price that would then be in effect and the number of Warrant Shares that would then be issuable upon exercise of this Warrant if such record date had not been fixed.

(D) Certain Repurchases of Common Stock. In case the Company effects a Pro Rata Repurchase of Common Stock, then the Exercise Price shall be reduced to the price determined by multiplying the Exercise Price in effect immediately prior to the Effective Date of such Pro Rata Repurchase by a fraction of which the numerator shall be (i) the product of (x) the number of shares of Common Stock outstanding immediately before such Pro Rata Repurchase and (y) the Average Market Price of a share of Common Stock determined as of the date of the first public announcement by the Company or any of its Affiliates of the intent to effect such Pro Rata Repurchase, minus (ii) the aggregate purchase price of the Pro Rata Repurchase, and of which the denominator shall be the product of (i) the number of shares of Common Stock outstanding immediately prior to such Pro Rata Repurchase minus the number of shares of Common Stock so repurchased and (ii) the Average Market Price per share of Common Stock determined as of the date of the first public announcement by the Company or any of its Affiliates of the intent to effect such Pro Rata Repurchase. In such event, the number of shares of Common Stock issuable upon the exercise of this Warrant shall be increased to the number obtained by dividing (x) the product of (1) the number of Warrant Shares issuable upon the exercise of this Warrant before such adjustment, and (2) the Exercise Price in effect immediately prior to the Pro Rata Repurchase giving rise to this adjustment by (y) the new Exercise Price determined in accordance with the immediately preceding sentence. For the avoidance of doubt, no increase to the Exercise Price or decrease in the number of Warrant Shares issuable upon exercise of this Warrant shall be made pursuant to this Section 13(D).

(E) Business Combinations. In case of any Business Combination or reclassification of Common Stock (other than a reclassification of Common Stock referred to in Section 13(A)), the Warrantholder's right to receive Warrant Shares upon exercise of this Warrant shall be converted into the right to exercise this Warrant to acquire the number of shares of stock or other securities or property (including cash) which the Common Stock issuable (at the time of such Business Combination or reclassification) upon exercise of this Warrant immediately prior to such Business Combination or reclassification would have been entitled to receive upon consummation of such Business Combination or reclassification; and in any such case, if necessary, the provisions set forth herein with respect to the rights and interests thereafter of the Warrantholder shall be appropriately adjusted so as to be applicable, as nearly as may reasonably be, to the Warrantholder's right to exercise this Warrant in exchange for any shares of stock or other securities or property pursuant to this paragraph. In determining the kind and amount of stock, securities or the property receivable upon exercise of this Warrant following the consummation of such Business Combination, if the holders of Common Stock have the right to elect the kind or amount of consideration receivable upon consummation of such Business Combination, then the consideration that the Warrantholder shall be entitled to receive upon exercise shall be deemed to be the types and amounts of consideration received by the majority of all holders of the shares of common stock that affirmatively make an election (or of all such holders if none make an election).

(F) Rounding of Calculations; Minimum Adjustments. All calculations under this Section 13 shall be made to the nearest one-tenth (1/10th) of a cent or to the nearest one- hundredth (1/100th) of a share, as the case may be. Any provision of this Section 13 to the contrary notwithstanding, no adjustment in the Exercise Price or the number of Warrant Shares shall be made if the amount of such adjustment would be less than $0.01 or one-tenth (1/10th) of a share of Common Stock, but any such amount shall be carried forward and an adjustment with respect thereto shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate $0.01 or 1/10th of a share of Common Stock, or more.

(G) Timing of Issuance of Additional Common Stock Upon Certain Adjustments. In any case in which the provisions of this Section 13 shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event (i) issuing to the Warrantholder of this Warrant exercised after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of Common Stock issuable upon such exercise before giving effect to such adjustment and (ii) paying to such Warrantholder any amount of cash in lieu of a fractional share of Common Stock; *provided*, *however*, that the Company upon request shall deliver to such Warrantholder a due bill or other appropriate instrument evidencing such Warrantholder's right to receive such additional shares, and such cash, upon the occurrence of the event requiring such adjustment.

(H) Other Events. For so long as the Original Warrantholder holds this Warrant or any portion thereof, if any event occurs as to which the provisions of this Section 13 are not strictly applicable or, if strictly applicable, would not, in the good faith judgment of the Board of Directors of the Company, fairly and adequately protect the purchase rights of the Warrants in accordance with the essential intent and principles of such provisions, then the Board of

Directors shall make such adjustments in the application of such provisions, in accordance with such essential intent and principles, as shall be reasonably necessary, in the good faith opinion of the Board of Directors, to protect such purchase rights as aforesaid. The Exercise Price or the number of Warrant Shares shall not be adjusted in the event of a change in the par value of the Common Stock or a change in the jurisdiction of incorporation of the Company.

(I) Statement Regarding Adjustments. Whenever the Exercise Price or the number of Warrant Shares shall be adjusted as provided in Section 13, the Company shall forthwith file at the principal office of the Company a statement showing in reasonable detail the facts requiring such adjustment and the Exercise Price that shall be in effect and the number of Warrant Shares after such adjustment, and the Company shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each Warrantholder at the address appearing in the Company's records.

(J) Notice of Adjustment Event. In the event that the Company shall propose to take any action of the type described in this Section 13 (but only if the action of the type described in this Section 13 would result in an adjustment in the Exercise Price or the number of Warrant Shares or a change in the type of securities or property to be delivered upon exercise of this Warrant), the Company shall give notice to the Warrantholder, in the manner set forth in Section 13(J), which notice shall specify the record date, if any, with respect to any such action and the approximate date on which such action is to take place. Such notice shall also set forth the facts with respect thereto as shall be reasonably necessary to indicate the effect on the Exercise Price and the number, kind or class of shares or other securities or property which shall be deliverable upon exercise of this Warrant. In the case of any action which would require the fixing of a record date, such notice shall be given at least 10 days prior to the date so fixed, and in case of all other action, such notice shall be given at least 15 days prior to the taking of such proposed action. Failure to give such notice, or any defect therein, shall not affect the legality or validity of any such action.

(K) Proceedings Prior to Any Action Requiring Adjustment. As a condition precedent to the taking of any action which would require an adjustment pursuant to this Section 13, the Company shall take any action which may be necessary, including obtaining regulatory, New York Stock Exchange, NASDAQ Stock Market or other applicable national securities exchange or stockholder approvals or exemptions, as applicable, in order that the Company may thereafter validly and legally issue as fully paid and nonassessable all shares of Common Stock that the Warrantholder is entitled to receive upon exercise of this Warrant pursuant to this Section 13.

(L) Adjustment Rules. Any adjustments pursuant to this Section 13 shall be made successively whenever an event referred to herein shall occur. If an adjustment in Exercise Price made hereunder would reduce the Exercise Price to an amount below par value of the Common Stock, then such adjustment in Exercise Price made hereunder shall reduce the Exercise Price to the par value of the Common Stock.

14. No Impairment. The Company will not, by amendment of its Charter or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in taking of all such

action as may be necessary or appropriate in order to protect the rights of the Warrantholder.

15. Governing Law. **This Warrant will be governed by and construed in accordance with the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each of the Company and the Warrantholder agrees (a) to submit to the exclusive jurisdiction and venue of the United States District Court for the District of Columbia for any civil action, suit or proceeding arising out of or relating to this Warrant or the transactions contemplated hereby, and (b) that notice may be served upon the Company at the address in Section 19 below and upon the Warrantholder at the address for the Warrantholder set forth in the registry maintained by the Company pursuant to Section 9 hereof. To the extent permitted by applicable law, each of the Company and the Warrantholder hereby unconditionally waives trial by jury in any civil legal action or proceeding relating to the Warrant or the transactions contemplated hereby or thereby.**

16. Binding Effect. This Warrant shall be binding upon any successors or assigns of the Company.

17. Amendments. This Warrant may be amended and the observance of any term of this Warrant may be waived only with the written consent of the Company and the Warrantholder.

18. Prohibited Actions. The Company agrees that it will not take any action which would entitle the Warrantholder to an adjustment of the Exercise Price if the total number of shares of Common Stock issuable after such action upon exercise of this Warrant, together with all shares of Common Stock then outstanding and all shares of Common Stock then issuable upon the exercise of all outstanding options, warrants, conversion and other rights, would exceed the total number of shares of Common Stock then authorized by its Charter.

19. Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other will be in writing and will be deemed to have been duly given (a) on the date of delivery if delivered personally, or by facsimile, upon confirmation of receipt, or (b) on the second Business Day following the date of dispatch if delivered by a recognized next day courier service. All notices hereunder shall be delivered as set forth in Item 7 of Schedule A hereto, or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

20. Entire Agreement. This Warrant, the forms attached hereto and Schedule A hereto (the terms of which are incorporated by reference herein), and the Warrant Agreement (including all documents incorporated therein), contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior and contemporaneous arrangements or undertakings with respect thereto.

[Remainder of page intentionally left blank]

[Form of Notice of Exercise]
Date:_____

TO: **[Company]**

RE: Exercise of Warrant

The undersigned, pursuant to the provisions set forth in the attached Warrant, hereby notifies the Company of its intention to exercise its option with respect to the number of shares of the Common Stock set forth below covered by such Warrant. Pursuant to Section 4 of the Warrant, the undersigned acknowledges that the Company may settle this exercise in net cash or shares. Cash to be paid pursuant to a Net Cash Settlement or payment of fractional shares in connection with a Net Share Settlement should be deposited to the account of the Warrantholder set forth below. Common Stock to be delivered pursuant to a Net Share Settlement shall be delivered to the Warrantholder as indicated below. A new warrant evidencing the remaining shares of Common Stock covered by such Warrant, but not yet subscribed for and purchased, if any, should be issued in the name set forth below.

Number of Warrant Shares: _____

Aggregate Exercise Price: _____

Address for Delivery of Warrant Shares: _____

Wire Instructions:

Proceeds to be delivered: **$**
Name of Bank:
City/ State of Bank:
ABA Number of Bank
SWIFT #
Name of Account:
Account Number at Bank:

Securities to be issued to:

If in book-entry form through the Depositary:

Depositary Account Number: _____

Name of Agent Member: _____

If in certificated form: _____

Name:

Street Address:

City, State and Zip Code:

Any unexercised Warrants evidenced by the exercising Warrantholder's interest in the Warrant:

Social Security Number or Other Identifying Number:

Name:

Street Address:

City, State and Zip Code:

Holder:
By:
Name:
Title:

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by a duly authorized officer.

Dated: _____

COMPANY: _____

By: _____
Name:
Title:

Attest:

By: _____
Name:
Title:

[Signature Page to Warrant]

SCHEDULE A

Item 1
Name: Mesa Air Group, Inc.
Corporate or other organizational form: Corporation Jurisdiction of organization: Nevada

Item 2
Exercise Price: $3.98

Item 3
Issue Date: [●]

Item 4
Date of Warrant Agreement between the Company and the United States Department of the Treasury: October 30, 2020

Item 5
Number of shares of Common Stock: [●]

Item 6
Company's address:

Mesa Air Group, Inc. 410 N. 44th Street Suite 700
Phoenix, Arizona 85008

Item 7
Notice information:

Mesa Air Group, Inc. 410 N. 44th Street Suite 700
Phoenix, Arizona 85008
Attention: Brian S. Gillman, Executive Vice President and General Counsel Fax: 602.685.4350

SCHEDULE 1

WARRANT SHARES FORMULA

The number of Warrant Shares for which Warrants issued on each Warrant Closing Date shall be exercisable shall equal:

(i) On the Closing Date, the quotient of (x) the product of the principal amount of the initial Borrowing multiplied *by* 0.1 *divided by* (y) the Exercise Price (as defined in Annex B); and

(ii) On each subsequent Warrant Closing Date, the quotient of (x) the product of the principal amount of the subsequent Borrowing multiplied *by* 0.1 *divided by* (y) the Exercise Price.

SCHEDULE 2

CAPITALIZATION

1. The authorized capital stock of Mesa Air Group, Inc. consists of: 125,000,000 shares of common stock, no par value; and 5,000,000 shares of preferred stock

2. The outstanding capital stock of the Company (including securities convertible into, or exercisable or exchangeable for, capital stock of the Company) as of September 30, 2020 is as follow:

- At September 30, 2020, there were 35,526,918 shares of common stock issued and outstanding.

3. At September 30, 2020, there were:

- 3,500,000 shares of common stock reserved for issuance under the Mesa Air Group, Inc. 2018 Equity Incentive Plan. As of such date, 3,481,370 shares of restricted common stock have been issued under the 2018 Plan, 30,245 of which have been cancelled and are thus available for issuance under the 2018 Plan. Note, under the terms of the 2018 Plan, the number of shares issuable thereunder shall be cumulatively increased on January 1, 2020, and on each subsequent January 1 through and including January 1, 2028, by a number of shares equal to the smaller of (a) 1% of the number of shares of common stock issued and outstanding on the immediately preceding December 31, or (b) and amount determined by the board of directors of Mesa Air Group, Inc.

- 500,000 shares of common stock reserved for issuance under the Mesa Air Group, Inc. 2019 Employee Stock Purchase Plan. As of such date, 99,644 shares had been issued under the 2019 Plan.

SCHEDULE 3

SHAREHOLDER APPROVALS

None

Exhibit 10.10.14

*Certain confidential information contained in this agreement has been omitted because it (i) is not material and (ii) would be competitively harmful if publicly disclosed.

September 10, 2020

VIA FEDEX AND E-MAIL

Mesa Airlines, Inc.
410 N. 44th Street Suite
700
Phoenix, AZ 85008
Attention: President & General Counsel

Re: First Amendment (this "Amendment") to the Capacity Purchase Agreement

Ladies and Gentlemen:

As you are aware, Mesa Airlines, Inc . ("Contractor"), Mesa Air Group, Inc . ("Parent") and United Airlines, Inc. ("United" and, together with Contractor and Parent, the "Parties"), are each a party to that certain Amended and Restated Capacity Purchase Agreement dated as of November 26, 2019 (the "CPA"). Capitalized terms not defined herein shall be defined as provided in the CPA.

SECTION 1. Certain Amendments.

1.1 Section 2.1(c)- Flight Schedules. Effective April I, 2020, the second sentence of Section 2.1 (c) of the CPA is amended and restated in its entirety as follows:

"United shall also be entitled, in its sole discretion and at any time prior to takeoff, to direct Contractor to delay or cancel a Scheduled Flight, including without limitation for delays and cancellations that are ATC or weather related, and Contractor shall take all necessary action to give effect to any such *direction; provided that,* other than with respect to any calendar month during the Interim Period, if United, following delivery of a Final Monthly Schedule for such calendar month, directs the cancellation of flights (each, a "United Directed Cancelled Flight" and collectively, the "United Directed Cancelled Flights") and that flight cancellation is coded in United's systems as a United initiated cancel then United shall pay Contractor in accordance with the rates set forth in Schedule 2A or 28, as applicable, for each United Cancelled Flight, as if each such United Cancelled Flight had been operated as contemplated in the Final Monthly Schedule as the sole compensation for such flight."

I .2 Section 2.1(c) - Flight Schedules . Effective April I, 2020, the eighth sentence of Section 2.1 (c) of the CPA is amended to add the following proviso to such sentence: [***]

1.3 Section 2.1Cf)- Interim Period Communication. The CPA is amended to add the following as a new Section 2. l(f):

"(f) *Interim Period Communication.* During the Interim Period, United shall use commercially reasonable efforts [***]

1.4 [***]

1.5 Section 3.1 - Contractor Expenses. The first sentence of Section 3.1 of the CPA is hereby amended and restated in its entirety as follows:

"For and in consideration of the services to be provided by Contractor pursuant to the terms and conditions of this Agreement, United shall make payments to Contractor, subject to the terms and conditions set forth in this Article III and elsewhere in this Agreement (including, but not limited to, Section 2.1 (g)). for the following measurements, in each case as applicable with respect to the Covered Aircraft depending on the measurements set forth on Schedules 2A, 2B and 2C with respect to the Covered Aircraft: (i) aircraft per month, (ii) block hours flown on completed Scheduled Flights, (iii) flight

hours flown on completed Scheduled Flights, (iv) the number of departures for completed Scheduled Flights, and (v) the number of aircraft in schedule, in each case in accordance with the rates set forth on Schedules 2A (with respect to the El75 Covered Aircraft and the El75LL Covered Aircraft), 2B (with respect to the CRJ700 Covered Aircraft) and 2C (with respect to the CRJ550 Covered Aircraft) (all such compensation, collectively, the "Compensation for Carrier Controlled Costs"), as applicable. Compensation for Carrier Controlled Costs shall be paid in accordance with Section 3.6. Notwithstanding anything to the contrary in this Agreement, the parties acknowledge and agree that, solely with respect to the Interim Period, the Compensation for Carrier Controlled Costs shall be pursuant to the rates set forth on Attachment 1 to the First Amendment."

1.6 Section 3.4(b) - Contractor Expenses. The third sentence of Section 3.4{b) is hereby amended to add the following proviso at the end of such sentence: *"provided* that the parties acknowledge and agree [***]

1.7 Section 3.6{b)(i)(J)- Reconciliation of Certain Compensation for Carrier Controlled Costs. Effective April I, 2020, Section 3.6(b)(i)(J) of the CPA is amended and restated in its entirety as follows:

"(J) In the event of any United Directed Cancelled Flights utilizing CRJ Covered Aircraft or E175LL Covered Aircraft in any calendar month not during the Interim Period, the reconciliation for such month shall include a payment by United to Contractor in an amount equal to the rates set forth in Schedule 2B for each United Directed Cancelled Flight"

1.8 Section 3.6(b)(ii) - Reconciliation of Pass-Through Costs. Effective [***], the CPA is hereby amended such that the following proviso will be added to Sections 3.6(b),{ii)(A)(I0) and (11) *"provided, however,* that United shall pay Contractor the dollar amount of such payment obligations no later than the later to occur of (i) the date that is [***] Business Day prior to the due date for such payment obligations and (ii) the date that is [***] Business Days following United's receipt of written notice of such payment obligations from Contractor."

1.9 Section 3.6{b){iii}- Reconciliation for Scheduled Block-Hours. Section 3.6{b){iii) of the CPA is amended and restated in its entirety as follows:

(iii) Reconciliation for Scheduled Block-Hours. With respect to any Final Monthly Schedule for any calendar month from time to time, with respect to each of the E175 Covered Aircraft, on the one hand, and the Bombardier Covered Aircraft, on the other hand, if the total number of scheduled block-hours for the applicable fleet in such Final Monthly Schedule (the "Total Monthly Scheduled Block Hours") is less than the Block-Hour Monthly Threshold (as defined below) for such fleet, then United shall pay Contractor the Block-Hour Adjustment Amount (as defined below) for such *fleet;* [***]*provided, however,* that, notwithstanding anything to the contrary in this Agreement (including in this Section 3.6(b)(iii)), United's payment obligation for Block-Hour Adjustment Amounts in respect of calendar months during the Interim Period shall not be due and payable until [***]. For the purposes of this Section 3.6(b)(iii), the following definitions shall apply:

"Block-Hour Adjustment Amount" - means, for any calendar month, the product of (x) the Block-Hour Monthly Threshold minus the Total Monthly Scheduled Block-Hours, multiplied by (y) as applicable, either (A) for any calendar month during the Interim Period, [***] or (B) for any calendar month that is not during the Interim Period, [***]; *provided* that the figure in the foregoing clause (B) shall be adjusted on June I of each calendar year as follows: the new figure, applicable beginning on June 1 of each calendar year, shall be equal to the figure in effect on the date immediately preceding June l of each calendar year multiplied by [***]*;provided further* that the Block-Hour Adjustment Amount shall be calculated separately for each of the El 75 Covered Aircraft, on the one hand, and the Bombardier Covered Aircraft, on the other hand; and provided further that, notwithstanding anything to the contrary in this Section 3.6(b)(iii), the Block-Hour Adjustment Amount for any fleet for any calendar month shall be reduced to the extent that the number of block-hours actually flown for such calendar month is less than the Block-Hour Monthly Threshold for such calendar month [***]:

If the Block-Hour Adjustment Amounts are as set forth below during the Interim Period,

[***]=[CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED]

Calendar Month	Block-Hour Adjustment Amount	
	Bombardier Covered Aircraft	E175 Covered Aircraft
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

then, with respect to the E175 Covered Aircraft, the Block-Hour Adjustment Amount will only be paid by United for the months of [***] and, with respect to the Bombardier Covered Aircraft, the Block-Hour Adjustment Amount will only be paid by United for the months of [***] and, as such, the aggregate Block-Hour Adjustment Amount payable by United will be equal to [***] (in respect of the E175 Covered Aircraft) *plus* [***] (in respect of the Bombardier Covered Aircraft)), and such amount will be due and payable [***]

For further illustrative purposes, the figures below would generate the figures in the table set forth above for April 2020:

El75 Covered Aircraft

- Average Scheduled Stage Length = [***]
- Available to Schedule Covered Aircraft= [***]
- Total Monthly Scheduled Block Hours= [***]
- Block Hour Monthly Threshold= Associated [***] Hours Per Day Per Available to Schedule Covered Aircraft [***] X Available to Schedule Aircraft [***]
- ERJ Block-Hour Adjustment Amount= Block Hour Monthly Threshold [***] - Scheduled Block Hours [***]

Bombardier Covered Aircraft

- Average Scheduled Stage Length = [***]
- Available to Schedule Covered Aircraft = [***]
- Total Monthly Scheduled Block Hours=[***]
- Block Hour Monthly Threshold= Associated Block Hours Per Day Per Available to Schedule Covered Aircraft [***]X Available to Schedule Aircraft [***]
- CRJ Block-Hour Adjustment Amount= Block Hour Monthly Threshold [***]- Scheduled Block Hours [***]

"Block-Hour Monthly Threshold" - means, with respect to any calendar month, the product obtained by multiplying (x) the product obtained by multiplying (I) the number of block-hours per day per Available to Schedule Covered Aircraft corresponding to the average stage length applicable to the Final Monthly Schedule for such calendar month, by (2) the total number of Available to Covered Aircraft applicable to the Final Monthly Schedule for such calendar month, by (y) the number of days in such calendar month; provided that the Block-Hour Monthly Threshold shall be calculated separately for each of the E175 Covered Aircraft, on the one hand, and the Bombardier Covered Aircraft, on the other hand; and provided further that the number of block-hours per day corresponding to a particular [***] for a particular fleet as referenced in the foregoing clause (x) shall be determined by applying the average scheduled stage length in the applicable Final Monthly Schedule to the table set forth below (subject to linear interpolation between the data points in such table).

[***]=[CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED]

Average Scheduled Stage Length	Block Hours Per Day Per Available to Schedule Covered Aircraft
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
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[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

1.10 Section 3.6Cf)-Payment Terms During Interim Period. Section 3.6 of the CPA is amended to add the following provision as a new Section 3.6{f): "Notwithstanding anything to the contrary in this Agreement, with respect to each calendar month during the Interim Period, the Prepayment for such mont and any reconciliation pursuant to Section 3.6(b) for such month shall both be calculated based upon the base compensation rates set forth on Attachment I to the First Amendment applicable to [***] (as such term is defined in Attachment l to the First Amendment) for such month."

1.11 Section 3.7- Government Assistance. The CPA is amended to add the following provision as a new Section 3.7:

"3.7 [***]

1.12 [***]

1.13 Exhibit A - Defined Terms. Exhibit A to the CPA is hereby amended to add new definitions as follows:

"CRJ Incentive Program Waiver Condition" - means, with respect to a calendar month, the number of block-hours per day per Available to Schedule CRJ Covered Aircraft is less than [***].

"ERJ Incentive Program Waiver Condition" - means, with respect to a calendar month, the number of block-hours per day per Available to Schedule ERJ Covered Aircraft is less than [***].

"First Amendment" means the First Amendment to this Agreement dated as of August_, 2020.

"Interim Period" - means the period beginning at 12:00 a.m. local time in Chicago, Illinois on April 1, 2020 and ending at 12:00 a.m. local time in Chicago, Illinois on October I, 2020.

SECTION 2. Miscellaneous.

This Amendment may be executed in counterparts, each of which is deemed an original hereof. The Parties shall become bound by this Amendment immediately upon execution hereof by each Party. Except as expressly amended in this Amendment, the CPA will remain in full force and effect. Notwithstanding anything to the contrary in this Amendment, the terms and provisions of this Amendment are intended solely for the benefit of the Parties, and it is not the intention of the Parties to confer third party beneficiary rights upon any other person. This Amendment (together with the attached exhibits) constitutes the entire agreement between the Parties, and supersedes any other agreements, representations, warranties, covenants, communications, or understandings, whether oral or written (including, but not limited to, e mail and other electronic correspondence), that may have been made or entered into by or between the Parties or any of their respective affiliates or agents relating in any way to the transactions contemplated by this Amendment.

[*Signature page follows]*

[***]=[CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED]

If Contractor is in agreement with the above, please indicate its agreement by having an authorized representative sign below in the space provided and return a signed copy of this Amendment to the undersigned.

Very truly yours,

UNITED AIRLINES, INC.

By: /s/ Sarah Murphy
Name: Sarah Murphy
Title: SVP - UAX

ACCEPTED AND AGREED:

MESA AIRLINES, IN C.

By: Mike Lotz
President and CFO

MESA AIR GROUP, INC.

By: Mike Lotz
President and CFO

[***]=[CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED]

ATTACHMENT 1

Labor Credit Adjusted Base Compensation Rates for Interim Period

Solely with respect to the Interim Period, Compensation for Carrier Controlled Costs shall be based exclusively on the rates set forth below, and United ' s payment obligations relating thereto shall be pursuant to the applicable provisions of the CPA (as amended by the First Amendment) . For the purposes of the table below, with respect to any calendar month during the Interim Period, "Average Monthly Utilization" for the applicable fleet shall be equal to the quotient obtained by dividing (A) the number of scheduled block hours set forth in the Final Monthly Schedule for such fleet for such month (excluding the block hours for any United Directed Cancelled Flights with respect to such Final Monthly Schedule), by (B) the number of Available to Schedule E175 Covered Aircraft or Available to Schedule CRJ Covered Aircraft (as applicable) .

		Average Monthly Utilization		
		[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]

[***]=[CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED]

*Certain confidential information contained in this agreement has been omitted because it (i) is not material and (ii) would be competitively harmful if publicly disclosed.

SECOND AMENDED AND RESTATED

CAPACITY PURCHASE AGREEMENT

AMONG

UNITED AIRLINES, INC.,

MESA AIRLINES, INC.

AND

MESA AIR GROUP, INC.

DATED AS OF NOVEMBER 4, 2020

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[***]=[CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY

SECOND AMENDED AND RESTATED
CAPACITY PURCHASE AGREEMENT

This Second Amended and Restated Capacity Purchase Agreement (this "Agreement"), dated as of November 4, 2020 is among United Airlines, Inc., a Delaware corporation ("United"), Mesa Airlines, Inc., a Nevada corporation ("Contractor"), and Mesa Air Group, Inc., a Nevada corporation ("Parent").

WHEREAS, the parties previously entered into that certain Amended and Restated Capacity Purchase Agreement, dated as of November 26, 2019 (as amended, the "Amended Agreement");

WHEREAS, Contractor desires to perform Contractor Services pursuant to the terms hereof, and United desires to engage Contractor to perform such services, *provided* that the performance of such services is guaranteed by Parent;

WHEREAS, the parties have previously entered into the Ancillary Agreements (as defined herein), in each case as an integral part of this Agreement; and

WHEREAS, the Amended Agreement is hereby amended and restated in its entirety.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and obligations hereinafter contained, the parties agree to:

ARTICLE I
DEFINITIONS

Capitalized terms used in this Agreement (including, unless otherwise defined therein, in the Schedules, Appendices and Exhibits to this Agreement) shall have the meanings set forth in Exhibit A hereto.

ARTICLE II
CAPACITY PURCHASE, SCHEDULES AND FARES

2.1 Capacity Purchase.

(a) Contractor shall present each Covered Aircraft for service under this Agreement on the Actual In-Service Date determined with respect to such aircraft pursuant to Table 1 in Schedule 1 (for the E175 Covered Aircraft, other than E175LL Covered Aircraft), the Actual In-Service Date set forth on Table 2 in Schedule 1 (for the CRJ700 Covered Aircraft), the E175LL Committed In-Service Date set forth on Table 4 in Schedule 1 (for the E175LL Covered Aircraft) or, if a CRJ550 Conversion Notice is delivered pursuant to Section 2.5, the CRJ550 Committed In-Service Date (for the CRJ550 Covered Aircraft), as the case may be, and for each day thereafter until the exit date set forth for such aircraft on the applicable table in Schedule 1 under the caption "Scheduled Exit Date", as such date may be extended pursuant to Section 10.2 hereof, in each case unless such aircraft is earlier withdrawn from the terms of this Agreement or this Agreement is earlier

terminated, and United agrees to purchase the capacity of each such Covered Aircraft for the period during which such Covered Aircraft is so presented for service, all under the terms and conditions set forth herein and for the consideration described in Article III. Subject to the terms and conditions of this Agreement, Contractor shall provide all of the capacity of the Covered Aircraft solely to United and use the Covered Aircraft solely to operate the Scheduled Flights and as otherwise expressly provided herein, including without limitation in Section 3.6(c)(v). All Covered Aircraft operated by Contractor in the provision of Regional Airline Services to United under this Agreement shall be painted and otherwise outfitted in the aircraft livery as set forth in Section 8 of Exhibit E hereto. Contractor will do all things necessary to cause and assure, and will cause and assure, that it will at all times be and remain in custody and control of the Covered Aircraft and all other aircraft and equipment of, or operated by, Contractor and used in the performance of Contractor Services, and United and its directors, officers, employees, and agents shall not, for any reason, be deemed to be in custody or control, or a bailee, of any such aircraft or equipment. Contractor represents that the provisions of this Agreement setting the schedule for Contractor to begin to provide Regional Airline Services, including those set forth above and in Schedules 1 and 1A, afford sufficient time for Contractor to be able to provide such services in a safe and reliable manner consistent with the requirements set forth in Article IV and Exhibit N and as otherwise required by this Agreement, including without limitation sufficient time for Contractor to obtain all certifications, permits, licenses, certificates, exemptions, approvals, plans and insurance required in order for it to provide Regional Airline Services and for Contractor to train its flight and cabin crews, maintenance personnel and other staff as necessary for the safe and reliable provision of Regional Airline Services. Contractor acknowledges that United is relying on this representation in connection with entering into this Agreement.

(b) Fares, Rules and Seat Inventory. United shall establish and publish all fares and related tariff rules for all seats on the Covered Aircraft. Contractor shall not publish any fares, tariffs, or related information for the Covered Aircraft. In addition, United shall have complete control over all seat inventory and inventory and revenue management decisions for the Covered Aircraft, including overbooking levels, discount seat levels and allocation of seats among various fare buckets.

(c) Flight Schedules. United shall, in its sole discretion, establish and publish all schedules for the Covered Aircraft (such scheduled flights, together with Charter Flights, referred to herein as "Scheduled Flights"), including determining the city-pairs served, frequencies, utilization and timing of scheduled arrivals and departures, and shall, in its sole discretion, make all determinations regarding the establishment and scheduling of any flights other than Scheduled Flights; *provided* that such schedules shall be subject to Reasonable Operating Constraints and Conditions and the provisions of this Section 2.1; and *provided further* that Contractor shall operate all Charter Flights in accordance with the provisions set forth on Exhibit P; and *provided further* that Scheduled Flights may include flights from a maintenance base to any Applicable Airport or from one Hub Airport to

another Hub Airport. United shall also be entitled, in its sole discretion and at any time prior to takeoff, to direct Contractor to delay or cancel a Scheduled Flight, including without limitation for delays and cancellations that are ATC or weather related, and Contractor shall take all necessary action to give effect to any such direction; *provided* that, other than with respect to any calendar month during the Interim Period, if United, following delivery of a Final Monthly Schedule for such calendar month, directs the cancellation of flights (each, a "United Directed Cancelled Flight" and collectively, the "United Directed Cancelled Flights") and that flight cancellation is coded in United's systems as a United initiated cancel then United shall pay Contractor in accordance with the rates set forth in Schedule 2A or 2B, as applicable, for each United Cancelled Flight, as if each such United Cancelled Flight had been operated as contemplated in the Final Monthly Schedule as the sole compensation for such flight. Except as otherwise provided in the last sentence of this Section 2.1(c), any Scheduled Flight canceled at United's direction shall be coded in accordance with United's standard practices as an Uncontrollable Cancellation for all purposes hereunder. Contractor shall be entitled to make such maintenance, ferry and repositioning flights as may be required to facilitate the proper maintenance of the Covered Aircraft or to accommodate the Scheduled Flights. At least sixty (60) calendar days prior to the first day of each month to which a proposed Final Monthly Schedule relates, United shall present a planned flight schedule for such month, together with a proposed Final Monthly Schedule for the following two (2) months (the "Initial Proposed Monthly Schedule"). In addition, United may from time to time submit to Contractor a schedule of proposed block hours for future periods and request confirmation from Contractor as to its availability to operate the Covered Aircraft for such number of block hours, and Contractor shall respond in a timely manner to any such request (it being understood that, notwithstanding any such request or response, the Scheduled Flights shall operate in accordance with the applicable Final Monthly Schedule). United shall review and consider any changes to the planned flight schedule for the Covered Aircraft, including the Initial Proposed Monthly Schedule, suggested by Contractor. Not later than forty-five (45) calendar days prior to the beginning of the calendar month to which a proposed Final Monthly Schedule relates, United will deliver to Contractor the Final Monthly Schedule; *provided, however,* that with respect to any calendar month in the Interim Period, notwithstanding anything to the contrary in the foregoing, United shall have the right to deliver the Final Monthly Schedule for such month no later than thirty calendar days prior to the beginning of such month. Following such delivery of the Final Monthly Schedule, however, United may make such adjustments to such Final Monthly Schedule as it deems appropriate (subject to Reasonable Operating Constraints and Conditions); *provided* that such adjustments by United shall not require more flight crew resources to operate the Final Monthly Schedule, based on reasonable flight crew requirements, than the flight crew resources that would have been necessary to operate the Initial Proposed Monthly Schedule. In addition, if, after such delivery of the Final Monthly Schedule, United decides to adjust the Final Monthly Schedule by removing a flight either (x) at Contractor's request or (y) because United reasonably determines, in good faith, that (I) (after having

consulted directly with a designated point of contact with Contractor in an effort to resolve any concerns regarding Contractor's ability to perform) such flight would have resulted in a Controllable Cancellation and (II) Contractor has not acted in accordance with, or complied with United Express's standard and/or customary operating policy and/or past practices in promptly and accurately, to the best of its knowledge, notifying United of Contractor's ability to perform such flight, then, in each case of clause (x) and (y), notwithstanding the removal of such flight from the Final Monthly Schedule, such flight shall be deemed to have resulted in a [***] for all purposes hereunder.

(d) Spare Aircraft. Notwithstanding anything to the contrary contained in this Section 2.1 but subject to the provisions below in this Section 2.1(d), at any time from time to time, (A) with respect to E175 Covered Aircraft, Contractor shall maintain the number of spare regional jet aircraft equal to the quotient obtained by dividing (w) the sum of the number E175 Covered Aircraft at such time by (x) [***], and (B) with respect to CRJ Covered Aircraft, Contractor shall maintain the number of spare regional jet aircraft equal to the quotient obtained by dividing (y) the sum of the number CRJ Covered Aircraft at such time by (z) [***], and, in each case of the foregoing clauses (A) and (B), rounding the quotient to the nearest whole number; *provided* that a quotient ending in [***] shall be rounded down; and *provided further* that, at any time at which more than [***] Covered Aircraft are in service and Contractor bases the Covered Aircraft at [***] or more Hub Airports, then, for each Hub Airport, Contractor shall be allocated the following spare regional jet aircraft in such Hub Airport: (i) [***] spare regional jet aircraft with either an "E175" or "E175LL" aircraft type, if Contractor operates E175 Covered Aircraft or E175LL Covered Aircraft at such Hub Airport, and (ii) [***] spare regional jet aircraft with either a "CRJ700" or "CRJ550" aircraft type, if Contractor operates CRJ700 Covered Aircraft or CRJ550 Covered Aircraft at such Hub Airport. The aircraft constituting spare aircraft in accordance with this Section 2.1 at any given time shall be, collectively, the "Spare Aircraft." Contractor shall select the specific aircraft that shall constitute the Spare Aircraft, in a proportion that complies with United's instructions, and Contractor shall be entitled to use the Spare Aircraft in Contractor's reasonable discretion to replace another regional jet aircraft in the operation of a flight scheduled in the Final Monthly Schedule; *provided, however*, that, notwithstanding anything to the contrary in this Agreement, without United's prior written consent or unless as directed otherwise by United in writing, (x) Contractor shall not operate a Spare Aircraft for a Scheduled Flight if such Spare Aircraft's aircraft type is not identical to the aircraft type for the aircraft originally scheduled to operate such Scheduled Flight, and (y) Contractor shall not operate an E175LL Spare Aircraft for a Scheduled Flight originally scheduled for an E175 Covered Aircraft. Notwithstanding anything in the preceding sentence to the contrary, if Contractor and United mutually agree in writing that Spare Aircraft has not been evenly distributed throughout the network flown by Contractor (i.e., if all Spares are E175LL Spare Aircraft), then Contractor may operate an E175LL Spare Aircraft for a Scheduled Flight originally scheduled for an E175 Covered Aircraft. In addition, subject to applicable Reasonable Operating Constraints and Conditions, Contractor shall use such Spare Aircraft to

operate flights as directed by United (unless such Spare Aircraft was, prior to such direction by United, already scheduled as permitted by the immediately preceding sentence), including flights originally scheduled to be operated by United or other United service providers; *provided* that if a Scheduled Flight is delayed or cancelled due to the unavailability of a Spare Aircraft which unavailability would not have occurred but for Contractor's use of such Spare Aircraft at United's direction (given over Contractor's expressly stated objection) for another United service provider pursuant to this sentence, then, each such delay or cancellation occurring within a reasonable period after such unavailability shall be deemed an Uncontrollable Delay or an Uncontrollable Cancellation, as the case may be, for all purposes hereunder.

(e) Non-Comp Aircraft. Notwithstanding any provision of this Section 2.1 or any other provision of this Agreement to the contrary, United will not at any time include the then-current number of Non-Comp Aircraft at such time in its scheduling of lines of flying for Scheduled Flights. The number of Non-Comp Aircraft at any time shall be determined in accordance with the provisions of Section 4.27. United shall be required to make in respect of each Non-Comp Aircraft all payments required by this Agreement in respect of Covered Aircraft, other than the "[*]" amount set forth on Schedules 2A, 2B and 2C.

(f) Interim Period Communication. During the Interim Period, United shall use commercially reasonable efforts to provide reasonable advance notice to Contractor of material deviations to flight schedules that United, in its sole discretion, expects to be implemented for the remainder of the Interim Period; *provided* that United's failure to provide such notice shall in no way limit United's discretion to establish all flight schedules for the Covered Aircraft.

2.2 Revenues.

Contractor and Parent acknowledge and agree that all revenues resulting from the sale and issuance of passenger tickets associated with the operation of the Covered Aircraft and all other sources of revenue associated with the operation of the Covered Aircraft or the provision of Regional Airline Services, in each case following the Effective Date and during the Term, including without limitation revenues relating to Charter Flights, the transportation of cargo or mail, the sale of food, beverages and onboard entertainment, checked baggage fees, duty-free services, exterior and interior advertising and guaranteed or incentive payments from airport or governmental authorities, civic associations or other third parties in connection with scheduling flights to such airport or locality, are the sole property of and shall be retained by United (or, if received by Contractor or Parent, shall be promptly remitted to United, free and clear of claims of any third party arising by, through or under Contractor or Parent or their affiliates). Contractor agrees that it shall reasonably cooperate with United so as to permit United to receive all revenues of the type described above.

2.3 Pass Travel.

All pass travel and other non-revenue travel on any Scheduled Flight shall be administered in accordance with Exhibit C.

2.4 Removal Events.

(a) With respect to CRJ700 Covered Aircraft, at any time prior to November 30, 2019, United shall have the right, in its sole discretion, to remove from this Agreement any or all of the CRJ700 Covered Aircraft as provided in this Section 2.4 by delivering a written notice (a "2.4(a) Notice") to Contractor, which 2.4(a) Notice shall specify the number of CRJ700 Covered Aircraft to be removed (each such removed aircraft, a "CRJ700 Removed Aircraft") and a Termination Date for each such aircraft not earlier than ninety (90) days following the date of such 2.4(a) Notice. Contractor shall have the right to designate which CRJ700 Covered Aircraft shall be removed pursuant to a 2.4(a) Notice by providing written notice of the same to United within thirty (30) days following receipt of a 2.4(a) Notice. For clarification purposes, CRJ700 Covered Aircraft that are not the subject of a 2.4(a) Notice shall remain subject to the terms of this Agreement (including this Section 2.4). Subject to Section 8.4(f), following the delivery of a 2.4(a) Notice, the provisions of Section 8.3(b)(i) and (ii) shall apply to each CRJ700 Removed Aircraft and, at end of the applicable Wind-Down Period for such aircraft, (i) the provisions of Section 10.1 shall apply to each CRJ700 Removed Aircraft that is owned or leased by Contractor, other than any such aircraft leased from United, except that United must irrevocably exercise the Call Option with respect to such aircraft and (ii) [***] Notwithstanding anything in this Section 2.4(a) (or applicable reference to Section 10.1) to the contrary, the determination of "Fair Market Value" with respect to CRJ700 Removed Aircraft shall be based solely on the referenced appraisals (and not Outstanding Debt Balance), and United shall not be entitled to receive copies of any lease agreements and/or financing and related agreements referenced in Section 10.1(b)(iv). Further, if, with respect to [***] CRJ700 Covered Aircraft currently leased by Contractor as of the date of this Agreement, if both (A) such aircraft becomes a CRJ700 Removed Aircraft and (B) the purchase price for such aircraft (as set forth in the definitive purchase agreement for such aircraft by and between Contractor and [***] exceeds the Fair Market Value of such aircraft as of the date of delivery of the applicable 2.4(a) Notice (determined in accordance with the preceding sentence), then United and Contractor shall enter into a sublease in accordance with the applicable provisions of Section 10.1(b)(vi), *mutatis mutandis*. Notwithstanding anything in this Section 2.4(a) to the contrary, if United elects to purchase the CRJ700 Covered Aircraft pursuant to Section 2.5(a) of this Agreement (or is deemed to have made such purchase election pursuant the last sentence of Section 2.5(a)), United shall be obligated to purchase all, and not less than all, of the CRJ700 Covered Aircraft.

(b) (i)With respect to United Owned E175 Covered Aircraft, at any time and from time to time, United shall have the right, in its sole discretion, to remove from this Agreement any or all of such aircraft as provided in this Section 2.4(b)(i) by delivering a revocable notice (a "2.4(b)(i) Notice") to Contractor, which 2.4(b)(i) Notice shall specify the number of aircraft to be removed (each such removed aircraft, an "E175 Removed Aircraft") and a Termination Date not earlier than

ninety (90) days following the date of such 2.4(b)(i) Notice; *provided* that, with respect to any E175 Removed Aircraft subject to a 2.4(b)(i) Notice, the applicable 2.4(b)(i) Notice will cease to be revocable from and after the later to occur of (x) the Termination Date specified in such notice and (y) the date on which such aircraft ceases to be operated in scheduled service pursuant to the capacity purchase provisions of this Agreement. For clarification purposes, United Owned E175 Covered Aircraft that are not the subject of a 2.4(b)(i) Notice shall remain subject to the terms of this Agreement (including this Section 2.4). Subject to Section 8.4(f), following the delivery of a 2.4(b)(i) Notice, the provisions of Section 8.3(b)(i) and (ii) shall apply to each E175 Removed Aircraft and, at the end of the applicable Wind-Down Period for such aircraft, [***] for each such aircraft. United shall have the right to designate which United Owned E175 Covered Aircraft shall be removed pursuant to a 2.4(b)(i) Notice by providing written notice of the same to Contractor within thirty (30) days following delivery of the 2.4(b)(i) Notice to Contractor.

(ii) With respect to Contractor Owned E175 Covered Aircraft, at any time and from time to time, United shall have the right, in its sole discretion, to remove from this Agreement any or all of such aircraft as provided in this Section 2.4(b)(ii) by delivering a notice (a "2.4(b)(ii) Notice") to Contractor, which 2.4(b)(ii) Notice shall specify the specific aircraft to be removed (each such removed aircraft, an "Contractor Owned E175 Removed Aircraft") and a Termination Date for each such aircraft not earlier than [***] days following the date of such 2.4(b)(ii) Notice. Contractor shall have the right to designate which Contractor Owned E175 Covered Aircraft shall be removed pursuant to a 2.4(b)(ii) Notice by providing written notice of the same to United within thirty (30) days following receipt of a 2.4(b)(ii) Notice. For clarification purposes, Contractor Owned E175 Covered Aircraft that are not the subject of a 2.4(b)(ii) Notice shall remain subject to the terms of this Agreement (including this Section 2.4). Subject to Section 8.4(f), following the delivery of a 2.4(b)(ii) Notice, the provisions of Section 8.3(b)(i) and (ii) shall apply to each Contractor Owned E175 Removed Aircraft and, at the end of the applicable Wind-Down Period for such aircraft, (i) the provisions of Section 10.1 shall apply to each Contractor Owned E175 Removed Aircraft that is owned or leased by Contractor, other than any such aircraft leased from United, except that United must irrevocably exercise the Call Option with respect to such aircraft, (ii) [***] relating to each Contractor Owned E175 Removed Aircraft and (iii) [***] for each Contractor Owned E175 Removed Aircraft; *provided* that, notwithstanding clause (i) above, Contractor shall have the right to retain, and United shall then not have the right or obligation to acquire, any or all Contractor Owned E175 Removed Aircraft upon written notice by Contractor to United exercising such right to retain within thirty (30) days of Contractor's receipt of the 2.4(b)(ii) Notice; *provided further* that the specific Contractor Owned E175 Removed Aircraft retained by Contractor, if any, shall be those aircraft with the latest Termination Dates as set forth in the relevant 2.4(b)(ii) Notices.

Notwithstanding anything to the contrary in this Agreement, (i) any 2.4(b)(ii) Notice given by United with respect to the EETC Aircraft must be given with respect to all of the EETC Aircraft and (ii) the provisions of clause (i) and the two provisos of the immediately preceding sentence shall not apply to any 2.4(b)(ii) Notice with respect to the EETC Aircraft or any Secured Loan Aircraft.

(c)

(i) Without limiting, and in addition to, the other rights set forth in Section 2.4(c), with respect to each E175LL Covered Aircraft, at any time from time to time following the [***] anniversary of the Actual In-Service Date set forth on Table 4 to Schedule 1 of such aircraft, United shall have the right, in its sole discretion, to remove from this Agreement such aircraft (but United shall have the right to remove less than all E175LL Covered Aircraft) as provided in this Section 2.4(c)(i) by delivering a notice (a "2.4(c)(i) Notice") to Contractor, which 2.4(c)(i) Notice shall specify the number of aircraft to be removed (each such removed aircraft, an "E175LL Removed Aircraft") and a Termination Date not earlier than [***] the date of such 2.4(c)(i) Notice. United shall have sole discretion to designate which E175LL Covered Aircraft shall be removed pursuant to a 2.4(c)(i) Notice. For clarification purposes, E175LL Covered Aircraft that are not the subject of a 2.4(c)(i) Notice shall remain subject to the terms of this Agreement (including this Section 2.4). Subject to Section 8.4(f), following the delivery of a 2.4(c)(i) Notice, the provisions of Section 8.3(b)(i) and (ii) shall apply to each E175LL Removed Aircraft, and, at the end of the applicable Wind-Down Period for such aircraft, [***]

(ii) Without limiting, and in addition to, the other rights set forth in Section 2.4(c), with respect to each E175LL Covered Aircraft, at any time from time to time from and after the [***] anniversary of the Actual In-Service Date set forth on Table 4 to Schedule 1 of such aircraft, United shall have the right, exercisable in its sole discretion by delivery of a written notice to Contractor (an "E175LL Termination Notice"), to remove from this Agreement such aircraft (but United shall have the right to remove less than all E175LL Covered Aircraft), which E175LL Termination Notice shall specify the number of aircraft to be removed and a Termination Date not earlier than [***] days following the date of such E175LL Termination Notice. [***]

(iii) Without limiting, and in addition to, the other rights set forth in this Section 2.4(c), with respect to each E175LL Covered Aircraft that is owned by United or for which United is the head lessee, from and after the final day of any month in which Contractor's Liquidity (as defined below) is less than [***] and until the [***] day thereafter (provided, that, in the event of any good faith dispute between the parties regarding the accuracy of a Liquidity Notice (as defined below), such deadline shall be extended until the

resolution of such dispute), United shall have the right, exercisable in its sole discretion by delivery of a written notice to Contractor (an "E175LL Liquidity Termination Notice") to remove from this Agreement such aircraft (but United shall have the right to remove less than all E175LL Covered Aircraft), which E175LL Liquidity Termination Notice shall specify the number of aircraft to be removed and a Termination Date not earlier than [***] days following the date of such E175LL Liquidity Termination Notice. As used herein, the term "Liquidity" means the amount of cash and cash equivalents of Contractor determined on a consolidated basis in accordance with GAAP. In furtherance of the foregoing, and in addition to Contractor's disclosure obligations set forth in Section 3.5, no later than the [***] day following each calendar month, Contractor shall deliver to United a good faith written certification, signed by Contractor's chief financial officer (each, a "Liquidity Notice"), of its Liquidity, together with reasonable supporting documentation. United shall have the right to dispute, in good faith, the contents of each such Liquidity Notice. [***]

(d) If United delivers a CRJ550 Conversion Notice pursuant to Section 2.5, then, with respect to each CRJ550 Covered Aircraft, at any time and from time to time, United shall have the right, in its sole discretion, to remove from this Agreement such aircraft as provided in this Section 2.4(d) by delivering a notice (a "2.4(d) Notice") to Contractor, which 2.4(d) Notice shall specify the number of aircraft to be removed (each such removed aircraft, a "CRJ550 Removed Aircraft") and a Termination Date not earlier than ninety (90) days following the date of such 2.4(d) Notice. Contractor shall have the right to designate which CRJ550 Covered Aircraft shall be removed pursuant to a 2.4(d) Notice by providing written notice of the same to United within thirty (30) days following receipt of a 2.4(d) Notice. For clarification purposes, CRJ550 Covered Aircraft that are not the subject of a 2.4(d) Notice shall remain subject to the terms of this Agreement (including this Section 2.4). Subject to Section 8.4(f), following the delivery of a 2.4(d) Notice that is delivered by United, the provisions of Section 8.3(b)(i) and (ii) shall apply to such CRJ550 Removed Aircraft, and (A) the provisions of Section 10.1 shall apply to such CRJ550 Removed Aircraft that is owned or leased by Contractor except that United must irrevocably exercise the Call Option with respect to such aircraft and (B) no later than the tenth Business Day following the date on which a CRJ550 Removed Aircraft ceases to be operated in scheduled service pursuant to the capacity purchase provisions of this Agreement, [***]

2.5 CRJ Aircraft Election.

(a) *Delivery of Notice.* No later than [***], United shall deliver written notice to Contractor electing to require Contractor to do one of the following with respect to all of the CRJ700 Covered Aircraft: (i) to convert all of the CRJ700 Covered Aircraft (the "Replaced CRJ Covered Aircraft") into newly certified CRJ550 Covered Aircraft, and to operate such aircraft in accordance with the provisions of Section 2.5(b) and the other applicable provisions of this Agreement (such notice

electing this clause (i), a "CRJ550 Conversion Notice", which notice shall contain a "Transition Exit Date" identifying, with respect to each Replaced CRJ Covered Aircraft, the anticipated withdrawal date from operations under this Agreement as a CRJ700 Covered Aircraft), (ii) to lease all of the CRJ700 Covered Aircraft to a third party regional airline service provider (the "CRJ Third Party Lessee") designated in such notice by United in its sole discretion in accordance with the provisions of Section 2.5(c) (such notice electing this clause (ii), a "CRJ Lease Notice") or (iii) to sell to United all of the CRJ700 Covered Aircraft in accordance with the provisions of Section 10.1 (such notice electing this clause (iii), a "CRJ Purchase Notice"). If United does not deliver any such notice by [***], then United shall be deemed to have delivered a CRJ Purchase Notice. If United delivers a CRJ Lease Notice and the consents required by Section 2.5(c) have not been obtained within 60 days following delivery of such CRJ Lease Notice (the "Consent Period"), then United shall have 30 days following the end of the Consent Period to deliver (i) a CRJ550 Conversion Notice or (ii) a CRJ Purchase Notice; *provided* that, if United does not deliver a notice by such date, then United shall be deemed to have delivered a CRJ Purchase Notice.

(b) *CRJ550 Conversion Notice.* If United delivers a CRJ550 Conversion Notice, then the following provisions shall apply:

(i) With respect to a Replaced CRJ Covered Aircraft, (A) from and after the time at which a Replaced CRJ Covered Aircraft exits scheduled service for United as a CRJ700 Covered Aircraft, such aircraft shall no longer be operated for United as a CRJ700 Covered Aircraft, and (B) commencing as promptly as practicable, Contractor shall take all actions necessary to cause the wind-down of such aircraft and the introduction of such aircraft as a CRJ550 Covered Aircraft (the "Transition"), each in accordance with a mutually agreed upon schedule (subject to reasonable adjustments by United from time to time), it being understood that such schedule shall provide that each CRJ550 Covered Aircraft will be in-service as soon as practicable, and use commercially reasonable efforts to place such Aircraft in-service within [***] days following the "Transition Exit Date" for such aircraft set forth in the CRJ550 Conversion Notice (such [***] day following the "Transition Exit Date", the "CRJ550 Committed In-Service Date", and the aggregate period from and after the "Transition Exit Date" for a CRJ700 Covered Aircraft until the Actual In-Service Date pursuant to such mutually agreed schedule, the "Estimated Idle Aircraft Time").

(ii) Contractor shall procure services from third parties to obtain certification of the CRJ550 Covered Aircraft with a "CRJ-550" aircraft type and to configure such aircraft in a 50-seat configuration; *provided* that the final configuration of all CRJ550 Covered Aircraft will be subject to United's prior written approval. Provided that both of the following two conditions precedent have been satisfied: (A) neither Contractor nor Parent is in material breach of this Agreement and (B) [***]

(iii) For each Replaced CRJ Covered Aircraft that is subject to a CRJ550 Conversion Notice, [***]

(iv) Contractor and Parent shall coordinate the Transition with United in accordance with the applicable requirements of United's collective bargaining agreements with the Air Line Pilots Association, the Association of Flight Attendants and any other union of United's employees.

(v) With respect to each CRJ550 Covered Aircraft, from and after the Actual In-Service Date of such aircraft, such aircraft shall be operated by Contractor under this Agreement for the term set forth on Table 5 to Schedule 1 with respect to such aircraft, and pursuant to the payment terms set forth on Schedule 2C with respect to such aircraft.

(c) *CRJ Lease Notice*. If United delivers a CRJ Lease Notice, then Contractor shall be required, subject to any consents required in order to effectuate the provisions set forth in this Section 2.5(c) (as well as the exercise of rights and enforcement of obligations thereunder) under applicable financing or lease documentation relating to the relevant aircraft, to lease, in an "AS-IS, WHERE-IS" condition as promptly as practicable pursuant to a form of lease (or sublease in the case of currently leased aircraft) mutually agreed by United and Contractor, the CRJ700 Covered Aircraft subject to the CRJ Lease Notice to the CRJ Third Party Lessee for a term of [***]; *provided* that Contractor shall use commercially reasonable efforts to obtain any consents required to effectuate the provisions set forth in this Section 2.5(c) (as well as the exercise of rights and enforcement of obligations thereunder) (including amending any agreements, providing assurances and taking any other commercially reasonable actions) and, so long as United [***] shall also take all other actions in order to obtain such required consents; *provided*, *further*, that, with respect to each leased CRJ700 Covered Aircraft, such lease will also:

(i) [***]

(ii) provide that, if any portion of the Rent Obligation (but not any other obligation) is not timely paid by the CRJ Third Party Lessee, then United shall be obligated to pay such portion to Contractor (it being understood that Contractor shall in no event be entitled to duplicate payments, and that Contractor will remit to the appropriate person any excess amounts paid to it under any such lease) reasonably promptly following United's receipt of good faith notice of non-payment from Contractor, which notice must contain reasonably sufficient supporting detail identifying the amount and basis of the unmet Rent Obligation;

(iii) provide that, in addition to the Rent Obligation, the CRJ Third Party Lessee shall pay certain charges related to certain maintenance events, in each case in accordance with the following provisions of this Section 2.5(c)(iii) (all payments required to be paid by the CRJ Third Party Lessee being "Supplemental Rent"):

(A) no later than 10 calendar days following the end of each month, CRJ Third Party Lessee shall pay Supplemental Rent for each of the maintenance categories set forth in the table below, at the rates corresponding to such maintenance categories as set forth in the table below, with the respective payment amounts for Supplemental Rent being calculated based on applying the applicable rate set forth in the table below to the applicable unit of measure set forth in the table below:

Maintenance Category	**Unit of Measure**	**Rate**
Airframe C - Check	A/C Flight Hour	[***]
APU Restoration	A/C Flight Hour	[***]
Main Landing Gear Assembly Restoration (each assembly)	A/C Cycle	[***] per assembly
Nose Landing Gear Assembly Restoration	A/C Cycle	[***]
Engine Restoration (each engine)	Engine Flight Hour	[***] per engine
Engine LLP Replacement (each engine)	Engine Cycle	[***] per engine

provided that (v) the Supplemental Rent rates (for CRJ Third Party Lessee) shall be adjusted annually by the applicable Annual Supplemental Rent Adjustment (as defined below) commencing on the January 1, 2021 and on January 1 of each year thereafter, (w) Supplemental Rent related to airframes will be calculated using aircraft flight hours, (x) Supplemental Rent related to APUs will be calculated using aircraft flight hours, (y) Supplemental Rent related to landing gear will be calculated using aircraft cycles, and (z) Supplemental Rent related to engines will be driven by the engine flight hours and engine cycles accrued on the engines associated with the CRJ700 Covered Aircraft under the applicable aircraft lease; and *provided further*, that Supplemental Rent related to each APU and each landing gear assembly will be attributable to a generic APU or landing gear assembly position for such leased CRJ700 Covered Aircraft, respectively, regardless of the individual identity of any such APU or landing gear assembly then-currently installed on such aircraft.

"Annual Supplemental Rent Adjustment" - means

(1) [***]

(2) [***]

(3) [***]

(4) [***]

(B) No later than 10 days following the completion of the first Qualifying Event during the lease term and reasonably satisfactory evidence of payment therefor by CRJ Third Party Lessee, with respect to each airframe, APU, landing gear assembly and engine, Contractor shall pay the First Event Settlement Amount to the CRJ Third Party Lessee.

"Qualifying Event" - means,

(1) with respect to an airframe C-check, the completion of the airframe maintenance tasks included in Contractor's 'C-Check' maintenance package for CRJ700 aircraft, as specified in Contractor's FAA approved maintenance program; *provided, however,* that, if any such maintenance tasks are not all completed during the same maintenance event (collectively, the "Uncompleted Maintenance Tasks"), then, notwithstanding the completion of such maintenance event, such Qualifying Event will not be deemed to be completed for the purposes of this Agreement until the first point in time at which all of the Uncompleted Maintenance Tasks have been completed; and *provided further* that the determination of the total costs associated with a Qualifying Event will include all of the costs associated with the performance of the tasks necessary to complete such Qualifying Event, regardless of whether such tasks were performed during a single maintenance event or over the course of multiple maintenance events;

(2) with respect to an APU restoration, the completion of an APU overhaul with a workscope that meets the minimum standard for an overhaul, as defined in the APU manufacturer's applicable maintenance manual or other applicable publication, *provided* that for purposes of determining the quantity of or settlement amounts described in this Section 2.5(c)(iii) relating to Qualifying Events for the APU, such APU will be deemed to be whichever APU is installed on such aircraft at the time of such event;

(3) with respect to a main or nose landing gear assembly restoration, the overhaul of such main landing gear assembly in accordance with the applicable aircraft maintenance manual *provided* that for purposes of determining the quantity of or settlement amounts described in this Section 2.5(c)(iii) relating to Qualifying Events for each landing gear assembly (nose, main-right and main-left), such landing gear assembly will be deemed to be whichever landing gear assembly is installed on such aircraft at the time of such event;

(4) with respect to an engine restoration, the completion of an engine overhaul with a workscope that meets the minimum standard for a performance restoration, as defined in the engine manufacturer's workscope planning guide or other applicable publication; and

(5) with respect to engine LLP replacement, the complete replacement of all of the life limited parts installed on the applicable engine; *provided* that the Qualifying Event related to LLP replacement for an engine will not be deemed to have been completed until the first point in time at which there are no LLPs on such engine that have not been replaced; and *provided further* that the determination of the total costs associated with such a Qualifying Event will include all of the costs associated with the replacement of LLPs, regardless if such LLP replacements occur during a single maintenance event or over the course of multiple maintenance events.

"First Event Settlement Amount" – means, with respect to each maintenance category described in the table above, the following amount:

[***]

Where:

[***]

"Lessor Time" = [***]

"Total Time" = [***]

"SR" = the amount of Supplemental Rent attributable to such airframe, APU, landing gear assembly or engine that has been paid by CRJ Third Party Lessee.

(C) From and after the completion of the first Qualifying Event during the lease term, no later than [***] days following the completion of each subsequent Qualifying Event and reasonably satisfactory evidence of payment therefore by CRJ Third Party Lessee, with respect to each airframe, APU, landing gear assembly and engine, Contractor shall pay to the CRJ Third Party Lessee the amount of Supplemental Rent attributable to such airframe, APU, landing gear assembly or engine in the same manner set forth in clause (A) above.

(iv) provide that, prior to performing any Qualifying Event, CRJ Third Party Lessee shall submit to Contractor for approval the relevant workscope, for such Qualifying Event; *provided* that (x) Contractor's approval shall not be unreasonably withheld or delayed, and (y) Contractor shall be entitled, but not obligated, to observe the performance of such maintenance;

(v) [***]

(vi) provide that, with respect to aircraft engines, in lieu of paying the First Event Settlement Amount, Contractor will have the right, exercisable by delivery of written notice (an "Engine Swap Notice") to CRJ Third Party Lessee no later than [***] calendar days following the date on which Contractor is notified by CRJ Third Party Lessee of CRJ Third Party Lessee's intent to conduct, or to cause to be conducted, a performance restoration on such engine, to deliver to CRJ Third Party Lessee an aircraft engine to replace the aircraft engine that is due for the shop visit that would otherwise constitute a Qualifying Event; *provided* that, if Contractor delivers an Engine Swap Notice with respect to any aircraft engine, then the following provisions will apply:

(A) such replacement engine must be delivered promptly following the delivery of such notice (but in no event later than [***] days thereafter),

(B) such replacement engine must have both (x) the same or better value and utility as the engine being replaced (without regard to the current state of repair of the engine being replaced) and (y) at least [***] cycles estimated to remain until the next performance restoration,

(C) [***] (without any obligation of Contractor to remit any portion thereof to CRJ Third Party Lessee),

(D) from and after the delivery of such replacement engine, (x) Contractor will be responsible for all maintenance events relating to such replacement engine that would otherwise meet the requirements necessary to constitute a Qualifying Event with respect to such engine, (y) Contractor will be responsible for providing all replacement engine LLPs with respect to such replacement engine,

and (z) CRJ Third Party Lessee's only obligation with respect to such replacement engine will be to pay Supplemental Rent in respect of such replacement engine.

(vii) provide that, with respect to engine LLPs, in lieu of paying the [***], Contractor will have the right, exercisable by delivery of written notice (an "LLP Swap Notice") to CRJ Third Party Lessee no later than [***] calendar days following the date on which Contractor is notified by CRJ Third Party Lessee of CRJ Third Party Lessee's intent to conduct, or to cause to be conducted, a performance restoration on such engine LLP, to deliver to CRJ Third Party Lessee an engine LLP to replace the engine LLP that is due for the shop visit that would otherwise constitute a Qualifying Event; [***]

(A) such replacement engine LLP must be delivered promptly following the delivery of such notice (but in no event later than [***] calendar days thereafter),

(B) such replacement engine LLP must have at least a number of cycles remaining equal to the lesser of (x) [***], and (y) a number of cycles reasonably projected to be flown for the period of the remainder of the lease term *plus* an additional [***] months,

(C) all payments of Supplemental Rent made by CRJ Third Party Lessee in respect of the replaced engine LLP shall remain the property of Contractor (without any obligation of Contractor to remit any portion thereof to CRJ Third Party Lessee),

(D) from and after the delivery of such replacement engine LLP, (x) Contractor will be responsible for all maintenance events relating to such replacement engine LLP that are necessary components of the next Qualifying Event, and (y) CRJ Third Party Lessee's only obligation with respect to such replacement engine LLP will be to pay Supplemental Rent in respect of such replacement engine.

(viii) provide that CRJ Third Party Lessee and not Contractor shall be responsible for any difference between the actual cost of any Qualifying Event (even if such Qualifying Event is the first Qualifying Event during the Lease Term) and the amounts contributed by Contractor as either First Event Settlement Amount (if applicable) and the amount of Supplemental Rent available to CRJ Third Party Lessee for any such Qualifying Event pursuant to the terms of this Agreement; and

(ix) provide United the right to purchase any CRJ700 Covered Aircraft subject to the lease in accordance with the provisions of Section 10.1.

(d) United's Exercise of the CRJ Lease Option. The parties acknowledge and agree that, on [***], United delivered a valid CRJ Lease Notice to Contractor, and that, as of the date of this Agreement, Contractor is in negotiations with the CRJ Third Party Lessee for the execution and delivery of one or more leases for the CRJ700 Covered Aircraft. In connection therewith, the parties have amended Schedule 1 to this Agreement (as reflected in this Second and Amended and Restated Capacity Purchase Agreement) to reflect the removal of the CRJ700 Covered Aircraft from the capacity purchase provisions of this Agreement. For each CRJ700 Covered Aircraft, from and after the "CRJ Scheduled Exit Date" for such aircraft as set forth on Table 3 to Schedule 1, (x) [***]

ARTICLE III
CONTRACTOR COMPENSATION

For and in consideration of the services to be provided by Contractor pursuant to the terms and conditions of this Agreement, and subject to the terms and conditions set forth herein, (i) United shall be responsible for (a) paying to Contractor Compensation for Carrier Controlled Costs (as adjusted by the Monthly Incentive Adjustments), (b) reimbursing Contractor for the Pass-Through Costs, and (c) incurring directly the expenses described in Section 3.4(a), and United shall not be responsible for any other costs or expenses incurred by Contractor hereunder, and (ii) Contractor shall be responsible for incurring directly the expenses described in Section 3.4(b), in each case as more specifically provided below in this Article III, such amounts to be paid and reconciled as set forth in Section 3.6 below.

3.1 Compensation for Carrier Controlled Costs.

For and in consideration of the services to be provided by Contractor pursuant to the terms and conditions of this Agreement, United shall make payments to Contractor, subject to the terms and conditions set forth in this Article III and elsewhere in this Agreement (including, but not limited to, Section 2.1(e)), for the following measurements, in each case as applicable with respect to the Covered Aircraft depending on the measurements set forth on Schedules 2A, 2B and 2C with respect to the Covered Aircraft: (i) aircraft per month, (ii) block hours flown on completed Scheduled Flights, (iii) flight hours flown on completed Scheduled Flights, (iv) the number of departures for completed Scheduled Flights, and (v) the number of aircraft in schedule, in each case in accordance with the rates set forth on Schedules 2A (with respect to the E175 Covered Aircraft and the E175LL Covered Aircraft), 2B (with respect to the CRJ700 Covered Aircraft) and 2C (with respect to the CRJ550 Covered Aircraft) (all such compensation, collectively, the "Compensation for Carrier Controlled Costs"), as applicable. Compensation for Carrier Controlled Costs shall be paid in accordance with Section 3.6. Notwithstanding anything to the contrary in this Agreement, the parties acknowledge and agree that, solely with respect to the Interim Period, the Compensation for Carrier Controlled Costs shall be pursuant to the rates set forth on Attachment 1 to the First Amendment.

3.2 Incentive Program.

United and Contractor shall adhere to the following provisions regarding a monthly incentive payment program (the "Incentive Program") under which Contractor's monthly compensation under this Agreement shall be adjusted (the aggregate monthly adjustment for any given calendar month, the "Monthly Incentive Adjustment") as more fully set forth below (it being understood that, if the Monthly Incentive Adjustment is a positive number, then Contractor's monthly compensation payable under this Agreement pursuant to Section 3.6 shall be increased by the Monthly Incentive Adjustment, and, if the Monthly Incentive Adjustment is a negative number, then Contractor's monthly compensation payable under this Agreement pursuant to Section 3.6 shall be reduced by the Monthly Incentive Adjustment); *provided, however*, that notwithstanding anything to the contrary in this Agreement, solely with respect to calendar months during the Interim Period, Section 3.2 (together with all references to other sections, exhibits or appendices in this Agreement directly related to the payment of Monthly Incentive Adjustments), as applicable, (a) shall be disregarded with respect to the E175 Covered Aircraft if the ERJ Incentive Program Waiver Condition is satisfied, and (b) shall be disregarded with respect to the Bombardier Covered Aircraft if the CRJ Incentive Program Waiver Condition is satisfied:

(a) Controllable Completion Adjustment. For each calendar month during the Term, a controllable completion adjustment amount shall be determined as set forth in this Section 3.2(a), which shall be comprised of such an adjustment with respect to the E175 Covered Aircraft, on the one hand (the "E175 CCF Adjustment"), and such an adjustment with respect to the Bombardier Covered Aircraft, on the other hand (the "Bombardier CCF Adjustment"); *provided* that, for each calendar month, for each of the E175 CCF Adjustment and the Bombardier CCF Adjustment, such adjustment shall equal the product of (x) the Target (as defined below) minus Controllable Cancellations for the applicable fleet during such month, multiplied by (y) [***] (provided that such figure shall be adjusted on each June 1 of each calendar year as follows: the new figure, applicable beginning on June 1 of each calendar year, shall be equal to the figure in effect on the date immediately preceding June 1 of each calendar year *multiplied* by [***]); and the "Target" means, for each calendar month with respect to the applicable fleet, the product of (x) [***], multiplied by (y) the total quantity of Scheduled Flights during such month for such fleet. For all purposes of this Section 3.2(a), the number of Controllable Cancellations for E175 Covered Aircraft or Bombardier Covered Aircraft, as the case may be, in any calendar month shall be deemed to be reduced by the product of (x) [***], multiplied by (y) the number of consecutive 24-hour periods, , that any E175 Covered Aircraft or Bombardier Covered Aircraft, as the case may be, is not in scheduled service due solely to the [***]; *provided*, *however*, that such product will in no event exceed [***] calendar month for the applicable fleet, and the E175 CCF Adjustment or the Bombardier CCF Adjustment, as the case may be, shall be re-computed in accordance with the applicable deemed reduction pursuant to this sentence (such re-computed adjustment, the "Deemed E175 CCF Adjustment" or the "Deemed Bombardier CCF Adjustment"). Subject to Section 4.1(g), if the sum of (A) the E175 CCF Adjustment (or, if applicable, the Deemed E175 CCF Adjustment) plus (B) the Bombardier CCF Adjustment (or, if applicable, the Deemed Bombardier CCF Adjustment) is a negative number for a

calendar month, then the Monthly Incentive Adjustment shall be reduced by the absolute value of such sum for such month. If the sum of (A) the E175 CCF Adjustment (or, if applicable, the Deemed E175 CCF Adjustment) plus (B) the Bombardier CCF Adjustment (or, if applicable, the Deemed Bombardier CCF Adjustment) is a positive number for a calendar month, then the Monthly Incentive Adjustment shall be increased by the absolute value of such sum for such month. Notwithstanding anything to the contrary in the foregoing, for each calendar month during the Term, with respect to the E175 Covered Aircraft or the CRJ Covered Aircraft, each calculated separately, if the applicable schedule for Scheduled Flights for such calendar month does not meet the applicable minimum parameters for both [***] parameters for the applicable time period for CRJ Covered Aircraft for each Base Location).

	All covered aircraft calculated by each fleet type*			
	Average Aircraft Age [***] years	**Average Aircraft Age [***] years**	**Average Aircraft Age [***] years**	**Average Aircraft Age [***] years**
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]

* Both metrics exclude spares, round aircraft age to nearest whole number

(b) On-Time Adjustment. For each calendar month during the Term, an on-time adjustment amount (the "On-Time Adjustment Amount") shall be determined as set forth in this Section 3.2(b) and Schedule 4; *provided* that the On-Time Adjustment Amount shall be calculated separately for the E175 Covered Aircraft, on the one hand, and Bombardier Covered Aircraft, on the other hand. If the sum of the On-Time Adjustment Amount for the E175 Covered Aircraft *plus* the On-Time Adjustment Amount for the Bombardier Covered Aircraft is a negative number for a calendar month, then the Monthly Incentive Adjustment shall be reduced by the absolute value of such sum for such month. If the sum of the On-Time Adjustment Amount for the E175 Covered Aircraft *plus* the On-Time Adjustment Amount for the Bombardier Covered Aircraft is a positive number for a calendar month, then the Monthly Incentive Adjustment shall be increased by the absolute value of such sum for such month.

3.3 Manufacturer Support and Delivery Expenses for E175LL Covered Aircraft.

(a) Manufacturer Support. Solely with respect to the E175LL Covered Aircraft, United shall use its reasonable commercial efforts to cause Embraer to provide Contractor with all other manufacture support available pursuant to the applicable purchase agreement at no cost to Contractor or United (for example, possibly including Check Airmen and Field Service Reps).

(b) Delivery Expenses. United shall reimburse Contractor in an amount equal to the product of (x) [***] and (y) the amount of [***]; *provided* that Contractor shall provide written notice to United [***].

3.4 Expenses.

(a) United Directly Incurred Expenses. With respect to Regional Airline Services, in consideration of the provision by Contractor of Contractor Services and its compliance with the other terms and conditions of this Agreement, the following expenses, together with such expenses, if any, as are referenced in the last sentence of Section 3.4(b), shall be incurred directly by United:

(i) passenger and cargo revenue-related expenses, including but not limited to commissions, taxes and fees related to the transportation of passengers or cargo, food and beverage costs, charges for fare or tariff filings, sales and advertising costs, computer reservation system fees, credit card fees, interline fees, revenue taxes, GDS fees, reservation costs, revenue accounting costs, including costs associated with ticket sales reporting and unreported sales, and Mileage Plus participation costs and beverage voucher coupons;

(ii) denied boarding compensation and the cost of travel certificates;

(iii) with respect to the E175 Covered Aircraft and CRJ Covered Aircraft, baggage handling claims, repairs and delivery costs related to Uncontrollable Delays, Uncontrollable Cancellations, Controllable Delays, and Controllable Cancellations and passenger-related interrupted trip costs (including hotel, meal, and ground transportation vouchers) related to Uncontrollable Delays and Uncontrollable Cancellations; provided that, for avoidance of doubt, Contractor is responsible for all passenger related interrupted trip costs (hotel, meal, and ground transportation vouchers) for all Controllable Delays and Controllable Cancellations;

(iv) if United elects to procure, or arrange for the procurement of, aircraft fuel and/or Fuel Services, as the case may be, pursuant to Section 4.12(b), and in consideration of Contractor's compliance with its obligations under such Section 4.12, (I) the cost of such fuel procurement, including any administration fees of any fuel supplier, and/or (II) charges for such Fuel Services, as applicable;

(v) rent for Terminal Facilities used by Contractor hereunder that are not Contractor Terminal Facilities constituting both exclusive and common use charges imposed or charged by airports; *provided* that, for avoidance of doubt, rents and any associated expenses for Contractor flight operations facilities including, but not limited to, maintenance, training, flight ops crews, in-flight crews, or corporate, station, or domicile management office space are Contractor expenses and shall not be reconciled;

(vi) all ground handling costs incurred pursuant to United's standard ground handling agreement;

(vii) the cost of technology services provided by United for its reservation, check-in and baggage-handling processes;

(viii) TSA fees or charges and any other passenger security fees or charges for security, other than such fees and charges for which United is or would be entitled to indemnification under Article VII;

(ix) reasonable out-of-pocket expenses of Contractor associated with Design Changes directed and approved by United; and

(x) if United elects to pay for landing fees on behalf of Contractor for Scheduled Flights pursuant to Section 4.24(a), landing fees.

If, notwithstanding the foregoing, Contractor incurs any of the expenses set forth in this Section 3.4(a), and only to the extent that United determines, in its sole discretion, that such expenses are both reasonable and should properly have been incurred by United hereunder, then United shall reimburse Contractor for such expenses.

(b) Contractor Expenses. Except as provided in Section 3.4(a), Contractor shall pay in accordance with commercially reasonable practices all expenses or costs incurred in connection with Contractor's provision of Contractor Services. Without limiting the foregoing, for the avoidance of doubt, Contractor shall be responsible for the payment of all costs necessary to comply with airworthiness directives relating to the CRJ Covered Aircraft and E175LL Covered Aircraft (including without limitation those pertaining to pressure floors), and shall perform any and all repairs as may be necessary in connection therewith in accordance with (i) its maintenance program and/or (ii) any applicable airworthiness directives or other regulatory requirements. Contractor agrees that, in connection with its provision of Contractor Services to United hereunder and the provision of the other services contemplated to be performed by Contractor under the Ancillary Agreements, it shall use commercially reasonable efforts to minimize costs incurred by it if such costs would be reimbursable by United to Contractor in accordance with the terms of this Agreement or any Ancillary Agreement (it being understood that the payment of any amount owed pursuant to Schedule 2A or 2B, as the case may be, shall not constitute "costs that would be reimbursable by United" for purposes of this sentence); *provided* that the parties acknowledge and agree that (x) for the avoidance of doubt, the costs described in this sentence include, without limitation, maintenance costs with respect to airframes and engines, and (y) Contractor's obligations pursuant to this sentence shall include, without limitation, the obligation to cooperate with United to identify opportunities to manage maintenance expenses relating to airframes and engines. Further, with respect to any service or item the cost of which United is required to reimburse Contractor hereunder or under any Ancillary Agreement, if United can provide or arrange to provide such service or item at a lower cost than the reimbursement cost that United would otherwise be charged and at substantially similar quality or service level, then Contractor shall allow United to provide or arrange to provide such service or item in order to permit

United to lower its costs, and the cost of providing such service or item shall be treated as a United directly-incurred cost pursuant to Section 3.4(a).

3.5 Audit Rights; Financial Information.

Contractor shall make available for inspection by United and its outside auditors and advisors, within a reasonable period of time after United makes a written request therefor, all of Contractor's books and records (including all financial and accounting records and operations reports, and records of other subsidiaries or affiliates of Contractor, if any) (i) as necessary to audit any payments made or amounts or setoff pursuant to this Agreement, and (ii) otherwise related to Contractor's provision of Contractor Services to United or any of Contractor's other obligations under this Agreement, including without limitation relating to the performance, regulatory and operational standards in Sections 4.2, 4.3, 4.4, 4.5, 4.7, 4.8, 4.9, 4.17, 4.18, 4.19, 4.20 and 4.22 (all such books and records, collectively, the "CPA Records"). United and its outside auditors and advisors shall be entitled to make copies and notes of such information as they deem necessary and to discuss such records with Contractor's Chief Financial Officer or such other employees or agents of Contractor knowledgeable about such records. Upon the reasonable written request of United or its outside auditors or advisors, Contractor will cooperate with United and its outside auditors and advisors to permit United and its outside auditors and advisors access to Contractor's outside auditors for purposes of reviewing such records. Any audit conducted pursuant to this Section 3.5 shall be paid for by United, unless pursuant to such audit it is determined that Contractor owes United in excess of [***], in which case Contractor shall pay to United the entire costs and expenses incurred by United in connection with such audit. In addition, Contractor shall deliver or cause to be delivered to United (I) as soon as available, but in any event within 90 days after the end of each fiscal year, a copy of the consolidated balance sheet of Contractor, as at the end of such year, and the related consolidated statements of income and retained earnings and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on by an independent certified public accountants of nationally recognized standing; and (II) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year, the unaudited consolidated balance sheet of Contractor, as at the end of such quarter, and the related unaudited consolidated statements of income and retained earnings and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a responsible officer of Contractor as being fairly stated in all material respects (subject to normal year-end audit adjustments); *provided*, that Contractor shall not be required to deliver financial statements pursuant to this sentence at any time that Contractor is a reporting issuer pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, and such financial statements are timely filed with the Securities and Exchange Commission pursuant thereto. All financial statements delivered hereunder shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein). Without limiting, and in addition to, the foregoing in this Section 3.5, upon United's delivery of a written notice at any time and from time to time pursuant to this Section 3.5 (any such notice, a "3.5 Notice"), Contractor shall promptly provide responsive information, which shall in all events be responsive to any specific information requests delivered by United in any such 3.5 Notice, together with reasonable supporting documentation (which, in the case of projected information,

will include reasonable supporting assumptions), it being understood that a 3.5 Notice may include, but shall not be limited to, requests regarding any of the following with respect to Contractor or its affiliates (including Parent): crew resources and availability (including with respect to pilots and flight attendants), and historical and projected operational statistics. Notwithstanding anything in this Section 3.5 to the contrary (but subject to the immediately succeeding proviso), in no event shall Contractor be required to provide information to United or any of its representatives pursuant to the requirements of this Section 3.5 if such information relates to any other code share partner of Contractor or includes data that is not specific to United and Contractor's provision of services under this Agreement; *provided, however* that the foregoing in this sentence shall not relieve Contractor of the obligation to provide United information that is generally applicable to an entire cadre of Contractor pilots, flight attendants, or other resources related to the operation of regional jet aircraft or an entire fleet of regional jet aircraft (whether such pilots, flight attendants or other resources are applicable, or subject to, capacity purchase provisions in this Agreement or any other agreement with a code share partner other than United), including, but not limited to, total pilot headcount, total flight attendant headcount, mechanic headcount, dispatch headcount and facility lease terms.

3.6 Billing and Payment.

(a) Prepayment. At least [***] days prior to the commencement of the applicable month to which a Final Monthly Schedule relates, Contractor shall present a reasonably detailed written invoice for the following amount (the "Prepayment") due under this Agreement in respect of the month to which such Final Monthly Schedule pertains:

(i) for each Covered Aircraft for such month, calculated separately, the "per aircraft per month" amount set forth on Schedule 2A, 2B or 2C, as the case may be, for such Covered Aircraft, as the case may be (it being understood that, solely for the E175LL Covered Aircraft and CRJ550 Covered Aircraft, there shall be a "per aircraft per month" amount and a "per aircraft per month (fixed)" amount); *provided*, that for any calendar month in which such Covered Aircraft enters or exits service hereunder, such amounts shall be multiplied by a fraction, the numerator of which is the actual number of days in such month such aircraft constituted a Covered Aircraft, and the denominator of which is the total number of days in such month; plus

(ii) the number of block hours set forth on the Final Monthly Schedule for such month, multiplied by [***]; plus

(iii) the number of flight hours set forth on the Final Monthly Schedule for such month, multiplied by [***]; plus

(iv) the number of departures set forth on the Final Monthly Schedule for such month, multiplied by [***]; plus

(v) the average number of aircraft available to schedule during such month, multiplied by the [***]; plus

(vi) the allocation of Pass-Through Costs calculated as set forth in Section 3.6(b)(ii)(B).

(b) Reconciliation.

(i) Reconciliation of Certain Compensation for Carrier Controlled Costs.

(A) With respect to Scheduled Flights, for any calendar month in which (x) the product of (I) Contractor's actual block hours flown, multiplied by (II) the rate "for each block hour" set forth on Schedule 2A, 2B or 2C, as the case may be, exceeds (y) the amount invoiced pursuant to Section 3.6(a)(ii) for such block hours during such calendar month, then the reconciliation for such period shall include a payment by United to Contractor in an amount equal to such difference.

(B) With respect to Scheduled Flights, for any calendar month for which (x) the amount invoiced for block hours pursuant to Section 3.6(a)(ii) exceeds (y) the product of (I) Contractor's actual block hours flown in such calendar month, multiplied by (II) the rate "for each block hour" set forth on Schedule 2A, 2B or 2C, as the case may be, then the reconciliation for such period shall include a payment by Contractor to United in an amount equal to such difference.

(C) With respect to Scheduled Flights, for any calendar month in which (x) the product of (I) Contractor's actual flight hours flown, multiplied by (II) the rate "for each flight hour" set forth on Schedule 2A exceeds (y) the amount invoiced pursuant to Section 3.6(a)(iii) for such flight hours during such calendar month, then the reconciliation for such period shall include a payment by United to Contractor in an amount equal to such difference.

(D) With respect to Scheduled Flights, for any calendar month for which (x) the amount invoiced for flight hours pursuant to Section 3.6(a)(iii) exceeds (y) the product of (I) Contractor's actual flight hours flown in such calendar month, multiplied by (II) the rate "for each flight hour" set forth on Schedule 2A, then the reconciliation for such period shall include a payment by Contractor to United in an amount equal to such difference.

(E) With respect to Scheduled Flights, for any calendar month in which (x) the product of (I) Contractor's actual Scheduled Flight departures, multiplied by (II) the rate "for each Scheduled Flight departure" set forth on Schedule 2A, 2B or 2C, as the case may be, exceeds (y) the amount invoiced pursuant to Section 3.6(a)(iv) for such departures during such calendar month, then the reconciliation

for such period shall include a payment by United to Contractor in an amount equal to such difference.

(F) With respect to Scheduled Flights, for any calendar month in which (x) the amount invoiced for departures pursuant to Section 3.6(a)(iv) exceeds (y) the product of (I) Contractor's actual Scheduled Flight departures for such month, multiplied by (II) the rate "for each Scheduled Flight departure" set forth on Schedule 2A, 2B or 2C, as the case may be, then the reconciliation for such period shall include a payment by Contractor to United in an amount equal to such difference.

(G) With respect to Scheduled Flights, for any calendar month in which (x) the product of (I) for the average number of aircraft available to schedule during such month, multiplied by (II) the rate "for each aircraft in schedule" set forth on Schedule 2A, 2B or 2C exceeds (y) the amount invoiced for aircraft in schedule pursuant to Section 3.6(a)(v), then the reconciliation for such period shall include a payment by United to Contractor in an amount equal to such difference.

(H) With respect to Scheduled Flights, for any calendar month in which (x) the amount invoiced for aircraft in schedule pursuant to Section 3.6(a)(v) exceeds (y) the product of (I) the average number of aircraft available to schedule during such month, multiplied by (II) the rate "for each aircraft in schedule" set forth on Schedule 2B, then the reconciliation for such period shall include a payment by Contractor to United in an amount equal to such difference.

(I) Contractor's "actual block hours flown," "actual flight hours flown" and "actual Scheduled Flight departures" shall include block hours, flight hours and departures for, and "completed Scheduled Flights" shall include, all completed Scheduled Flights, including those resulting from any unscheduled stop required prior to the completion of a Scheduled Flight; however, "actual block hours flown," "actual flight hours flown" and "actual Scheduled Flight departures" shall not include any block hours, flight hours or departures resulting from or attributable to, and "completed Scheduled Flights" shall not include, (x) uncompleted ground returns or uncompleted air returns or (y) flights referenced in Section 3.6(c)(v) or (z) Excess Delayed Flights referenced in Section 3.6(c)(vi) below.

(J) In the event of any United Directed Cancelled Flights [***], the reconciliation for such month shall include a payment by United to Contractor in an amount equal to the rates set forth in Schedule 2B for each United Directed Cancelled Flight.

(ii) Reconciliation of Pass-Through Costs.

(A) The following expenses incurred in connection with Regional Airline Services (collectively, the "Pass-Through Costs") shall be reconciled to actual costs as set forth below:

(1) common use charges paid by Contractor under any lease agreement with any Applicable Airport, such charges to be allocated at an Applicable Airport between the Regional Airline Services, on the one hand, and Contractor's services provided to other customers, if any, on the other hand, with such allocation to be proportionate at an Applicable Airport based on the number of enplaned passengers for Regional Airline Services and Contractor's other customers;

(2) Aircraft Property Taxes; *provided* that Contractor shall provide United with an annual reconciliation of all tax bills paid and reasonably allocated to United, in a format directed by United and including documentation of assessments, tax bills, and the allocation of such Aircraft Property Taxes among United, Contractor's other business partners and relationships, and Contractor's own business; and *provided further* that Contractor shall use commercially reasonable efforts to ensure that aircraft values and assessments and all allocated costs are correct and accurate, and shall use, at its own cost and expense, property tax professionals to ensure accurate and timely reporting of property tax Pass-Through Costs; and *provided further* that, notwithstanding the immediately preceding proviso, in the event that Contractor's engagement of property tax professionals results in an economic benefit to United, then the cost of such engagement shall be treated as a Pass-Through Cost to the extent of such economic benefit conferred to United;

(3) passenger liability insurance and war risk insurance costs; *provided* that United shall not pay to Contractor any amount in respect of this clause (3) reflecting an insurance rate which is greater than the sum of (x) the Insurance Baseline and (y) the cumulative Average Peer Group Rate Increase for a given year; *provided further* that Average Peer Group Rate Increase shall be provided by Contractor to United at least once annually; and *provided further* that United shall only pay to Contractor amounts in respect of this clause (3) for fees and expenses of insurance brokers, if any, that are reasonable and customary. For the avoidance of doubt, Contractor's 2013 passenger liability and war risk insurance costs shall be the baseline for any cumulative adjustment to

the annual rates as set forth herein (the "Insurance Baseline");

(4) if United elects to have Contractor pay for landing fees pursuant to Section 4.24(b), landing fees paid for by Contractor;

(5) passenger-related interrupted trip costs (including hotel, meal and ground transportation vouchers) incurred by United related to Controllable Delays and Controllable Cancellations; provided that United will present Contractor interrupted trip expense costs by way of detailed report each month;

(6) Navigation Fees and Foreign Costs paid by Contractor;

(7) as provided by and in consideration of Contractor's compliance with its obligations under Section 4.12 (A) if United shall not have elected to procure fuel pursuant to clause (i) of Section 4.12(b), the cost of such fuel procurement, including any administration fees of any fuel supplier, and (B) if United shall not have elected to procure Fuel Services for or on behalf of Contractor pursuant to clause (ii) of Section 4.12(b), charges for Fuel Services;

(8) the actual and reasonable out-of-pocket costs incurred by Contractor in order for the E175 Covered Aircraft to comply with outstanding airworthiness directives issued by the FAA applicable to the E175 Covered Aircraft that by their terms require compliance during the Term; provided that United shall pay to Contractor (w) [***] per United Owned E175 Covered Aircraft per month toward the costs of compliance with airworthiness directives, (x) the excess above [***] of the cost of parts required to comply with any single airworthiness directive in respect of a single United Owned E175 Covered Aircraft, (y) the excess above [***] of the cost of parts and direct out-of-pocket costs for third-party labor, in each case required to comply with any single airworthiness directive in respect of a single United Owned E175 Covered Aircraft and (z) the excess above [***] of the cost of parts and direct out-of-pocket costs for third-party labor required to comply with any single airworthiness directive in respect of a single Contractor Owned E175 Covered Aircraft; provided further, that Contractor shall use its reasonable commercial efforts to minimize all costs described in this Section 3.6(b)(ii)(A)(8);

(9) only with respect to United Owned E175 Covered Aircraft, the actual out of pocket third-party costs incurred by Contractor for the repair and/or replacement of non-expendable parts pursuant to the Parts Support Agreement;

(10) only with respect to United Owned E175 Covered Aircraft, the actual out of pocket third-party costs incurred by Contractor for the maintenance of engines pursuant to the Engine Maintenance Support Agreement; [***]

(11) only with respect to United Owned E175 Covered Aircraft, the actual out of pocket third-party costs incurred by Contractor for Airframe Heavy Maintenance, the aircraft cleaning functions to be completed at C Check intervals and any associated ferry costs pursuant to the Airframe Heavy Maintenance Support Agreement; [***]

(12) only with respect to United Owned E175 Covered Aircraft, the actual out of pocket third-party costs incurred by Contractor for the maintenance of landing gear pursuant to the Landing Gear Support Agreement;

(13) only with respect to United Owned E175 Covered Aircraft, the actual out of pocket third-party costs incurred by Contractor for the maintenance of APUs pursuant to the APU Support Agreement;

(14) pursuant to Section 4.6(b) towing expenses incurred by Contractor with respect to the excess, if any, of the number of Accommodating Aircraft Movements during such month over the number calculated pursuant to Section 4.6(b)(y);

(15) only with respect to the CRJ Covered Aircraft, the actual and reasonable out of pocket third party Aerodata variable mach speed cruise program fees paid by Contractor; (the "Aerodata Fees"); and

(16) Mexico Regulatory Rendered Services for on-call maintenance services under any maintenance agreement.

(B) The Prepayment paid pursuant to Section 3.6(c)(i) shall include an allocation of Pass-Through Costs, determined as follows:

(1) The amount of both passenger liability insurance and war risk insurance costs referred to in Section 3.6(b)(ii)(A)(3) included in the Pass-Through Costs for any particular month will be equal to the product of (1) the applicable insurance

rate per completed passenger set forth on Schedule 3 multiplied by (2) the Forecasted Passengers for such month.

(2) The amount of Landing Fees referred to in Section 3.6(b)(ii)(A)(4) included in the Pass-Through Costs for any particular month will be equal to the aggregate sum of the following products: (1) the landing fee rate set forth in Schedule 3, multiplied by (2) the number of scheduled departures set forth in the Final Monthly Schedule for airports where Contractor pays landing fees directly, multiplied by (3) [***]. For avoidance of doubt, United will not allocate to the reconciliation of Pass-Through Costs landing fees which are directly paid by United.

(3) The amount of Navigation Fees referred to in Section 3.6(b)(ii)(A)(6) included in the Pass-Through Costs for any particular month will be equal to the aggregate sum of the following products: (1) the air navigation rates set forth in Schedule 3, multiplied by (2) the number of scheduled departures set forth in the Final Monthly Schedule for flying to destinations in Canada or Mexico, multiplied by (3) [***].

(4) [***] for any particular month (pursuant to Section 3.6(b)(ii)(A)(7)), if any, will be equal to the aggregate sum of the following products: (1) the rate set forth in Schedule 3 for Fuel Services, multiplied by (2) the number of scheduled departures set forth in the Final Monthly Schedule, multiplied by (3) [***].

(5) The amount of Aircraft Property Taxes included in the Pass-Through Costs for any particular month (pursuant to Section 3.6(b)(ii)(A)(2)) will be a fixed amount, as reasonably agreed to between United and Contractor based on historical tax costs allocated under this Agreement.

(6) The amount of Aerodata Fees included in the Pass-Through Costs for any particular month (pursuant to Section 3.6 (b)(ii)(A)(15)) will be equal to the product: (1) the applicable Aerodata fee of [***] per departure set forth on Schedule 3 multiplied by (2) the number of scheduled CRJ Covered Aircraft departures set forth in the Final Monthly Schedule.

(C) Without limiting United's audit rights, (i) if in any month the Contractor's actual Pass-Through Costs exceed the amount of Prepayment in respect of Pass-Through Costs for such month as described in Section 3.6(b)(ii)(B), then United shall pay to

Contractor an amount equal to such difference, and (ii) if in any month the amount of Pass-Through Costs included in the Prepayment in respect of Pass-Through Costs as described in Section 3.6(b)(ii)(B) exceeds Contractor's actual Pass-Through Costs for such month, then Contractor shall pay to United an amount equal to such difference.

(iii) Reconciliation for Scheduled Block-Hours. With respect to any Final Monthly Schedule for any calendar month from time to time, but in all events excluding the calendar months during the period commencing [***] and ceasing on [***], with respect to each of the E175 Covered Aircraft, on the one hand, and the Bombardier Covered Aircraft, on the other hand, if the total number of scheduled block-hours for the applicable fleet in such Final Monthly Schedule (the "Total Monthly Scheduled Block-Hours") is less than the Block-Hour Monthly Threshold (as defined below) for such fleet, then United shall pay Contractor the Block-Hour Adjustment Amount (as defined below) for such fleet; [***] For the purposes of this Section 3.6(b)(iii), the following definitions shall apply:

"Block-Hour Adjustment Amount" – means, for any calendar month, the product of (x) the Block-Hour Monthly Threshold minus the Total Monthly Scheduled Block-Hours, multiplied by (y) as applicable, either (A) for any calendar month during the Interim Period, [***] or (B) for any calendar month that is not during the Interim Period, [***]; provided that the figure in the foregoing clause (B) shall be adjusted on June 1 of each calendar year as follows: the new figure, applicable beginning on June 1 of each calendar year, shall be equal to the figure in effect on the date immediately preceding June 1 of each calendar year multiplied by [***]; provided further that the Block-Hour Adjustment Amount shall be calculated separately for each of the E175 Covered Aircraft, on the one hand, and the Bombardier Covered Aircraft, on the other hand; and provided further that, notwithstanding anything to the contrary in this Section 3.6(b)(iii), the Block-Hour Adjustment Amount for any fleet for any calendar month shall be reduced to the extent that the number of block-hours actually flown for such calendar month is less than the Block-Hour Monthly Threshold for such calendar month due to United's good faith determination that Contractor did not have the operational capacity to operate the applicable Block-Hour Monthly Threshold for such calendar month. Solely for illustrative purposes, an example calculation of is provided below:

If the Block-Hour Adjustment Amounts are as set forth below during the Interim Period,

Calendar Month	**Block-Hour Adjustment Amount**	
	Bombardier Covered Aircraft	E175 Covered Aircraft
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

then, with respect to the E175 Covered Aircraft, the Block-Hour Adjustment Amount will only be paid by United for the months of [***], and, with respect to the Bombardier Covered Aircraft, the Block-Hour Adjustment Amount will only be paid by United for the months of [***], and, as such, the aggregate Block-Hour Adjustment Amount payable by United will be equal to [***] (in respect of the E175 Covered Aircraft) *plus* [***] (in respect of the Bombardier Covered Aircraft)), and such amount will be due and payable on [***].

For further illustrative purposes, the figures below would generate the figures in the table set forth above for [***]:

E175 Covered Aircraft

- [***]
- [***]
- [***]
- [***]
- [***]

Bombardier Covered Aircraft

- [***]
- [***]
- [***]
- [***]
- [***]

"Block-Hour Monthly Threshold" – means, with respect to any calendar month, the product obtained by multiplying (x) the product obtained by multiplying (1) the number of block-hours per day per Available to Schedule Covered Aircraft corresponding to the average stage length applicable to the Final Monthly Schedule for such calendar month, by (2) the total number of Available to Covered Aircraft applicable to the Final Monthly Schedule for such calendar month, by (y) the number of days in such calendar month; provided that the Block-Hour Monthly Threshold shall be calculated separately for each of the E175 Covered Aircraft, on the one hand, and the Bombardier Covered Aircraft, on the other hand; and provided further that the number of block-hours per day corresponding to a particular [***] for a particular fleet as referenced in the foregoing clause (x) shall be determined by applying the average scheduled stage length in the applicable Final Monthly Schedule to the table set forth below (subject to linear interpolation between the data points in such table).

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
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[***]	[***]

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

(c) Payment.

(i) Payment of Invoiced Prepayments. United shall pay Contractor the Prepayment, subject to (x) United's right to dispute any calculations set forth on such invoice that do not comply with the terms of this Agreement, (y) United's set-off rights as set forth in Section 3.6(c)(ii) and Section 11.13, and (z) any other adjustments as mutually agreed to by both Contractor and United, as follows:

(A) [***] of the balance of the Prepayment shall be payable by United to Contractor, by electronic transfer of funds to a bank account designated by Contractor, available on or before the first Wednesday of the month (or if such day is not a Business Day, the next Business Day) to which such invoice relates, as adjusted pursuant to Section 3.6(c)(ii) below;

(B) [***] of the balance of the Prepayment shall be payable by United to Contractor, by electronic transfer of funds to a bank account designated by Contractor, available on or before the 2nd Wednesday of the month (or if such day is not a Business Day, the next Business Day) to which the invoice relates;

(C) [***] of the balance of the Prepayment shall be payable by United to Contractor, by electronic transfer of funds to a bank account designated by Contractor, available on or before the 3rd Wednesday of the month (or if such day is not a Business Day, the next Business Day) to which the invoice relates, as adjusted pursuant to Section 3.6(c)(ii) below; and

(D) [***] of the balance of the Prepayment shall be payable by United to Contractor, by electronic transfer of funds to a bank account designated by Contractor, available on or before the 4th Wednesday of the month (or if such day is not a Business Day, the next Business Day) to which the invoice relates, as adjusted pursuant to Section 3.6(c)(ii).

(ii) Payment of Reconciled Items. Not later than [***] days following the end of each month, Contractor and United shall make the reconciliation calculations provided for in Subsections 3.6(b)(i), (ii) and (iii) above, in accordance with the other provisions set forth in Section 3.6(b). On or before the fourth Wednesday following the end of such month (or if such day is not a Business Day, the next Business Day), the sum of (A) such

reconciled amounts for such month, (B) if any, liquidated damage amounts owed and unpaid by Contractor to United pursuant to Article VIII in respect of the period to and including the third Wednesday following the end of such month, (C) any Basic Rent payable pursuant to Section 10.4 and/or a Covered Aircraft Lease with respect to the period to and including the second Wednesday following the end of such month and (D) any unpaid EBR Payment with respect to an EBR Cure Period ending on or prior to the third Wednesday following the end of such month, (i) shall be paid by United to Contractor, together with any payment to be made by United pursuant to Section 3.6(c)(i)(C) above, or (ii) shall be paid by Contractor to United or set off by United against any other amounts owing to Contractor under this Agreement or any Ancillary Agreement. Further reconciliations shall be made on or prior to the first Wednesday of the month following the end of such month (or if such day is not a Business Day, the next Business Day) to the extent necessary as a result of United's review of financial information provided by Contractor in respect of such month and, in addition, with respect to insurance and Aircraft Property Taxes, reconciliation shall occur on an annual basis. Such further reconciled amounts for such month (x) shall be paid by United to Contractor, together with any other payment to be made by United pursuant to Section 3.6(c)(i)(D) above, or (y) shall be paid by Contractor to United or set off by United against any other amounts owing to Contractor. Notwithstanding the foregoing, United shall have the right to set-off any payment owed by Contractor to United which is not enumerated above against any of the amounts otherwise payable by United pursuant to Section 3.6(c)(i). Notwithstanding any provisions in this Article III to the contrary, expenses presented by Contractor hereunder more than six (6) months after they were incurred shall not be reimbursed or paid pursuant to this Section 3.6, and United shall have no obligation to Contractor with respect to such expenses and shall be entitled to reconcile such expenses as null and void. In addition, reconciliation of out of pocket third-party costs incurred by Contractor under any of agreements listed in clauses 9, 10, 11, 12 and 13 of Section 3.6(b)(ii)(A) will occur under such timeframe and terms as are mutually agreeable by the parties.

(iii) No Payment for Disputed Items. Notwithstanding anything to the contrary in this Agreement or any Ancillary Agreement, neither United nor Contractor shall have any obligation to make any payment required under this Agreement or any Ancillary Agreement that is subject to a good faith dispute; *provided*, that within [***] following the resolution of any such dispute in accordance with the terms of this Agreement, United or Contractor, as applicable, shall make any payments required by such resolution. Except as may result from the exercise by United of its audit rights pursuant to Section 3.5, all payments made by Contractor or United as provided in this Agreement or any Ancillary Agreement shall be deemed final and not subject to further review or reconciliation after the later to occur of (I) the date that is [***] months after the date of the applicable

payment and (II) the date of final resolution of any good faith dispute regarding the applicable payment arising during the [***] months following the date of the applicable payment.

(iv) No Payment for Fines, Etc. Notwithstanding anything to the contrary contained in this Section 3.6, United shall not be required to incur any cost or make any reconciliation payment pursuant to this Section 3.6 to the extent that such cost or reconciliation payment is attributable to any costs, expenses or losses (including fines, penalties, settlements and any costs and expenses associated with any related investigation or defense) incurred by Contractor or its agents as a result of any violation by Contractor or such agent of any law, statute, judgment, decree, order, rule, regulation or lease requirement of any governmental or airport authority.

(v) No Payment for Maintenance and Ferry Operations. Notwithstanding anything to the contrary contained in Section 3.4 or this Section 3.6, United shall not make any payments, including but not limited to those provided for on Schedules 2A and 2B hereto, to Contractor or incur any expense for any maintenance flights or ferry or reposition operations (to the extent such flights or operations are directly related to maintenance events) or any other expenses due to reasons or events within Contractor's control, including without limitation with respect to fuel, landing fees, ground handling expenses, aircraft parking and other airport facility/use fees, de-icing or towing. [***]

(vi) No Payment for Significantly Delayed Flights. If (x) Contractor operates any Scheduled Flight either (a) more than [***] late from the scheduled departure time with a revenue passenger loadfactor of less than [***], or (b) more than [***] hours late with [***] revenue passengers, and (y) United did not direct Contractor to operate such flight in such manner (such flights, "Excess Delayed Flights"), then the block hours, flight hours, aggregate number of passengers and departures attributable to such Excess Delayed Flights shall not be included when calculating Compensation for Carrier Controlled Costs, and Contractor shall not otherwise be reimbursed for such flight including without limitation with respect to Fuel Services, landing fees, or any other reconciled expense pursuant to Section 3.6 or otherwise, and United shall be reimbursed for fuel and any other expenses specifically relating to such flight that were directly incurred by United pursuant to Section 3.4(a); *provided* that such flight shall be included in the measurements utilized in the Incentive Program and other measurements of delays and cancellations under this Agreement.

(vii) For the avoidance of doubt, Contractor acknowledges and agrees that, after the Effective Date, all amounts owing to Contractor by United or to United by Contractor arising hereunder shall be settled in accordance with the provisions of this Article III or other applicable provisions of this Agreement, as the case may be, and not through the Automated Clearing House (ACH) invoice process.

(viii) Prepayment Agreement. Notwithstanding anything to the contrary in this Agreement, the parties hereby agree that (x) from and after the execution and delivery of the Prepayment Agreement and until the termination of the Prepayment Agreement, all amounts payable by United pursuant to Section 2.5(d) and pursuant to Section 3.6 for the services rendered by Contractor under this Agreement shall be reduced by an amount equal to the Discounted Amount (as defined below), and (y) United shall not have any obligation to make any payment to Contractor or Parent whatsoever pursuant to this Agreement until the Prepayment Balance Amount (as defined in the Prepayment Agreement) has been reduced to [***] pursuant to the terms and conditions set forth in the Prepayment Agreement. As used herein, the "Discounted Amount" means, as of any date any amount is payable by United pursuant to Section 2.5(d) or Section 3.6, an amount equal to the product of (i) the Prepayment Balance Amount (as defined in the Prepayment Agreement) as of such date, *multiplied by* (ii) the Applicable Discount Rate (as defined below) as of such date, *multiplied by* (iii) by the lesser of (A) the number of days that have elapsed since the last payment required to be made pursuant to Section 3.6(c)(i) and (B) the number of days that have elapsed since the execution and delivery of the Prepayment Agreement. As used herein, the "Applicable Discount Rate" means, as of any date of determination, the quotient obtained by dividing (A) an amount equal to either (I) if such date of determination occurs during the first [***] calendar days following the execution and delivery of the Prepayment Agreement, [***], or (II) if such date of determination occurs thereafter, [***], by (B) [***]; *provided, however*, that, as applicable, if United elects for clause (i) of Section 2.4(d) of the Prepayment Agreement, then the Applicable Discount Rate shall automatically be increased to the quotient obtained by dividing [***]; and *provided further, however*, that, if all remaining portions of the CARES Act Loan (as defined in the Prepayment Agreement) are not fully funded on or before the Specified Closing Date (as defined in the Prepayment Agreement), then, subject to the immediately preceding proviso, the Applicable Discount Rate shall automatically be increased to the quotient obtained by dividing [***] until the earlier to occur of (x) the termination of the Prepayment Agreement and (y) the date that the aggregate amount funded under the CARES Act Loan (as defined in the Prepayment Agreement) equals or exceeds [***]. Further, the parties acknowledge and agree that it is their mutual intent that the Prepayment Agreement and the subject matter therein is integral to the entirety of this Agreement, is not severable from this Agreement, and that the execution and delivery of the Prepayment is a material inducement to

the parties' execution and delivery of this Agreement and a material inducement for United to agree to pay the Actual Prepayment Amount (as defined in the Prepayment Agreement).

(d) Ownership Rate. As compensation for the cost of ownership of the ten (10) Contractor Owned E175 Covered Aircraft financed pursuant to the EETC Transaction as listed by expected U.S. registration number ("Reg. No.") in Schedule 5 hereto (the "EETC Aircraft"), United shall pay to Contractor during the calendar month of the payment date set forth in Schedule 5 hereto on the Table therein applicable to such EETC Aircraft the amount set forth opposite such payment date on such Table (the "Ownership Rate"), in [***] equal installments during such month (consistent with the payment schedule referenced in Section 3.6(c)(i)), provided that United shall have no obligation to make a payment with respect to an EETC Aircraft that would otherwise be due during the calendar month of any such payment date that occurs after the earliest of (i) in the case of any EETC Aircraft not previously financed pursuant to the EETC Transaction, the date that such EETC Aircraft is no longer able to be financed pursuant to the EETC Transaction, (ii) the date of withdrawal of such EETC Aircraft from the capacity purchase provisions of this Agreement, (iii) the date of purchase of such EETC Aircraft by United and (iv) the date that all equipment notes issued in the EETC Transaction with respect to such EETC Aircraft shall have been paid in full, and such EETC Aircraft shall cease to be an EETC Aircraft on such earliest date.

(e) Ownership Rate for Secured Loan Aircraft. As compensation for the cost of ownership of each Secured Loan Aircraft, United shall pay to Contractor an amount equal to each regularly scheduled payment of principal and interest, as set forth on Schedule 7, with respect to the loan under the Secured Loan Agreement with respect to such Secured Loan Aircraft in [***] equal installments during the calendar month (consistent with the payment schedule referenced in Section 3.6(c)(i)) of the payment date on which such payment is due under the applicable Secured Loan Agreement (the "Secured Loan Ownership Rate"), provided that United shall have no obligation to make any Secured Loan Ownership Rate payment with respect to a Secured Loan Aircraft (x) to the extent United shall have paid the corresponding principal and interest payment pursuant to United's guaranty under the applicable Secured Loan Transaction and United has not been reimbursed as of the first day of the month in during which such Secured Loan Ownership Rate payment is due or (y) if such payment would otherwise first become due on any such payment month that occurs after the earliest of (i) the date of withdrawal of such Secured Loan Aircraft from the capacity purchase provisions of this Agreement, (ii) the date of purchase of such Secured Loan Aircraft by United, and (iii) the date that all principal of and interest on the loans under the Secured Loan Agreements with respect to such Secured Loan Aircraft shall have been paid in full, and such Secured Loan Aircraft shall cease to be a Secured Loan Aircraft on such earliest date. United shall be entitled to set-off against its obligation to make any Secured Loan Ownership Rate payment with respect to any Secured Loan Aircraft any amount that United shall have paid under United's guaranty with respect to any due and unpaid Contractor obligation under the related

Secured Loan Transaction for which United has not been reimbursed as of the date such Secured Loan Ownership Rate payment is due.

(f) Notwithstanding anything to the contrary in this Agreement, with respect to each calendar month during the Interim Period, the Prepayment for such month and any reconciliation pursuant to Section 3.6(b) for such month shall both be calculated based upon the base compensation rates set forth on Attachment 1 to the First Amendment applicable to Average Monthly Utilization (as such term is defined in Attachment 1 to the First Amendment) for such month.

3.7 Government Assistance.

To the extent permissible by law, in the event the existing terms of the Federal payroll protection CARES Act are extended beyond [***] without any modification or other amendments or changes thereto other than such extension, Contractor agrees to provide the same level of concessions to United as provided in the First Amendment, which concessions shall remain in effect for the duration of such extension. Conversely, if the existing Federal payroll protection CARES Act is extended beyond [***], but with modifications, amendments or changes thereto, the parties agree to negotiate in good faith with respect to further modifications to the concessions set forth in the First Amendment, taking into consideration such modifications, amendments or changes thereto. For purposes of example only, further modifications to this First Amendment may include, but shall not be limited to, rate reductions, waiver of performance incentives, and waiver of utilization minimums (or provisions giving Contractor certain rights or entitlements in the event that certain utilization figures are not met in applicable flight schedules). For the avoidance doubt, this provision will not require Contractor to violate any requirement imposed by the government as a condition of accepting such government grant(s) or assistance; rather, the parties intend this provision to reflect Contractor's financial situation and its ability to provide appropriate concessions in the interest of equity between the parties.

ARTICLE IV
CONTRACTOR OPERATIONS AND AGREEMENTS WITH UNITED

4.1 Crews, Etc.

(a) Contractor shall be responsible for providing all crews (flight and cabin), maintenance personnel, aircraft ground movement teams and other staff necessary to operate the Scheduled Flights and for all aspects (personnel and other) of dispatch control in each case pursuant to this Section 4.1 and, as applicable, in accordance with Exhibit P.

(b) Flight Crews. Aircraft used for Regional Airline Services will be operated with crews consisting of a captain or pilot, and a first officer or co-pilot. All such crew members will at all times meet all currently applicable governmental requirements, as such requirements may be amended from time to time during the Term, and will be fully licensed and qualified for the services that they perform hereunder. In addition, each of the Contractor's captains, first officers and co-pilots will hold a current license to operate aircraft in scheduled (Part 121) service and all members

of all flight crews used to provide Regional Airline Services hereunder must be qualified to fly between all city pairs on the Effective Date of this Agreement. Contractor shall ensure that crew members meet all requirements imposed by the insurance policies that are to be maintained pursuant to Article VI. Without limiting any of Contractor's or Parent's obligations (or United's remedies) under the Agreement as amended by the Amendment, Contractor and Parent (i) will ensure that any reductions to United's Scheduled Flights due to lack of crew availability are no less favorable to United than those that are proportional to flight reductions made by Contractor to Contractor's regional air services for other carriers operating fleet types with pilots that are trained to operate Embraer aircraft in the same period due to lack of crew availability and (ii) will each take commercially reasonable efforts to hire crews to support United's Scheduled Flights in the same proportion as Contractor and Parent are taking with respect to Contractor's regional air services for other carriers.

(c) Flight Attendants. Contractor's flight attendants will at all times possess all necessary training and meet all currently applicable governmental requirements and any other requirements pursuant to this Agreement (including without limitation as referenced in Section 4.3), in each case as such requirements may be amended from time to time during the Term.

(d) United shall require Contractor flight and cabin crew daily schedules and forward planning schedules inclusive of reserves and placement for operational integrity; *provided* that such schedules shall be de-identified with respect to individual employee names and any information that would allow United to specifically identify individual employees. Such information will be used for irregular operations management and slot control.

(e) Contractor agrees to be bound by and to remain in compliance with all obligations on United Express Carriers (as such term is defined in the Letter of Agreement) as set forth in that certain Letter of Agreement (LOA 11) between United Airlines, Inc. and the Air Line Pilots in the service of United Airlines, Inc., as represented by ALPA (the "Letter of Agreement") attached to this Agreement as Exhibit L.

(f) In the event that United determines that the continued utilization by Contractor of any individual Contractor employee, independent contractor or agent in the provision of Contractor Services to United has provided customer service at a lower level than the standards to which Contractor and United have agreed herein, then United shall give Contractor notice to that effect requesting that such Contractor employee, independent contractor or agent no longer be utilized by Contractor in the provision of Contractor Services to United under this Agreement. Contractor shall have ten (10) Business Days following United's request in which to investigate the matters forming the basis of such request, correct any deficient performance and provide United with written assurances that such deficient performance shall not recur. If, following such ten (10) Business Day period, United is not reasonably satisfied with the results of Contractor's efforts to correct the deficient performance and/or to ensure its non-recurrence, then Contractor shall,

as soon as possible, cease utilizing such Contractor employee, independent contractor or agent in Contractor's provision of Contractor Services to United under this Agreement, without cost to United. Nothing in this provision shall operate or be construed to limit Contractor's responsibility for the acts or omission of the Contractor employee, independent contractor or agent, or be construed as joint employment, or excuse any of Contractor's obligations under Section 4.1(a) herein or under any other provision of this Agreement.

(g) Aviate™ Participation Agreement. From and after the Effective Date, for any pilot who is enrolled as a "Candidate" (a "Candidate") in the cooperative pilot recruitment and development program referred to as "Aviate" in that certain Aviate™ Participation Agreement entered into by and between Contractor (as a "Participating Institution" thereunder) and United, [***]

4.2 Governmental Regulations; Maintenance.

Contractor has and shall maintain all certifications, permits, licenses, certificates, exemptions, approvals, plans, and insurance required by governmental authorities and Airport Authorities, including, without limitation, FAA, DOT and TSA, to enable Contractor to perform the services required by this Agreement. All flight operations, dispatch operations and all other operations and services undertaken by Contractor pursuant to this Agreement shall be conducted, operated and provided by Contractor in compliance with all laws, regulations and requirements of applicable governmental authorities and Airport Authorities (foreign and domestic), including, without limitation, those relating to airport security, the use and transportation of hazardous materials and dangerous goods, crew qualifications, crew training and crew hours, the carriage of persons with disabilities and without any violation of U.S. or foreign laws, regulations or governmental prohibitions. All Covered Aircraft shall be operated and maintained by Contractor in compliance with all laws, regulations and governmental requirements of applicable governmental authorities and Airport Authorities (foreign and domestic), Contractor's own operations manuals and maintenance manuals and procedures, all applicable provisions of any aircraft lease, mortgage or sublease, and all applicable equipment manufacturers' manuals and instructions. Without limiting the foregoing, Contractor and its subcontractors shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a), which regulations (x) prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin, and (y) require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

4.3 Quality of Service.

(a) At all times, Contractor shall provide Contractor Services with appropriate standards of care, but in no event lower than such standards utilized by United as of the date of this Agreement. United procedures, performance standards and means of measurement thereof concerning the provision of air passenger and air cargo services shall be applicable to all Regional Airline Services provided by Contractor. Contractor shall achieve at least the comparable quality of airline

service as provided by United. Contractor shall comply with all airline customer service commitments, policies and service standards of United as of the Commencement Date, including without limitation the "Customer First" commitments, on board services requirements and employee conduct, appearance and training policies in place as of the Commencement Date, and shall handle customer-related services in a professional, businesslike and courteous manner. In connection therewith, Contractor shall maintain aircraft cleaning cycles and policies, shall comply with the provisions set forth in Exhibit J and shall maintain adequate staffing levels, to ensure at least a comparable level of customer service and operational efficiency that United achieves, including without limitation in respect of customer complaint response, ticketing and boarding timing, oversales, baggage services and handling of irregular operations. In addition, at the request of United, Contractor shall comply with all such airline customer service commitments, policies and standards of care of United as adopted, amended or supplemented after the Commencement Date.

(b) Contractor shall make such interior and exterior design and product-related changes as may be required by United from time to time, including both those for which the cost is borne by United pursuant to Section 3.4(a)(ix), and those that occur within Contractor's normal aircraft and facility refurbishment program.

(c) Contractor shall ensure that all Covered Aircraft are equipped with an ARINC aircraft communications addressing and reporting system (or such other system as is designated by United), the cost of which will be borne by Contractor with respect to CRJ Covered Aircraft. Contractor shall make such interior and exterior design and product-related changes as may be required by United from time to time, including both those for which the cost is borne by United pursuant to Section 3.4(a)(ix), and those that occur within Contractor's normal aircraft and facility refurbishment program.

(d) Contractor shall provide United with timely communication regarding the status of all flights. Contractor shall, at its own expense, ensure that each Covered Aircraft is equipped with the software capability of providing ACARS-based data requested by United from time to time in United's sole discretion, including without limitation as provided in Exhibit H hereto and relating to automated weight and balance procedures for each Scheduled Flight, and shall accurately and timely perform such automated weight and balance procedures.

(e) Contractor shall maintain and utilize Contractor's passenger and bag weight program approved by the FAA and existing on the Commencement Date (unless and until otherwise directed by the FAA).

(f) United shall timely inform Contractor of the required seat layouts of the E175 Covered Aircraft (for SHARES Seat Map). Contractor shall ensure that all Scheduled Flights using E175 Covered Aircraft are capable of operating in Category 2 conditions (with respect to instrument landing systems), crew training and other requirements to provide such capability.

(g) Contractor will use United's standard procedures for processing and adjudicating all claims for which Contractor is responsible in an effort to avoid such matters becoming the subject of claims, litigation or an investigation by a governmental agency or authority. At either party's request, Contractor and United will meet to discuss and review Contractor's customer service and handling procedures and policies and its employees' conduct, appearance and training standards and policies.

(h) Contractor acknowledges that United may implement programs to evaluate the delivery of customer service and adherence to customer service standards established by United and Contractor hereby agrees to fully comply with all aspects of any such programs. Contractor acknowledges that pursuant to such programs United may directly observe customer service delivery and provide Contractor with findings and corrective actions. Contractor acknowledges that Contractor's required compliance with such programs shall include without limitation (i) Contractor's provision of certain data to United, as requested, for customer service quality evaluations and assessments by United and (ii) Contractor's compliance with corrective actions required by United. United shall give Contractor written notice of any non-safety-related alleged breach of this Section 4.3, identifying with reasonable specificity such alleged breach, not less than fifteen (15) days prior to exercising any remedy regarding such alleged breach.

(i) Contractor agrees to participate in the United Cargo Program.

4.4 Regulatory Complaints.

Contractor agrees, to the extent permitted by law, to accept as an air carrier any and all regulatory complaints issued by a governmental or regulatory authority having competent jurisdiction for any reason or cause. Contractor agrees that any such complaint, regardless of whether the basis for such complaint is within Contractor's control, shall be accepted as a Contractor complaint for such regulatory authority purposes. For the avoidance of doubt, no complaint recorded on a Contractor flight, inclusive of station origin and destination, will count against United's complaint rate for such applicable regulatory authority. Notwithstanding the provisions of Sections 7.1 and 7.2, United shall be liable for and hereby agrees to indemnify and hold harmless Contractor from and against regulatory fines and penalties arising from any such regulatory complaints accepted by Contractor to the extent resulting from the negligence of United, or any ground handler or other party acting pursuant to a contract with United and directly interfacing with passengers on Scheduled Flights (e.g. wheelchair providers); *provided* that, for the avoidance of doubt, the provisions of Sections 7.3, 7.4, 7.5 and 7.6 shall apply with respect to Contractor's right to indemnification as provided in this Section 4.4.

4.5 DOD Approval.

Contractor must maintain Department of Defense air carrier approval per 32 CFR Part 861 and agrees to notify United immediately if changes to such status occur.

4.6 Aircraft Ground Movement.

(a) With respect to all Covered Aircraft, Contractor agrees to provide aircraft ground movement (towing teams) at all Applicable Airports, as and when requested by United from time to time, for ground movements of Covered Aircraft required to accommodate United's flight schedule (each such movement, an "Accommodating Aircraft Movement").

(b) If (x) the number of Accommodating Aircraft Movements at a Hub Airport during any calendar month is greater than (y) the result of (I) the aggregate number of Covered Aircraft available to schedule during such month, multiplied by (II) 1.1 (such number determined by this clause (y), the "Towing Baseline"), then United shall reimburse Contractor pursuant to Section 3.6(b)(ii)(A)(14).

(c) In all cases, Contractor shall provide, at its cost, aircraft ground movement (towing teams) where movement is due to circumstances within Contractor's control, including without limitation due to IT systems, flight crew, maintenance or movement of overnight aircraft to or from remote hangar locations.

4.7 Incidents or Accidents.

Contractor shall promptly notify United of all irregularities involving a Scheduled Flight or Covered Aircraft operated by Contractor, including, without limitation, aircraft accidents and incidents, which result in any damage to persons and/or property or may otherwise result in a complaint or claim by passengers or an investigation by a governmental agency or authority. Contractor shall furnish to United as much detail as practicable concerning such irregularities and shall cooperate with United at Contractor's own expense in any appropriate investigation.

4.8 Emergency Response.

Contractor shall adopt United's Emergency Response Plan for aircraft accidents or incidents and shall be responsible for United's direct costs resulting from United's management of emergency response efforts on Contractor's behalf. In the event of an accident or incident involving a Covered Aircraft or Scheduled Flight, United will have the right, but not the obligation, exercised in United's sole discretion, to manage the emergency response efforts on behalf of Contractor with full cooperation from Contractor. Contractor shall be liable for and will indemnify, defend and hold harmless United, United's Parent, their respective subsidiaries and their respective directors, officers, employees and agents from and against any and all claims, demands, damages, liabilities, suits, judgments, actions, causes of action, losses, fines, penalties, costs and expenses, including but not limited to, reasonable attorneys' fees, costs and expenses in connection therewith and expenses of investigation and litigation thereof, which may be suffered by, accrued against, charged to or recoverable from United, United's Parent, their respective subsidiaries or their respective directors, officers, employees or agents arising out of, connected with, or attributable to any act, error, omission, operation, performance or failure of performance of United, regardless of any negligence whether it be active, passive or otherwise on the part of United (but excluding the gross negligence or willful misconduct of United or its directors, officers, agents or employees), which in any way relates to United's provision of post-accident or post-incident emergency

response management efforts. The provisions of the foregoing indemnification obligation shall survive the termination of this Agreement for a period of seven years.

4.9 Safety Matters.

In the event of a reasonable safety concern, United shall have the right, at its own cost, to inspect, review, and observe Contractor's operations of Scheduled Flights. Notwithstanding the conduct or absence of any such review, Contractor is and shall remain solely responsible for the safe operation of its aircraft and the safe provision of Regional Airline Services, including all Scheduled Flights, in each case in accordance with the standards, agreements, representations and warranties set forth in Exhibit N. Contractor represents and warrants that it has successfully undergone an IATA Operational Safety Audit ("IOSA"). Contractor hereby covenants (i) to comply and maintain compliance with the requirements of such audits within the timeframe required by IATA and (ii) maintain its membership in the IOSA registry. Any failure to maintain compliance shall immediately be brought to United's attention along with corrective actions taken or a corrective action plan. Although the IOSA is to be completed biennially, United in its sole discretion may require, and Contractor shall comply with, additional safety review audits. Nothing in Exhibit N, this Section 4.9, or otherwise in this Agreement is intended or shall be interpreted to make United responsible for such safety matters.

4.10 Facilities.

(a) Lease, Use and Modification of Airport Facilities.

(i) United and Contractor agree that the use by Contractor of all Terminal Facilities at all Applicable Airports for the provision of Contractor Services shall be at the direction of United. In furtherance of this Section 4.10(a)(i), from time to time, and notwithstanding the execution of any license, lease, sublease or other agreement pursuant to this Section 4.10, at the request and direction of United and subject to Section 4.10(a)(ii), Contractor shall take the following actions, in each case as and when directed by United:

(A) use its commercially reasonable efforts to enter into a lease, sublease or other appropriate agreement with any Airport Authority at any Applicable Airport for the lease, sublease or use of any Terminal Facilities used or to be used in connection with the provision of Contractor Services;

(B) use its commercially reasonable efforts to amend, modify or terminate any agreement with any Airport Authority at any Applicable Airport for the lease, sublease or use of any Contractor Terminal Facilities;

(C) use its commercially reasonable efforts to obtain the consent of any relevant Airport Authority at any Applicable Airport for the Transfer to United or its designee of any lease, sublease or other agreement in respect of any Contractor Terminal Facility, or for the

right of United or its designee to use any Contractor Terminal Facility;

(D) enter into a mutually agreed sublease for the sublease to United or its designee of Contractor's interest in any Contractor Terminal Facility;

(E) enter into an assignment substantially in the form of Exhibit O hereto (or as otherwise agreed) for the assignment to United or its designee of Contractor's interest in any Contractor Terminal Facility;

(F) enter into a sublease or license using United's standard form in regard to the use of any Terminal Facility owned, leased or otherwise controlled by United and used or to be used in connection with the provision of Contractor Services;

(G) enter into an assignment substantially in the form of Exhibit O hereto (or as otherwise agreed) for the assignment to Contractor of United's interest in any Terminal Facility used or to be used in connection with the provision of Contractor Services;

(H) in each case as and when directed in writing by United, (a) Parent shall become, or shall cause Contractor to become, if such carrier is not already, a signatory carrier at any of the following locations: [***]; *provided, however*, that with regard to this clause (a), if (i) United directs Contractor to become a signatory at any such airport and (ii) there are any direct costs required by such airport to become a signatory carrier, then United agrees to pay such direct costs that are required by the airport to become a signatory carrier, and (b) Parent shall vote, or shall cause Contractor to vote, as directed in writing by United, on any matters submitted to carriers for a vote if such matters concern, or may result in, any costs, direct or indirect, to be paid for and/or reimbursed by United at any of the following locations: [***]; and

(I) take any other action reasonably requested by United in furtherance of this Section 4.10(a)(i).

For the avoidance of doubt, United's direction to Contractor with respect to the foregoing actions shall extend to the action itself (e.g., use commercially reasonable efforts to enter into an agreement) as well as to the substance underlying the action (e.g., directions as to the terms and conditions of such agreement).

(ii) The licenses, assignments and subleases to be entered into pursuant to Section 4.10(a)(i) shall be subject to the rights of the Applicable Airports in such Terminal Facilities and to the receipt of all necessary consents from Airport Authorities and other third parties to such sublease or assignment.

(iii) Each of Contractor and United shall pay for all landing fees for its respective flights at all Applicable Airports, and to the extent that the other party is obligated to make such payments under any applicable lease or other agreement, the first party hereby indemnifies and agrees to hold harmless the other party for all such amounts. Contractor agrees that any landing fee credits given to Contractor in respect of Scheduled Flights or other flights involving the Covered Aircraft as are permitted hereunder, shall be for the account of United (and if any such credits are applied by Contractor to the payment of any landing fees applicable to flights other than Scheduled Flights or other flights involving the Covered Aircraft as are permitted hereunder, Contractor shall pay the amount of any such credits to United).

(iv) Contractor shall perform in a timely manner all obligations under all leases, subleases and other agreements to which Contractor is or becomes a party for the use of Terminal Facilities, including without limitation making in a timely manner all payments of rent and other amounts due under such agreement, and shall use commercially reasonable efforts to keep such agreements in effect (or to promptly renew or extend such agreements on substantially similar terms as directed by United). Contractor shall adhere to United's space standards with respect to all Terminal Facilities.

(v) Contractor shall obtain the written consent of United prior to entering into an agreement to lease, sublease, assign, dispose of or otherwise transfer (each, a "Transfer") or any other agreement for the use or modification of, or otherwise relating to, any Contractor Terminal Facilities (or other airport facilities which would become Contractor Terminal Facilities), or amending or modifying in any manner any such agreement, or consenting to any of the same. Any purported Transfer of any interest in a Contractor Terminal Facility in violation of this Section 4.10 shall be *void ab initio*, and any rent or other amounts payable under any such Transfer or other agreement shall not be considered a Pass-Through Cost for purposes of this Agreement, and Contractor shall be obligated to follow United's direction with respect to the disposition of such Transfer or other agreement.

(vi) Contractor shall give United at least thirty (30) days' prior written notice before ceasing to use any Contractor Terminal Facilities; *provided*, that no such notice shall be required where such use is ceasing because United has informed Contractor that no Scheduled Flights will be scheduled in or out of such location.

(b) Exclusivity. Each Passenger- Related Terminal Facility used by Contractor for the provision of Regional Airline Services shall be used by Contractor exclusively for the provision of Contractor Services, and may not be used by Contractor in connection with any other flights, including any flights using any aircraft that is not a Covered Aircraft, or for any other purpose, without United's prior written approval; *provided* that the foregoing limitation shall not apply to:

(i) baggage claim and other similar facilities that are leased or otherwise made available to all air carriers at such airport on a common-use or joint-use basis; or

(ii) any facilities that are properly required by an Airport Authority to be made available for use by others in accordance with any applicable agreement that is in place as of the date hereof or has been approved by United under Section 4.10(a)(v).

Each Contractor Terminal Facility that is not a Passenger-Related Terminal Facility used for the provision of Contractor Services, and each other facility used by Contractor for the provision of Contractor Services, may be used by Contractor in connection with other flights or for other purposes; *provided*, that Contractor shall use such facilities for the provision of Contractor Services in priority to any such other use, and any such other use of such facilities shall be subordinate to Contractor's use for the provision of Contractor Services.

4.11 Codeshare Terms.

Contractor agrees to operate all Scheduled Flights using the United flight codes and flight numbers assigned by United, or such other flight codes and flight numbers as may be assigned by United (to accommodate, for example, a United alliance partner), and otherwise under the codeshare terms set forth in Exhibit B.

4.12 Fuel Procurement and Fuel Services.

(a) The parties will cooperate in identifying (i) fuel savings opportunities, (ii) providers of aircraft fuel and (iii) providers of Fuel Services. Contractor shall enter into agreements with any such providers as shall be directed by United. Contractor shall use its best efforts to document Fuel Services agreements using substantially the form attached hereto as Exhibit D (which form may be replaced, amended, or otherwise modified by United from time to time). Contractor shall provide any data or analysis of its fuel procurement and Fuel Services as reasonably requested by United.

(b) Notwithstanding the foregoing, United, by or through its subsidiaries, agents, or affiliates, shall have the option (but shall not have any obligation) in its sole discretion (i) to procure or arrange for the procurement of fuel and/or (ii) procure or arrange for the procurement of Fuel Services for or on behalf of Contractor.

(c) If United elects to procure, or arrange for the procurement of, fuel for or on behalf of Contractor pursuant to clause (i) of Section 4.12(b) above, then the costs of such procurement, or such arranging for procurement, as applicable (in each case including without limitation the cost of procuring the aircraft fuel) shall be incurred directly by United, pursuant to Section 3.4(a)(iv). If United does not so elect, then Contractor shall procure, or arrange for the procurement of fuel, and such costs shall be incurred directly by Contractor and reconciled pursuant to Section 3.6(b)(ii)(A)(7).

(d) If United elects to procure, or arrange for the procurement of, Fuel Services for or on behalf of Contractor pursuant to clause (ii) of Section 4.12(b) above, then the costs of such procurement, or such arranging for procurement, as applicable shall be incurred directly by United pursuant to Section 3.4(a)(iv). If United does not so elect, then Contractor shall procure, or arrange for the procurement of Fuel Services, and such costs shall be incurred directly by Contractor and reconciled pursuant to Section 3.6(b)(ii)(A)(7).

(e) United and Contractor acknowledge and agree that any fuel provided to Contractor pursuant to an agreement between United and a fuel supplier is provided "as is" and without warranty of any kind, including without limitation the warranties of merchantability and fitness for a particular purpose, by, through or under United, and that no warranties by, through or under United shall be implied by law.

(f) United and Contractor acknowledge and agree that any aircraft fuel procured, or arranged for procurement, for on behalf of Contractor by United shall not be deemed to have been procured, purchased or otherwise acquired for on behalf of Contractor, and Contractor shall in no event have any claim to or interest in, any fuel procured by United or its agents, unless and until such fuel is delivered into a Covered Aircraft, except as otherwise may be provided in a Fuel Services agreement, if any, between United and Contractor.

4.13 Slots and Route Authorities.

At the request of United made during the Term or upon termination of this Agreement, Contractor shall use its commercially reasonable efforts to transfer to United or its designee, to the extent permitted by law, any airport takeoff or landing slots, route authorities or other similar regulatory authorizations transferred to Contractor by United for use in connection with Scheduled Flights, or held by Contractor and used for Scheduled Flights, in consideration of the payment to Contractor of the net book value, if any, of such slot, authority or authorization on Contractor's books. Contractor's obligations pursuant to the immediately preceding sentence shall survive the termination of this Agreement for so long as any transfer requested pursuant to this Section 4.13 shall not have been completed. Contractor hereby agrees that all of Contractor's contacts or communications with any applicable regulatory authority concerning any airport takeoff or landing slots, route authorities or other similar regulatory authorizations used for Scheduled Flights will be coordinated through United. If any airport takeoff or landing slot, route authority or other similar regulatory authorization transferred to Contractor by United for use in connection with Scheduled Flights, or held by Contractor and used for Scheduled Flights is withdrawn or otherwise

forfeited as a result of Controllable Cancellations or any other reason within Contractor's reasonable control, then Contractor agrees to pay to United promptly upon demand an amount equal to the fair market value of such withdrawn or forfeited slot, authority or authorization.

4.14 Code Share Limitation.

As of the date of this Agreement, but subject to Contractor's existing contractual codeshare relationships as in effect on the Effective Date, Contractor represents that it does not plan, nor will it, operate pursuant to a marketing or code share relationship in a hub operation with any party other than United at the following airports during the Term: [***]. Contractor may, however, fly to aforementioned airports under codeshare or marketing relationships from another carrier's hub (other than from aforementioned airports) as a "spoke service". In the event that Contractor acquires another entity during the course of this agreement with marketing or codeshare operations at any of the aforementioned airports, United agrees to allow Contractor to continue operations at such airports at levels of operations consistent with the acquiree's right of operation at the time of acquisition. In addition, Contractor will use commercially reasonable efforts to amend its existing contractual commitments to provide for the codeshare limitations set forth in this Section 4.14. [***]

4.15 Use of United Marks.

United hereby grants to Contractor the right to and a personal, non-exclusive, non-transferable, non-sublicenseable, fully paid-up, and royalty-free license to use the United Marks and other Identification as provided in, and Contractor shall use the United Marks and other Identification in accordance with the terms and conditions of, Exhibit E.

4.16 Use of Contractor Marks.

Contractor hereby grants to United the right to and a personal, non-exclusive, non-transferable, non-sublicenseable, fully paid-up, and royalty-free license to use the Contractor Marks as provided in, and United shall use the Contractor Marks in accordance with the terms and conditions of, Exhibit F.

4.17 Catering Standards.

(a) United and Contractor shall comply with the catering requirements set forth on Exhibit G hereto. The parties agree that, in the event of a conflict between the provisions of Exhibit G and any ground handling agreement with Contractor, the provisions of Exhibit G shall control as it applies to Regional Airline Services.

(b) Sales of Alcoholic Beverage Products. Contractor agrees that it shall comply with all federal, state, and local laws, rules and regulations and Contractor shall obtain and maintain all permits, certifications and licenses necessary for the full and proper conduct of its operations relating to the purchase, sale, distribution, storage, or service of any Alcoholic Beverage Product by Contractor. Contractor hereby assumes liability for and agrees to indemnify, defend and hold harmless United and its officers, directors, agents, affiliates, and employees from and against any and all liabilities, damages, expenses, losses, claims, demands, suits, fines or judgments,

including, but not limited to, attorneys' and witnesses' fees, costs and expenses incident thereto, which may be suffered by, accrue against, be charged to or be recovered from United or its officers, directors, employees or agents, arising out of or in connection with or in any way related to any non-compliance by Contractor with the procedures set forth in Exhibit G or any non-compliance by Contractor with any federal, state, or local law, rule or regulation or any failure of Contractor to obtain or maintain any permit, certification or license necessary for the full and proper conduct of its operations relating to the purchase, sale, distribution, storage, or service of any Alcoholic Beverage Product by Contractor. Contractor also agrees to comply with the Alcoholic Beverage Handling Procedures as outlined in Exhibit G hereto.

4.18 Fuel Efficiency Program.

Contractor shall use its commercially reasonable efforts to promptly adopt and adhere to a fuel efficiency program as described on Exhibit H hereto.

4.19 Environmental.

(a) Definitions.

(i) The term "Environmental Laws" means all applicable federal, state, local and foreign laws and regulations, guidance documents and policy statements of the Centers for Disease Control, the Occupational Health and Safety Administration, the Department of Transportation, and the Federal Aviation Administration, airport or United rules, and any other applicable regulations, policies, or lease requirements relating to the prevention of pollution, protection of the environment or occupational health and safety, or remediation of environmental contamination, including, without limitation, laws, regulations and rules relating to emissions to the air, discharges to surface and subsurface soil and waters, regulation of potable or drinking water, the use, storage, release, disposal, transport or handling of Hazardous Materials, protection of endangered species, and aircraft noise, vibration, exhaust and over flight.

(ii) The term "Hazardous Materials" means any substances, whether solid, liquid or gaseous, which are listed and/or regulated as hazardous, toxic, or similar terminology under any Environmental Laws or which otherwise cause or pose threat or hazard to human health, safety or the environment, including, but not limited to, petroleum and petroleum products.

(b) Contractor Obligations.

(i) Contractor shall conduct its operations in a prudent manner, taking reasonable preventative measures to avoid liabilities under any Environmental Laws or harm to human health or the environment, including, without limitation, measures to prevent unpermitted releases of Hazardous Materials to the environment, adverse environmental impacts to

on-site or off-site properties and the creation of any public nuisance. If, in the course of conducting services under this Agreement, Contractor encounters adverse environmental conditions that could reasonably be expected to give rise to liability for United under any Environmental Laws or which otherwise could reasonably be expected to result in harm to human health or the environment, Contractor shall promptly notify United of such conditions.

(ii) Contractor shall, at its own expense, conduct its operations in compliance with applicable Environmental Laws, including obtaining any needed permits or authorizations for Contractor's operations. If United provides any information, instruction, or materials to Contractor relating to its obligations under any Environmental Laws, Contractor agrees that this shall not in any way relieve Contractor of its obligation to comply with Environmental Laws. Contractor further agrees that it shall otherwise preserve the proprietary nature of any such information that is identified by United as proprietary and confidential and shall use its commercially reasonable efforts to ensure that the information is not disclosed to any third parties without first obtaining the written consent of United.

(iii) Contractor shall use its commercially reasonable efforts to perform its services under this Agreement so as to minimize the unnecessary generation of waste materials, including consideration of source reduction and re-use or recycling options, and coordination with United on a cabin service recycling program; provided that United will reimburse Contractor for any reasonable and documented incremental expense associated with complying with any cabin service recycling program requested by United. If requested by United, Contractor shall replace specific products used in its operations with less toxic products, as long as there is a reasonable replacement available at a similar cost, or if the product is not at a similar cost, provide United the option to agree to pay the difference. If requested by United, Contractor will undertake reasonable efforts to provide quantitative data on materials recycled and waste disposed of to facilitate coordination and enhancement of cabin service recycling where feasible. Contractor shall ensure that any waste materials generated in connection with the services performed by Contractor under this Agreement are managed in accordance with all applicable Environmental Laws, with Contractor assuming responsibility as the legal generator of such wastes; provided, however, this provision does not apply should United or another vendor of United be the entity who has, in fact, independently generated the wastes.

(iv) For any leased areas or other equipment that are jointly used or operated by Contractor and United (and/or other United contractors), Contractor shall use its commercially reasonable efforts to coordinate its activities with United and/or United contractors and otherwise perform such activities to ensure compliance with applicable Environmental Laws.

(v) Except for deminimis amounts of Hazardous Materials which are immediately and fully remediated to pre-existing conditions, Contractor shall promptly notify United of any spills or leaks of Hazardous Materials arising out of Contractor's provision of services under this Agreement, and, if requested, shall provide copies to United of any written reports provided to any governmental agencies and airport authorities under any Environmental Laws regarding same. Contractor shall promptly undertake all reasonable commercial actions to remediate any such spills or leaks to the extent Contractor is required to do so by applicable Environmental Laws, by the relevant airport authority, or in order to comply with a lease obligation. In the event that Contractor fails to fulfill its remediation obligations under this paragraph and United may otherwise be prejudiced or adversely affected (such as involving United leased property), United may undertake such actions as are reasonable at the cost and expense of Contractor. Such costs and expenses shall be promptly paid upon Contractor's receipt of a written request for reimbursement for them by United.

(vi) Contractor shall promptly provide United with written copies of any notices of violation issued or other claims from a third party asserted pursuant to Environmental Laws or associated with a potential release of Hazardous Materials and related to or associated with the provision of services by Contractor under this Agreement. Contractor shall promptly undertake all actions necessary to resolve such matters, including, without limitation, the payment of fines and penalties, and promptly addressing any noncompliance identified; provided, however, that Contractor may contest any notice of violation or other alleged violation and defend any claim that it believes is untrue, improper or invalid. In the event that Contractor fails to fulfill its obligations under this paragraph and United may otherwise be prejudiced or adversely affected, United may undertake such actions as are reasonable or legally required at the cost and expense of Contractor. Such costs and expenses shall be promptly paid upon Contractor's receipt of a written request for reimbursement for them by United.

(vii) If requested by United upon United's reasonable suspicion of environmental noncompliance, Contractor shall retain a third party, at Contractor's sole expense, to conduct an environmental compliance audit of Contractor's activities and/or an environmental site assessment. If, pursuant to such audit, Contractor is found to have been in material compliance with the applicable provisions of this Agreement, then United shall reimburse Contractor for its reasonable costs actually incurred to obtain such audit. Contractor will provide United with the draft audit report, provide United the ability to comment on the draft audit report, and will promptly use its commercially reasonable efforts to address any noncompliance or liability identified in any such report.

(viii) In the event that Contractor Services include providing bulk (non-bottled) potable water for crew or passenger consumption, Contractor shall ensure compliance with the Aircraft Drinking Water Regulation, FDA requirements, and other similar applicable laws (collectively, the "Drinking Water Requirements"), including without limitation using its commercially reasonable efforts to ensure all water handling equipment is properly and regularly disinfected and kept in sanitary condition. If Contractor relies upon another contractor to load water onto its aircraft or to maintain water handling equipment, it shall inquire with such contractors to ensure they meet these Drinking Water Requirements as well. Contractor shall immediately notify United if it becomes aware of practices or conditions that may negatively impact potable water quality, regardless of the provider or the source of such potable water (including whether such source is an airport, ground handler or aircraft water system). Contractor shall maintain records relating to its compliance with Environmental Laws under this Agreement for the longer of three (3) years or such period of time as is required by Environmental Laws. Contractor shall, at the request of United and with reasonable advance notice, provide United with reasonable access to Contractor's operations, documents, and employees for the sole purpose of allowing United to assess Contractor's compliance with its obligations with this Section 4.19, including responding to reasonable information requests. Upon the termination of operations at a space used to support the provision of Contractor Services under this Agreement, Contractor shall use its commercially reasonable efforts to ensure the removal and proper management of any and all Hazardous Materials associated with Contractor's operations (including its subcontractors) and will comply with any other applicable Environmental Laws applicable to the provision of Contractor Services.

(ix) Contractor has reviewed United's Environmental Commitment Statement (found at www.united.com/ecoskies) and agrees to use reasonable efforts to cooperate with United in connection with these commitments in effect as of the date hereof and in responding to reasonable information requests.

(x) Contractor shall be responsible for and will indemnify, defend, and hold harmless United, including its officers, agents, servants and employees, from and against any and all claims, liabilities, damages, costs, losses, penalties, and judgments, including costs and expenses incident thereto under Environmental Laws or due to the release of a Hazardous Material, which may be suffered or incurred by, accrue against, be charged to, or recoverable from United or its officers, agents, servants and employees arising out of an act or omission of Contractor (or its subcontractor) related to Contractor's provision of services under this Agreement, excluding willful misconduct, or the gross negligence, of United. Notwithstanding anything to the contrary set forth in this Agreement, such damages may include the payment of consequential, special or exemplary damages for claims under Environmental Laws or due to the release of Hazardous

Materials to the extent an applicable lease agreement, sublease or other similar agreement requires the payment of such damages. Any indemnification claims arising under this Section 4.19 shall be administered pursuant to the procedures set forth in Section 7.3 hereto.

(xi) All notices to be provided by Contractor to United under this Section 4.19 shall be provided as indicated in Section 11.2 of this Agreement, with a copy to Managing Director–Environmental Affairs, United Airlines, Inc., 233 South Wacker Drive-WHQSE, Chicago, IL 60606.

4.20 Early Brake Release.

[***]

United shall gather all data relating to the measurement of the time periods elapsed between aircraft brake release and aircraft wheel movement for departures of all Scheduled Flights for E175 Covered Aircraft as measured by the electronic systems included on all in-service E175 Covered Aircraft (and such systems shall meet the requirements of Section 4.3(c), Section 4.3(d), Exhibit H and Exhibit I hereto including without limitation in respect of ACARS-based data capture). Contractor's early brake release performance relating to E175 Covered Aircraft for each calendar month (the "EBR Performance") shall be determined by calculating the simple average of the EBR Periods for all Scheduled Flights.

If, in any given calendar month, Contractor's average EBR Period for Scheduled Flight departures is greater than the EBR Goal, United shall provide Contractor with notice that Contractor has not met the EBR Goal, following which Contractor shall have a [***], (the "EBR Cure Period") following receipt of such notice, during which to reduce its average EBR Period to an observed average EBR Period less than or equivalent to the EBR Goal. If Contractor has not reduced its average EBR Period to an observed average EBR Period that is less than or equivalent to the EBR Goal as of the end of the EBR Cure Period, then Contractor shall owe a payment (the "EBR Payment") to United equal to the product of (x) for all Scheduled Flights of E175 Covered Aircraft included in the EBR Performance calculation whose recorded EBR Period exceeds the EBR Goal, the aggregate number of minutes by which such recorded EBR Periods exceeded the EBR Goal, multiplied by (y) [***] of the block hour rate set forth on Schedule 2A, as applicable. The EBR Payment will be made by Contractor to United as provided in Section 3.6(c)(ii). Contractor's average EBR Period shall be continuously calculated in successive EBR Cure Periods and Contractor shall pay the applicable EBR Payment with respect to each such EBR Cure Period, until Contractor meets the EBR Goal with respect to an EBR Cure Period.

4.21 Ground Handling.

(a) United or United's designee (for the purposes of this Section 4.21(a), references to United shall be interpreted to include United's designee, as applicable) shall be responsible for all Ground Handling Services at all cities identified from time to time by United to which Contractor shall provide Regional Airline Services. To effect the performance of the Ground Handling Services, United at its sole option and in its sole discretion may from time to time (i) perform all Ground Handling

Services directly, (ii) contract with Contractor pursuant to a separate ground handling agreement, or (iii) sub-contract with an affiliate of United or a third party vendor, or any combination of any of the foregoing.

(b) Contractor shall use commercially reasonable efforts to cooperate with any provider of Ground Handling Services in order to facilitate efficient, cost effective, and safe operations and to ensure compliance with all applicable laws.

(c) In connection with Contractor's provision of Contractor Services to United under this Agreement, Contractor shall adopt and comply with, and shall cause its employees to adopt and comply with, and shall be responsible for United's direct costs resulting from Contractor's compliance with, all applicable procedures, including without limitation training procedures, as required by United's provision of Ground Handling Services as provided in Section 4.21(a) above.

4.22 IT Requirements.

Contractor shall comply with the IT Requirements, as set forth on Exhibit I.

4.23 Maintenance Right to Bid.

If Contractor intends to engage in any maintenance, repair or overhaul of the Covered Aircraft, and intends to engage a third party (rather than performing such maintenance, repair or overhaul using its own employees), then Contractor shall invite United to match the most favorable, last and final bona fide offer received by Contractor from a third party for such maintenance, repair or overhaul work on a "right of last offer" basis, and shall engage United to perform such maintenance, repair or overhaul work if United matches such offer.

4.24 Landing Fees.

(a) United, directly or by or through its subsidiaries, agents, or affiliates, shall pay on behalf of Contractor landing fees incurred for Scheduled Flights, unless, in United's sole discretion exercised from time to time, it notifies Contractor in writing that Contractor shall pay such landing fees at an Applicable Airport.

(b) If United pays for landing fees on behalf of Contractor pursuant to Section 4.24(a) above, then the costs of such landing fees shall be incurred directly by United, pursuant to Section 3.4(a)(x). If United elects to have Contractor pay for such landing fees, then such costs shall be incurred directly by Contractor and reconciled pursuant to Section 3.6(b)(ii)(A)(4).

4.25 Ground Support Equipment (GSE).

At United's direction, and to the extent permitted by applicable federal law and regulations, mainline ground support equipment ("GSE") and GSE processes shall be used in connection with Contractor's performance of Regional Airline Services; provided that such GSE and GSE processes shall be modified to be compatible with the Covered Aircraft if necessary, such determination to be made by United.

4.26 Ozone Monitoring.

Contractor agrees to mitigate the risk of passenger ozone exposure on the E175 Covered Aircraft and CRJ Covered Aircraft through the use of a dispatcher product that detects the presence of ozone and adjusts to a higher altitude when ozone is absent. All costs incurred to achieve this mitigation shall be borne by Contractor. Product is to be installed not later than November 30, 2015.

4.27 Block-Hour Requirement; Pilot Requirement; Designation of Non-Comp Aircraft.

(a) Block-Hour Requirement.

(i) At any time from time to time, Contractor shall maintain sufficient capability to operate (A) the number of block-hours per day per Available to Schedule E175 Covered Aircraft corresponding to the average scheduled stage length applicable to the then-current Initial Proposed Monthly Schedule or Final Monthly Schedule, as the case may be, in each case issued pursuant to Section 2.1(c) and (B) the number of block-hours per day per Available to Schedule CRJ Covered Aircraft corresponding to the average scheduled stage length applicable to the then-current Initial Proposed Monthly Schedule or Final Monthly Schedule, as the case may be, in each case issued pursuant to Section 2.1(c); *provided* that, in each case of the foregoing clauses (A) and (B), the number of block hours per day corresponding to a particular [***] shall be determined by applying such [***] to the table set forth under clause (a)(ii) below (subject to linear interpolation between the data points in such table) (the requirements set forth in the foregoing clauses (A) and (B), collectively, the "Block-Hour Requirement").

(ii) If, based on any combination of past, current or future performance (such future performance as determined by United in good faith), in each case for a one calendar month period, Contractor does not meet the Block-Hour Requirement, then United may, in its sole discretion, designate as many Covered Aircraft as Non-Comp Aircraft (any date on which United designates a Non-Comp Aircraft, a "Designation Date") as is necessary to cure such condition; *provided* that, with respect to any past calendar month period, United must make such designation no later than the [***] day following the last day of such calendar month; and *provided further* that, for any such estimate of future performance in respect of a particular Designation Date, (A) such estimate shall not include any period beyond the fourth calendar month following such Designation Date, and (B) the Block-Hour Requirement as of the Designation Date relevant to such estimate shall be calculated using the average scheduled stage length for the relevant future period of performance derived from the then-current Initial Proposed Monthly Schedule or Final Monthly Schedule, as the case may be, in each case issued pursuant to Section 2.1(c), as of such Designation

Date, by applying such average scheduled stage length pursuant to the table set forth below in this clause (a)(ii) (subject to linear interpolation between the data points in such table); *provided, however*, that if the requirement in one of, but not both of, clauses (A) and (B) of the Block-Hour Requirement has not been satisfied (or, in United's good faith determination, will not be satisfied), then United's right to designate Covered Aircraft as Non-Comp Aircraft shall be limited to the applicable fleet with respect to which the applicable requirement has not been satisfied.

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(b) Pilot Requirement. If, based on any combination of past, current or United's good faith estimate of future performance, for any [***] consecutive calendar months, Contractor does not meet both (i) [***] available pilots per Available to Schedule E175 Covered Aircraft and (ii) [***] available pilots per Available to Schedule CRJ Covered Aircraft (the "Pilot Requirement" and, together, with the [***], the "Utilization Requirements"), then United may, in its sole discretion, designate as many Covered Aircraft as Non-Comp Aircraft as is necessary to cure such condition, provided that this requirement will not become effective until the [***] day following the date of this Agreement. [***]

(c) [***]

(i) [***]

(ii) [***]

(A) [***]

(B) with respect to the Pilot Requirement applicable to a particular fleet type, the first point in time, which will be no earlier than the last day of the second consecutive calendar month following the last day of the calendar month in which United made such designation for such fleet type, such that, during the period of such designation, had such aircraft been Available to Schedule, there would have been sufficient available pilots to satisfy all of the Pilot Requirements during such period of designation.

(d) [***]

4.28 Operational Improvement Plan.

With respect to each fiscal quarter, if, as of the end of such fiscal quarter, Contractor has not fully satisfied all Unsatisfied Operational Improvement Metrics (as defined below), then Contractor shall pay United [***] no later than [***] Business Days following the completion of such fiscal quarter; *provided*, *however*, that the first payment due under this sentence, if any, shall instead be in the amount of [***] (it being understood that any subsequent payment required under this sentence shall be in the amount of [***]. The determination of whether Contractor has fully satisfied the "Operational Improvement Metrics" set forth on Exhibit T shall be made by United in its reasonable discretion. "Unsatisfied Operational Improvement Metric" means, with respect to any applicable fiscal quarter, each Operational Improvement Metric set forth on Exhibit T that has not been fully satisfied (x) by the Target Completion Date applicable to such metric set forth on Exhibit T falling in such quarter or (y) with respect to any Operational Improvement Metric that was not fully satisfied in the immediately prior quarter, by the completion of such quarter. As of the date hereof, Contractor represents and warrants that each Operational Improvement Metric marked as "Complete" in the column applicable to such Operational Improvement Metric in Exhibit T has been fully satisfied in accordance with the requirements set forth in Exhibit T. For purposes of clarification only, once an Operational Improvement Metric has been satisfied, such Operational Improvement Metric is not subject to re-measurement in subsequent quarters, i.e.,

once an Operational Improvement Metric has been satisfied it is complete for all purposes of this Section 4.28.

4.29 Additional Maintenance Base.

At Contractor's sole cost and expense, Contractor will (a) open a new maintenance base in a station to be determined by mutual agreement between the parties, and (b) open a new base at IAD for E175 hub operations at IAD, which includes crew domicile.

ARTICLE V
CERTAIN RIGHTS OF UNITED

5.1 Use of Covered Aircraft.

Contractor agrees that, except as expressly permitted hereby or as otherwise directed in writing by United, the Covered Aircraft and the Engines may be used only to provide Regional Airline Services. Without the written consent of United, the Covered Aircraft may not be used by Contractor for any other purpose, including without limitation flying for any other airline or on Contractor's own behalf. In addition, with respect to any Engine, Contractor shall not discriminate against United with respect to Contractor's operation, use or maintenance of such Engine (x) as compared to other similar engines in Contractor's fleet, or (y) in the provision of Regional Airline Services as compared to Contractor's operations for other airlines or for its own use.

5.2 Prohibited Transaction.

Upon the occurrence of a Prohibited Transaction without the prior written consent of United, then the provisions of Section 8.2(a) shall apply.

5.3 Performance Discussions.

Upon United's request delivered at any time and from time to time, Contractor's chief executive officer (the "CEO") and/or, at United's option, if Contractor's Controllable Completion Factor for the most recent [***] consecutive months is below [***], Contractor's independent lead director (or in the absence of a designated independent lead director, any independent director of Contractor selected by United) (the "Lead Director") shall meet in person with United at its headquarters to discuss such operational performance as soon as reasonably practicable after United's request, but in any event not more than thirty (30) days following such request; *provided* that if the CEO and/or the Lead Director, as applicable, do not meet in person with United upon United's request as provided above, then Contractor shall pay United, no later than the [***] Business Day following the end of a calendar month, [***] per Covered Aircraft for each month (or pro-rated portion thereof, as the case may be) that occurs following United's request until either the CEO and/or the Lead Director, as applicable, meets in person with United or this Agreement is earlier terminated. For the avoidance of doubt, nothing in this Section 5.3 shall limit Contractor's obligations hereunder and under any Ancillary Agreement to provide Contractor Services, including without limitation its obligations under Section 4.8, and Contractor is and shall remain solely responsible for the safe operation of its aircraft and the safe provision of Regional Airline Services, including all Scheduled Flights.

ARTICLE VI
INSURANCE

6.1 Minimum Insurance Coverages.

During the Term, in addition to any insurance required to be maintained by Contractor pursuant to the terms of any aircraft lease, or by any applicable governmental or airport authority, Contractor shall maintain, or cause to be maintained, in full force and effect policies of insurance with insurers of recognized reputation and responsibility, in each case to the extent available on a commercially reasonable basis, as follows:

(a) Comprehensive aircraft hull and liability insurance, including aircraft third party, passenger liability (including passengers' baggage and personal effects), cargo and mail legal liability, personal injury and all-risk ground and flight physical damage, with a combined single limit of not less than [***] per occurrence and a minimum limit in respect of personal injury for non-passengers of [***] per occurrence and in the aggregate, and hull and liability war risk and other perils insurance with a combined single limit no less than [***] per occurrence and in the aggregate; *provided* that with respect to war risk insurance acquired from the United States government, the commercial general liability coverage (crew and passengers) of such policy may have such lower combined single limit as is the maximum limit issued by the government from time to time;

(b) Workers' compensation at statutory limits and employer's liability with a limit of not less than [***];

(c) Automobile liability covering all owned, non-owned, leased and hired automobiles, trucks and trailers in an amount not less than [***] combined single limit per occurrence; and

(d) All risk property insurance at replacement cost, including flood, and earthquake if located in an earthquake zone, and placed with commercially reasonable deductibles not to exceed [***] of the insured values. United shall be named as a loss payee, as their interests may appear.

United shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If, in the opinion of United, the insurance provisions in this Agreement do not provide adequate protection for United and/or the aviation operations of Contractor associated with the Covered Aircraft, United may require Contractor to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. United's requirement shall be commercially reasonable but shall be designed to assure protection from and against the kind and extent of risk which exists at the time a change in insurance is required (provided such protection is available on commercially reasonable terms), and Contractor agrees to provide same within thirty (30) days of receiving notice from United.

6.2 Endorsements.

Contractor shall cause the policies described in Section 6.1 to be duly and properly endorsed by Contractor's insurance underwriters with respect to Contractor's flights and operations as follows:

(a) To provide that the underwriters shall waive subrogation rights against United, its affiliates, directors, officers, agents, employees and other authorized representatives, except for the war risk hull insurance as provided by the U.S. government pursuant to Chapter 443, Premium War Risks Insurance;

(b) To provide that United, UCH, and their respective directors, officers, agents, employees and other authorized representatives shall be endorsed as additional insured parties as respects operations of the named insured and liability coverage (other than as to workers' compensation, employers liability and property insurance);

(c) To provide that insurance shall be primary to and without right of contribution from any other insurance which may be available to the additional insureds;

(d) To include a breach of warranty provision in favor of the additional insureds;

(e) To accept and insure Contractor's hold harmless and indemnity undertakings set forth in this Agreement, but only to the extent of the coverage afforded by the policy or policies; and

(f) To provide that such policies shall not be canceled, terminated or adversely materially altered, changed or amended until thirty (30) days (but seven (7) days or such lesser period as may be available in respect of war risk and other perils and ten (10) days in the case of a cancellation for nonpayment of premium) after written notice shall have been sent to United.

6.3 Evidence of Insurance Coverage.

At the commencement of this Agreement, and upon each renewal, Contractor shall furnish to United evidence reasonably satisfactory to United of such insurance coverage and endorsements, including certificates certifying that such insurance and endorsements are in full force and effect. If Contractor fails to acquire or maintain insurance as herein provided, United may at its option secure such insurance on Contractor's behalf at Contractor's expense.

ARTICLE VII
INDEMNIFICATION

7.1 Contractor Indemnification of United.

Contractor shall be liable for and hereby agrees to fully defend, release, discharge, indemnify and hold harmless United, UCH, and their respective directors, officers, employees and agents from and against any and all claims, demands, damages, liabilities, suits, judgments,

actions, causes of action, losses, fines, penalties, costs and expenses of any kind, character or nature whatsoever, including attorneys' fees, costs and expenses in connection therewith and expenses of investigation and litigation thereof, which may be suffered by, accrued against, charged to, or recoverable from United, UCH or their respective directors, officers, employees or agents, including but not limited to, any such losses, costs and expenses involving (i) death or injury (including claims of emotional distress and other non-physical injury by passengers) to any person, including without limitation any of Contractor's or United's directors, officers, employees or agents, (ii) loss of, damage to, or destruction of property (including real, tangible and intangible property, and specifically including regulatory property such as route authorities, slots and other landing rights), including any loss of use of such property, or (iii) damages due to delays in any manner, in each case arising out of, connected with, or attributable to (w) any act or omission by Contractor or any of its directors, officers, employees or agents relating to the provision of Contractor Services, (x) the performance, improper performance, non-performance or breach of any and all obligations to be undertaken by Contractor or any of its directors, officers, employees or agents pursuant to this Agreement or any Ancillary Agreement, or (y) the operation, non-operation, or improper operation of the Covered Aircraft or Contractor's equipment or facilities at any location, in each case excluding only claims, demands, damages, liabilities, suits, judgments, actions, causes of action, losses, fines, penalties, costs and expenses (A) to the extent resulting from the gross negligence or willful misconduct of United, UCH or their respective directors, officers, agents or employees (other than gross negligence or willful misconduct imputed to such indemnified person by reason of its interest in a Covered Aircraft, and excluding Contractor acting as United's agent pursuant to Section 10.8), or (B) directly caused by a breach by United of this Agreement or any Ancillary Agreement.

7.2 United Indemnification of Contractor.

United shall be liable for and hereby agrees to fully defend, release, discharge, indemnify, and hold harmless Contractor, Parent, and their respective directors, officers, employees and agents from and against any and all claims, demands, damages, liabilities, suits, judgments, actions, causes of action, losses, fines, penalties, costs and expenses of any kind, character or nature whatsoever, including attorneys' fees, costs and expenses in connection therewith and expenses of investigation and litigation thereof, which may be suffered by, accrued against, charged to, or recoverable from Contractor, Parent or their respective directors, officers, employees or agents, including but not limited to, any such losses, costs and expenses involving (i) death or injury (including claims of emotional distress and other non-physical injury by passengers) to any person, including without limitation any of Contractor's or United's directors, officers, employees or agents (excluding Contractor as such an agent), (ii) loss of, damage to, or destruction of property including real, tangible and intangible property, and specifically including regulatory property such as route authorities, slots and other landing rights, including any loss of use of such property or (iii) damages due to delays in any manner, in each case arising out of, connected with or attributable to (x) the performance, improper performance, nonperformance or breach of any and all obligations to be undertaken by United or any of its directors, officers, employees or agents (excluding Contractor as such an agent) pursuant to this Agreement, but only to the extent that such performance, improper performance or nonperformance is due to gross negligence or willful misconduct, or (y) the operation, non-operation or improper operation of United's aircraft, equipment or facilities (excluding, for the avoidance of doubt, Covered Aircraft and any equipment or facilities leased or subleased by United to Contractor or otherwise used by

Contractor for the provision of Contractor Services to United) at any location, in each case excluding only claims, demands, damages, liabilities, suits judgments, actions, causes of action, losses, fines, penalties, costs and expenses (A) to the extent resulting from the negligence or willful misconduct of Contractor (including in its capacity as an agent of United, UCH or their respective directors, officers, agents or employees), Parent or their respective directors, officers, employees or agents, (B) for which Contractor is obligated to indemnify or otherwise reimburse United pursuant to this Agreement or any Ancillary Agreement, (C) directly caused by a breach by Contractor of this Agreement or any Ancillary Agreement, or (D) to the extent resulting from acts or omissions of any ground handler, fuel supplier or servicer, or caterer (including without limitation, for purposes of this clause (D), United and its affiliates where any of them is acting in the capacity as a ground handler pursuant to this Agreement); *provided* that if United or any of its affiliates is acting directly in the capacity of a ground handler pursuant to this Agreement, then unless superseded by another agreement between United or such affiliate, on the one hand, and Contractor, on the other, the indemnity provisions set forth in Exhibit Q shall govern the indemnification obligations of United or such affiliate to Contractor, its directors, officers, employees and agents with respect to the actions of United or such affiliate in its capacity as a ground handler; and *provided further* that in the event of a conflict between the provisions of this Section 7.2 and the provisions of Section 4.4, the provisions of Section 4.4 shall control.

7.3 Indemnification Claims.

A party (the "Indemnified Party") entitled to indemnification from another party under the terms of this Agreement (the "Indemnifying Party") shall provide the Indemnifying Party with prompt written notice (an "Indemnity Notice") of any third party claim or other claim which the Indemnified Party believes gives rise to a claim for indemnity against the Indemnifying Party hereunder. Notwithstanding the foregoing, the failure of an Indemnified Party to promptly provide an Indemnity Notice shall not constitute a waiver by the Indemnified Party to any right to indemnification or otherwise relieve such Indemnifying Party from any liability hereunder unless and only to the extent that the Indemnifying Party is materially prejudiced as a result thereof, and in any event shall not relieve such Indemnifying Party from any liability which it may have otherwise than on account of this Article VII. With respect to third party claims, the Indemnifying Party shall be entitled, if it accepts financial responsibility for the third party claim, to control the defense of or to settle any such third party claim at its own expense and by its own counsel; provided that no settlement by the Indemnifying Party of such a claim will be binding on the Indemnified Party for purposes of the indemnification provisions hereof without the prior written consent of such Indemnified Party to such settlement, which consent may not be unreasonably withheld, conditioned or delayed. The Indemnified Party shall provide the Indemnifying Party with such information as the Indemnifying Party shall reasonably request to defend any such third party claim and shall otherwise cooperate with the Indemnifying Party in the defense of any such third party claim. Except as set forth in this Section 7.3, no settlement or other compromise or consent to a judgment by the Indemnified Party with respect to a third party claim as to which the Indemnifying Party is asserted to have an indemnity obligation hereunder will be binding on the Indemnifying Party for purposes of the indemnification provisions hereof without the prior written consent of such Indemnifying Party to such settlement, which consent may not be unreasonably withheld, conditioned or delayed, it being agreed however that it shall be reasonable for the Indemnifying Party to withhold or delay its consent if the Indemnifying Party reasonably asserts that the claim is not fully covered by the indemnity provided hereunder, and the entering into of

any settlement or compromise or the consent to any judgment in violation of the foregoing shall constitute a waiver by the Indemnified Party of its right to indemnity hereunder to the extent the Indemnifying Party was prejudiced thereby. Any Indemnifying Party shall be subrogated to the rights of the Indemnified Party to the extent that the Indemnifying Party pays for any loss, damage or expense suffered by the Indemnified Party hereunder. If the Indemnifying Party does not accept financial responsibility for the third party claim or fails to defend against the third party claim that is the subject of an Indemnity Notice within thirty (30) days of receiving such notice (or sooner if the nature of the third party claim so requires), or otherwise contests its obligation to indemnify the Indemnified Party in connection therewith, the Indemnified Party may, upon providing written notice to the Indemnifying Party, pay, compromise or defend such third party claim without the prior consent of the (otherwise) Indemnifying Party. In the latter event, the Indemnified Party, by proceeding to defend itself or settle the matter, does not waive any of its rights hereunder to later seek reimbursement from the Indemnifying Party. With respect to all other claims, the Indemnifying Party shall promptly make payment of such claim upon receipt of reasonably sufficient evidence supporting such claim; *provided*, that if the Indemnifying Party in good faith disputes all or part of its obligation to indemnify the Indemnified Party hereunder or the amount involved, the senior management of each party shall meet to discuss and attempt to resolve such dispute between the parties and, if such dispute is not resolved within forty-five (45) days of such claim being made, then the parties may pursue other remedies.

7.4 Employer's Liability; Independent Contractors; Waiver of Control.

(a) Employer's Liability and Workers' Compensation. Each party, with respect to its own employees, accepts full and exclusive liability for the payment of workers' compensation premiums and employer's liability insurance premiums with respect to such employees, and for the payment of all taxes, contributions or other payments for unemployment compensation or old age or retirement benefits, pensions or annuities now or hereafter imposed upon employers by the government of the United States or any other governmental body, including state, local or foreign, with respect to such employees measured by the wages, salaries, compensation or other remuneration paid to such employees, or otherwise.

(b) Employees, etc., of Contractor. The employees, agents, and independent contractors of Contractor engaged in performing any of the services Contractor is to perform pursuant to this Agreement are employees, agents, and independent contractors of Contractor for all purposes, and under no circumstances will be deemed to be employees, agents or independent contractors of United. In its performance under this Agreement, Contractor will act, for all purposes, as an independent contractor and not as an agent for United. Notwithstanding the fact that Contractor has agreed to follow certain procedures, instructions and standards of service of United pursuant to this Agreement, United will have no supervisory power or control over any employees, agents or independent contractors engaged by Contractor in connection with its performance hereunder, and all complaints or requested changes in procedures made by United will, in all events, be transmitted by United to Contractor's designated representative. Nothing contained in this Agreement shall be construed as joint employment or is intended to limit or

condition Contractor's control over its operations or the conduct of its business as an air carrier.

(c) Employees, etc., of United. The employees, agents, and independent contractors of United engaged in performing any of the services United is to perform pursuant to this Agreement are employees, agents, and independent contractors of United for all purposes, and under no circumstances will be deemed to be employees, agents, or independent contractors of Contractor. Contractor will have no supervision or control over any such United employees, agents and independent contractors and any complaint or requested change in procedure made by Contractor will be transmitted by Contractor to United's designated representative. In its performance under this Agreement, United will act, for all purposes, as an independent contractor and not as an agent for Contractor.

(d) Contractor Flights. The fact that Contractor's operations are conducted under United's Marks and listed under the UA designator code will not affect their status as flights operated by Contractor for purposes of this Agreement or any other agreement between the parties, and Contractor and United agree to advise all third parties, including passengers, of this fact.

7.5 No Double Recovery.

Notwithstanding anything to the contrary contained in this Agreement, no party shall be entitled to indemnification or reimbursement under any provisions of this Agreement for any amount to the extent such party has been indemnified or reimbursed for such amount under any other provision of this Agreement.

7.6 Survival.

The provisions of this Article VII shall survive the termination of this Agreement.

ARTICLE VIII
TERM, TERMINATION AND DISPOSITION OF AIRCRAFT

8.1 Term.

This Agreement shall be effective as of the date hereof (the "Effective Date"). The Term of this Agreement shall commence on the date that the first Covered Aircraft is placed into service under the terms and conditions of this Agreement (the "Commencement Date") and, unless earlier terminated or extended as provided herein, shall continue until the last Scheduled Exit Date for any Covered Aircraft as set forth on Schedule 1, as such date may be extended pursuant to Section 10.2 hereof (the "Term").

8.2 Early Termination.

(a) By United for Cause or Special Cause. United may terminate this Agreement, immediately upon providing written notice of termination to Contractor following the occurrence of any event that constitutes Cause or Special Cause. Any

termination pursuant to this Section 8.2(a) shall supersede any other termination pursuant to any other provision of this Agreement (even if such other right of termination shall already have been exercised), and the date of such notice of termination for Cause or Special Cause shall be the Termination Date for purposes of this Agreement (and such Termination Date pursuant to this Section 8.2(a) shall supersede any other Termination Date that may have been previously established pursuant to another termination).

(b) By United for Breach. United may terminate this Agreement, by providing written notice to Contractor, upon the occurrence of a material breach of this Agreement by Contractor as described in clause (i) below which breach shall not have been cured within [***] after notice of such breach is delivered by United to Contractor. United may terminate this Agreement, by providing written notice of termination to Contractor, upon the occurrence of any other material breach of this Agreement by Contractor, which breach shall not have been cured within [***] after written notice of such breach is delivered by United to Contractor (which [***] notice period may run concurrently with the [***] day notice period, if any, provided pursuant to Section 4.3 for quality of service-related breaches). Any such written notice of termination delivered pursuant to the foregoing sentences shall specify the Termination Date (subject to the provisions of this Article VIII) and describe in reasonable detail the events giving rise to the material breach claim. The parties hereto agree that, without limiting the circumstances or events that may constitute a material breach, each of the following shall constitute a material breach of this Agreement by Contractor: (i) a reasonable and good faith determination by United, using recognized standards of safety, that there is a material safety concern with the operation of any Scheduled Flights, (ii) a carrier-specific grounding of more than [***] Covered Aircraft by regulatory or court order or other governmental action, (iii) a failure to meet the terms of Section 9.1(j) hereof, (iv) the occurrence of a material breach by Contractor of any Ancillary Agreement, which breach shall not have been cured during the applicable cure period, (v) the failure of Contractor to cure, within [***] following written notice to Contractor from United, any material failure of [***] or more Covered Aircraft to meet United's standards set forth in Exhibit J.

(c) By Contractor for Breach. Contractor may terminate this Agreement, by providing written notice of termination to United, upon (i) failure by United to make any payment or payments under this Agreement aggregating in excess of [***], including, without limitation, any payments which become due during any Wind-Down Period, but excluding any amounts which are the subject of a good faith dispute between the parties, which failure shall not have been cured within [***] Business Days after written notice of such breach is delivered by Contractor to United or (ii) the occurrence of any other material breach of this Agreement by United, including without limitation, any breach during any Wind-Down Period, which breach shall not have been cured within [***] days after written notice of such breach is delivered by Contractor to United. Such written notice of termination shall specify the Termination Date (subject to the provisions of this Article VIII).

(d) By United for Breach of Other CPA. United may terminate this Agreement, by providing written notice of termination to Contractor upon the early termination by United of any other capacity purchase or similar arrangement between United and Contractor or Contractor's affiliate; *provided*, that the foregoing termination right in this Section 8.2(d) shall not apply in the event such other capacity purchase or similar arrangement between United and Contractor or Contractor's affiliate is terminated solely as a result of events or actions similar to those described in clauses (i), (ii) or (iii) of the definition of Cause herein. Such written notice of termination shall specify the Termination Date (subject to the provisions of this Article VIII).

(e) Survival During Wind-Down Period. Upon any termination hereunder, the Term shall continue, and this Agreement shall survive in full force and effect, beyond the Termination Date until the end of the Wind-Down Period, if any, and the rights and obligations of the parties under this Agreement, including without limitation remedies available upon the occurrence of events constituting Cause, Special Cause or material breach, shall continue with respect to each Covered Aircraft until it is withdrawn from this Agreement and otherwise until the later of the Termination Date and the end of the Wind-Down Period, if any.

(f) Terminations for Non-Carrier Specific Groundings. United may terminate this Agreement, by providing written notice to Contractor, upon (i) the non-carrier specific grounding of more than [***] Covered Aircraft by regulatory or court order or other governmental action for [***] consecutive days or (ii) the non-carrier specific grounding of [***] or fewer Covered Aircraft by regulatory or court order or other governmental action for [***] consecutive days. Such a termination shall be effective upon Contractor's receipt of such termination notice.

8.3 Disposition of Aircraft During Wind-Down Period.

(a) Termination by United for Cause or Special Cause. If this Agreement is terminated pursuant to Section 8.2(a), then at United's election at the time of such termination, either (x) such termination shall be treated as a termination pursuant to Section 8.2(b) and the provisions of Section 8.3(b) shall apply or (y) the Covered Aircraft shall be withdrawn from the capacity purchase provisions of this Agreement in accordance with the following schedule: (i) within [***] days of delivery of any notice of termination, United shall deliver to Contractor a revocable written Wind-Down Schedule which shall (A) provide for the withdrawal of such Covered Aircraft from the capacity purchase provisions of this Agreement and (B) delineate the number of each aircraft type to be withdrawn by month, (ii) United may amend or modify such Wind-Down Schedule in its sole discretion by providing [***] written notice to Contractor of such amendment or modification, and (iii) the Wind-Down Schedule (A) may begin immediately upon its delivery, and (B) may not provide for the withdrawal of any Covered Aircraft beyond the earlier of (a) the date that is [***] months after the date of delivery of the Wind-Down Schedule, and (b) the date on which the head lease applicable to the Covered Aircraft terminates. United shall have the right to designate any specific Covered Aircraft

purchased or to be purchased by United to be withdrawn on a specific date in accordance with the Wind-Down Schedule; otherwise, Contractor shall determine which specific Covered Aircraft shall be withdrawn on all other dates as required by, and in accordance with, the Wind-Down Schedule. The provisions of this Section 8.3(a) shall supersede any Wind-Down Schedule delivered pursuant to any other provision of this Agreement in accordance with a Wind-Down Schedule to be delivered by United to Contractor on the Termination Date.

(b) Termination by United for Breach, etc. If this Agreement is terminated by United under Section 2.4, Section 8.2(b), Section 8.2(d) or Section 8.2(f), then the Covered Aircraft (or in the event of a partial termination, the applicable Covered Aircraft) shall be withdrawn from the capacity purchase provisions of this Agreement in accordance with the following terms and conditions.

(i) Within [***] days of delivery of any notice of termination delivered pursuant to Section 8.2(b), Section 8.2(d) or Section 8.2(f), United shall deliver to Contractor an irrevocable written Wind-Down Schedule, providing for the withdrawal of such Covered Aircraft from the capacity purchase provisions of this Agreement, and delineating the number of each aircraft type to be withdrawn by month. United shall deliver to Contractor the Wind-Down Schedule within [***] days of providing the applicable Notice pursuant to Section 2.4.

(ii) Such Wind-Down Schedule (x) may not commence until the Termination Date, (y) may not provide for the withdrawal of any Covered Aircraft prior to the date that is [***] days after the date of delivery of the Wind-Down Schedule and (z) may not provide for the withdrawal of any Covered Aircraft beyond the earlier of (A) the date that is [***] months after the date of delivery of the Wind-Down Schedule, and (B) the date on which the head lease applicable to the Covered Aircraft terminates. [***], Contractor shall have the right to designate any specific Covered Aircraft purchased or to be purchased by United to be withdrawn on a specific date in accordance with the Wind-Down Schedule.

(c) Termination by Contractor for Breach. If this Agreement is terminated by Contractor under Section 8.2(c), then the Covered Aircraft shall be withdrawn from the capacity purchase provisions of this Agreement in accordance with the following terms and conditions:

(i) The notice of termination delivered by Contractor to United pursuant to Section 8.2(c)(i) shall be irrevocable and shall contain a Termination Date that is not more than [***] days after the date of such notice; *provided* that such termination notice shall be void and of no further effect automatically upon the payment by United prior to such Termination Date of all unpaid amounts giving rise to the default under Section 8.2(c)(i). As of the Termination Date set forth in such notice of termination delivered pursuant to Section 8.2(c)(i), all of the Covered Aircraft shall automatically be

withdrawn from the capacity purchase provisions of this Agreement and shall cease to be Covered Aircraft as of such date.

(ii) The notice of termination delivered by Contractor to United pursuant to Section 8.2(c)(ii) shall be irrevocable and shall contain a Termination Date that is at least [***] days after the date of such notice. Prior to the [***] day after receipt of such termination notice, United shall deliver to Contractor a Wind-Down Schedule beginning on such Termination Date. The Wind-Down Schedule may not provide for the withdrawal of more than [***] Covered Aircraft per month (excluding the withdrawal of any Covered Aircraft upon the termination of the head lease relating to such Covered Aircraft), and may not provide for the withdrawal of any Covered Aircraft on any date more than [***] months after the Termination Date. Contractor shall determine which specific Covered Aircraft shall be withdrawn on all dates as required by, and in accordance with, the Wind-Down Schedule.

(d) Termination at End of Term. If the Agreement is terminated at the end of the Term (other than pursuant to Section 8.2), then each Covered Aircraft shall be withdrawn from the capacity purchase provisions of this Agreement on the Scheduled Exit Date set forth for such Covered Aircraft on Schedule 1, as amended.

8.4 Certain Other Remedies.

In addition to the remedies contemplated above in this Article VIII, United shall be entitled to the following remedies:

(a) Certain Remedies for Labor Strike and Groundings. In the event of (i) the occurrence of a Labor Strike or (ii) the mandatory grounding of any portion of the Covered Aircraft by the FAA due to any action or inaction of Contractor, then for so long as such Labor Strike or mandatory grounding shall continue and thereafter until the number of Scheduled Flights that are On-Time Departures (including any delays resulting from a Labor Strike or mandatory grounding) on any day of the week equals or exceeds the number of Scheduled Flights that were On-Time Departures on the same day of the week prior to such Labor Strike or mandatory grounding, United shall not be required to pay or otherwise reimburse Contractor for any of the "per aircraft per month" or "per aircraft in schedule" rates set forth on Schedules 2A, 2B and 2C. The rights set forth in this Section 8.4(a) are in addition to, and not in limitation of, any other right of United arising hereunder.

(b) Certain Remedies During Wind-Down Operations. Upon a material breach of this Agreement by Contractor (including without limitation, those described in Section 8.2(b) and Section 8.2(d)), which breach, if such breach has a cure period thereunder, shall not have been cured during such cure period, then from the date of such breach, or the end of such cure period, as applicable, until (i) such breach is cured or (ii) if this Agreement is otherwise terminated by United pursuant to Section 8.2(b) or Section 8.2(d), then until the end of any applicable Wind-Down

Period, as consideration for United's forbearance in exercising its termination remedies and damages incurred with respect to the portion of the Regional Airline Services that continue to be provided prior to and during such Wind-Down Period (the parties having agreed that the value of such forbearance and damages may be difficult to calculate) and without any further action by any party, each item of Compensation for Carrier Controlled Costs set forth in Section 3.1(a) and Schedules 2A, 2B, and 2C shall be decreased to an amount equal to such item of Compensation for Carrier Controlled Costs (per hour, departure, passenger or other unit of measurement, as applicable) divided by [***]; *provided* that the parties specifically acknowledge that the foregoing liquidated damages are in respect of Regional Airline Services for such period of time as they continue to be provided and are without regard to, and not in limitation of, any recourse or remedy available to United at law or in equity for damages suffered in respect of Regional Airline Services that are terminated; and *provided further* that the provisions of this Section 8.4(b) are not intended to be duplicative of the provisions of Section 8.4(e), and in the event of any conflict between such provisions, the provisions of Section 8.4(e) are intended to override the provisions of this Section 8.4(b).

(c) Liquidated Damages for Failure to Place E175LL Covered Aircraft in Service by E175LL Committed In-Service Date. If Contractor shall fail to place in-service an E175LL Covered Aircraft by the E175LL Committed In-Service Date for such aircraft, as such El75LL Committed In-Service Date may be delayed by, and only to the extent such date is delayed by an Act of God or such delay is attributable solely to the manufacturer of the delayed E175LL Covered Aircraft, then, with respect to each such aircraft:

(x) Contractor shall pay to United as liquidated damages for United's lost revenue related to such delay, [***] per aircraft per calendar day for each calendar day that delivery of such aircraft is so delayed from performing Regional Airline Services, such payment to be made in accordance with Section 3.6(c)(ii), and

(y) if Contractor has failed to place such aircraft in-service by the [***] day after the E175LL Committed In-Service Date for such aircraft, then United shall have the unilateral right to terminate this Agreement as to such Covered Aircraft immediately by written notice to Contractor.

For the avoidance of doubt, none of a delay attributable solely to the manufacturer of the delayed E175LL Covered Aircraft or a delay due to an Act of God that continues for fewer than [***] days shall be deemed a default by Contractor for purposes of this Agreement.

(d) Liquidated Damages for Reduction in the Number of Covered Aircraft. If, after delivery of all of the Covered Aircraft, the number of Covered Aircraft available to operate in Regional Airline Services (accounting for Spare Aircraft and aircraft undergoing scheduled maintenance) falls below the total number of Covered Aircraft listed in Schedule 1 for a period of time exceeding [***] days, then

Contractor will pay to United, as liquidated damages for United's lost revenue related to such unavailability of each such Covered Aircraft and not as a penalty, the following amounts within [***] business days from the receipt of United's calculations of such amounts (which may be sent together or separately):

(i) [***]

(ii) any prepayment made pursuant to Section 3.6(a) in respect of such unavailable aircraft for the period of such unavailability; plus

(iii) the total denied boarding compensation and passenger-related interrupted trip costs paid or otherwise incurred by United (including without limitation hotel, meal and ground transportation costs and the face value of any travel certificates issued) in respect of any Scheduled Flights delayed or canceled as a result of the unavailability of such aircraft.

(e) Liquidated Damages for Termination by United. If United terminates this Agreement as a result of Contractor's breach, then Contractor will pay to United, as liquidated damages for United's prospective losses related to the loss of the benefit of the bargain for the remainder of the term of this Agreement and not as a penalty, within [***] business days from the receipt of the calculation from United, the Daily United Damages (as described below), for each day remaining during the period commencing with the date of termination through the end of the then current term of this Agreement; *provided, however*, that if, within two years of the date of the applicable termination notice delivered by United to Contractor, United secures and begins operations with another carrier to replace Contractor's Regional Airline Services provided by the Covered Aircraft, then the Daily United Damages will be offset by an amount calculated by United to reasonably correspond to the Daily United Damages calculation described below but calculated with regard to such operations with such other carrier. As used herein, "Daily United Damages" shall equal (W) United's aggregate revenue received from the operation of all Covered Aircraft under this Agreement during the [***] full calendar months immediately preceding the event constituting such breach (including but not limited to revenues from passenger sales, cargo and mail services as well as any "beyond revenue" (constituting revenue from transfers to other United flights)), minus (X) the aggregate revenue received by Contractor from United pursuant to the terms of this Agreement with regard to the operation of all Covered Aircraft under this Agreement during such twelve (12) calendar months (including all payments received pursuant to Section 3.6 in respect of such operations), minus (Y) the United incurred expenses referred to in Section 3.4(a) incurred in respect of such operations, and divided by (Z) 365. Where applicable, dollar amounts used in the calculations described in this Section 8.4(e) shall be as reported in United's Financial Profitability System.

(f) If a Termination Event shall have occurred, then notwithstanding anything contained in this Agreement to the contrary, [***] to Contractor that would otherwise have been required pursuant to Section 2.4 (but for this Section 8.4(f)).

(g) The parties agree that the damages to be suffered by United in the scenarios described in each of the foregoing paragraphs of this Section 8.4 would be difficult to calculate, and that the liquidated damages set forth in each of such foregoing paragraphs are a good faith and reasonable estimate of such damages, and that such liquidated damages are not intended to be a penalty. The inclusion of liquidated damages in this Section 8.4 is not intended to modify, waive or restrict United's rights to exercise any and all remedies available at law or in equity for Contractor's breach of this Agreement, other than the recovery of monetary damages for the losses and damages described herein, for which these liquidated damages are intended to be the sole and exclusive remedy; *provided* that United's right to indemnification pursuant to Article VII for claims brought by third parties shall not be limited in any way by this Section 8.4.

(h) Damages.

(i) NO PARTY TO THIS AGREEMENT OR ANY OF ITS AFFILIATES SHALL BE LIABLE TO ANY OTHER PARTY HERETO OR ANY OF ITS AFFILIATES FOR CLAIMS FOR CONSEQUENTIAL, PUNITIVE, SPECIAL OR EXEMPLARY DAMAGES, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, REGARDLESS OF WHETHER A CLAIM IS BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, VIOLATION OF ANY APPLICABLE DECEPTIVE TRADE PRACTICES ACT OR SIMILAR LAW OR ANY OTHER LEGAL OR EQUITABLE PRINCIPLE, AND EACH PARTY RELEASES THE OTHERS AND THEIR RESPECTIVE AFFILIATES FROM LIABILITY FOR ANY SUCH DAMAGES; *PROVIDED* THAT THE FOREGOING LIMITATION SHALL NOT APPLY TO LIMIT THE LIABILITY OF ANY PARTY FOR THE CONSEQUENTIAL DAMAGES SUFFERED BY ANY OTHER PARTY IF THE FIRST PARTY ACTED IN BAD FAITH; *PROVIDED FURTHER* THAT THE PARTIES AGREE THAT ANY LIQUIDATED DAMAGES PAYABLE TO UNITED PURSUANT TO THIS SECTION 8.4 (OR, IF FOR ANY REASON DIRECT OR ACTUAL DAMAGES ARE AWARDED, THE COSTS INCURRED BY UNITED FOR ARRANGING AND PROVIDING FOR ANY REGIONAL AIRLINE, GROUND HANDLING AND OTHER SERVICES TO REPLACE THE CONTRACTOR SERVICES (OR ANY PORTION THEREOF) FOLLOWING A TERMINATION OF THIS AGREEMENT) SHALL BE CONSIDERED DIRECT AND ACTUAL DAMAGES SUFFERED BY UNITED, AND SHALL NOT BE CONSIDERED CONSEQUENTIAL, PUNITIVE, SPECIAL OR EXEMPLARY DAMAGES FOR PURPOSES OF THIS AGREEMENT. NO PARTY SHALL BE ENTITLED TO RESCISSION OF THIS AGREEMENT AS A RESULT OF BREACH OF ANY OTHER PARTY'S REPRESENTATIONS, WARRANTIES, COVENANTS OR AGREEMENTS, OR FOR ANY OTHER MATTER; *PROVIDED FURTHER* THAT NOTHING IN THIS SECTION 8.4(h) SHALL

RESTRICT THE RIGHT OF ANY PARTY TO EXERCISE ANY RIGHT TO TERMINATE THIS AGREEMENT PURSUANT TO THE TERMS HEREOF.

(ii) NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT TO THE CONTRARY, CONTRACTOR SHALL NOT BE LIABLE TO UNITED (OR ANY OF ITS AFFILIATES, OR ITS OR ITS AFFILIATES' DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS) FOR MONETARY DAMAGES CALCULATED PURSUANT TO SECTION 8.4(c), 8.4(d) or 8.4(e) IN RESPECT OF ANY CLAIMS ARISING FROM A TERMINATION FOR BREACH OF CONTRACT CONSTITUTING SPECIAL CAUSE IN EXCESS (INDIVIDUALLY AND IN THE AGGREGATE) OF [***]; *PROVIDED* THAT IF SUCH CLAIMS ARE FOR A BREACH OF CONTRACT CONSTITUTING CAUSE OR ANY BREACH (INCLUDING ANY BREACH CONSTITUTING AN INCHOATE OR UNMATURED DEFAULT) OTHER THAN A BREACH CONSTITUTING ONLY SPECIAL CAUSE (BUT NOT ALSO CAUSE), THEN THE PROVISIONS AND LIMITATIONS SET FORTH IN THIS SECTION 8.4(h)(ii) SHALL NOT APPLY; AND *PROVIDED FURTHER* THAT THE FOREGOING LIMITATIONS SHALL BE CALCULATED WITHOUT REGARD TO, AND SHALL EXCLUDE, DAMAGES IN RESPECT OF CLAIMS MADE PURSUANT TO ARTICLE VII HERETO FOR INDEMNIFICATION OF THIRD PARTY CLAIMS.

(i) Equitable Remedies. Each party acknowledges and agrees that, under certain circumstances, the breach by a party of a term or provision of this Agreement will materially and irreparably harm the other party, that money damages will accordingly not be an adequate remedy for such breach and that the non-defaulting party, in its sole discretion and in addition to its rights under this Agreement and any other remedies it may have at law or in equity (and notwithstanding the provisions of Section 11.15 below), may apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit and without provision of any notice) for specific performance and/or other injunctive relief in order to enforce or prevent any breach of the provisions of this Agreement.

ARTICLE IX
REPRESENTATIONS, WARRANTIES AND COVENANTS

9.1 Representations and Warranties of Contractor.

Contractor represents, warrants and covenants to United as of the date hereof as follows:

(a) Organization and Qualification. Contractor is a duly organized and validly existing corporation under the laws of its state of incorporation. Contractor has the corporate power and authority to own, operate and use its assets and to provide the Contractor Services. Contractor is duly qualified to do business as a foreign corporation under the laws of each jurisdiction that requires such qualification.

(b) Authority Relative to this Agreement. Contractor has the corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby in accordance with the terms hereof. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Contractor. This Agreement has been duly and validly executed and delivered by Contractor and is, assuming due execution and delivery thereof by United and that United has legal power and right to enter into this Agreement, a valid and binding obligation of Contractor, enforceable against Contractor in accordance with its terms, except as enforcement hereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and legal principles of general applicability governing the availability of equitable remedies (whether considered in a proceeding in equity or at law or otherwise under applicable law).

(c) Conflicts; Defaults. Neither the execution or delivery of this Agreement nor the performance by Contractor of the transactions contemplated hereby will (i) violate, conflict with, or constitute a default under any of the terms of Contractor's certificate of incorporation, by-laws, or any provision of, or result in the acceleration of any obligation under, any material contract, sales commitment, license, purchase order, security agreement, mortgage, note, deed, lien, lease or other agreement to which Contractor is a party or by which it or any of its properties or assets may be bound, (ii) result in the creation or imposition of any lien, charge or encumbrance in favor of any third person or entity, (iii) violate any law, statute, judgment, decree, order, rule or regulation of any governmental authority or body, or (iv) constitute any event which, after notice or lapse of time or both, would result in such violation, conflict, default, acceleration or creation or imposition of liens, charges or encumbrances.

(d) No Existing Default. Contractor is not (i) in violation of its charter or by-laws, (ii) in breach or default in any material respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a breach or default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or

instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) in violation of any law, ordinance, governmental rule, regulation or court decree to which it or its property or assets may be subject or has failed to obtain any material license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business, in each case of clauses (i), (ii) or (iii) where such violation, breach, default or failure would have a material adverse effect on Contractor or on its ability to provide Regional Airline Services and otherwise perform its obligations hereunder. To the knowledge of Contractor, no third party to any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument that is material to Contractor to which Contractor is a party or by which any of them are bound or to which any of their properties are subject, is in default in any material respect under any such agreement.

(e) Broker. Contractor has not retained or agreed to pay any broker or finder with respect to this Agreement and the transactions contemplated hereby.

(f) Financial Statements. The financial statements (including the related notes and supporting schedules) of Contractor delivered (or, if filed with the Securities and Exchange Commission, made available) to United immediately prior to the date hereof fairly present in all material respects the consolidated financial position of Contractor, as the case may be, and their respective results of operations as of the dates and for the periods specified therein. Since the date of the latest of such financial statements, there has been no material adverse change nor any development or event involving a prospective material adverse change with respect to Contractor, as the case may be. Such financial statements have been prepared in accordance with generally accepted accounting principles in the United States consistently applied throughout the periods involved, except to the extent disclosed therein.

(g) Insurance. Contractor is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts and with such deductibles as are customary in the businesses in which they are engaged. Contractor has not received notice of cancellation or non-renewal of such insurance. All such insurance is outstanding and duly in force on the date hereof. Contractor has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a material adverse effect on Contractor.

(h) No Proceedings. There are no legal or governmental proceedings pending, or investigations commenced of which Contractor has received notice, in each case to which Contractor is a party or of which any property or assets of Contractor is the subject which, if determined adversely to Contractor, would individually or in the aggregate have a material adverse effect on Contractor or on Contractor's ability to provide Regional Airlines Services and otherwise perform its obligations

hereunder; and to the best knowledge of Contractor, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

(i) No Labor Dispute. No labor dispute with the employees of Contractor exists or, to the knowledge of Contractor, is imminent which would reasonably be expected to have a material adverse effect on Contractor or on its ability to provide Regional Airlines Services and otherwise perform their respective obligations hereunder.

(j) Permits. With regard to CRJ Covered Aircraft, Contractor possesses all material certificates, authorizations and permits issued by FAA, DOT, TSA, DHS, EPA and other applicable federal, state or foreign regulatory authorities necessary to conduct its business, to provide Regional Airlines Services and otherwise to perform its obligations hereunder, and neither Contractor nor Parent has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a material adverse effect on Contractor or Parent or on the ability of either to conduct its businesses, to provide Regional Airlines Services or otherwise to perform its respective obligations hereunder.

9.2 Representations, Warranties and Covenants of United.

United represents, warrants and covenants to Contractor as of the date hereof as follows:

(a) Organization and Qualification. United is a duly incorporated and validly existing corporation in good standing under the laws of the State of Delaware.

(b) Authority Relative to this Agreement. United has the corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby in accordance with the terms hereof. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of United. This Agreement has been duly and validly executed and delivered by United and is, assuming due execution and delivery thereof by Contractor and that Contractor has legal power and right to enter into this Agreement, a valid and binding obligation of United, enforceable against United in accordance with its terms, except as enforcement hereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and legal principles of general applicability governing the availability of equitable remedies (whether considered in a proceeding in equity or at law or otherwise under applicable law).

(c) Conflicts; Defaults. Neither the execution or delivery of this Agreement nor the performance by United of the transactions contemplated hereby will (i) violate, conflict with, or constitute a default under any of the terms of United's certificate of incorporation, by-laws, or any provision of, or result in the acceleration of any obligation under, any material contract, sales commitment, license, purchase order,

security agreement, mortgage, note, deed, lien, lease or other agreement to which United is a party or by which it or its properties or assets may be bound, (ii) result in the creation or imposition of any lien, charge or encumbrance in favor of any third person or entity, (iii) violate any law, statute, judgment, decree, order, rule or regulation of any governmental authority or body, or (iv) constitute any event which, after notice or lapse of time or both, would result in such violation, conflict, default, acceleration or creation or imposition of liens, charges or encumbrances.

(d) Broker. United has not retained or agreed to pay any broker or finder with respect to this Agreement and the transactions contemplated hereby.

(e) No Proceedings. There are no legal or governmental proceedings pending, or investigations commenced of which United has received notice, in each case to which United is a party or of which any property or assets of United is the subject which, if determined adversely to United, would individually or in the aggregate have a material adverse effect on United or on its ability to perform its obligations hereunder; and to the best knowledge of United, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

ARTICLE X
CERTAIN AIRCRAFT-RELATED PROVISIONS

10.1 Right to Call.

(a) If United delivers a notice of termination of this Agreement pursuant to Section 8.2(a), (b) or (d), then United, or its designee (for the purposes of this Section 10.1, references to United shall be interpreted to include United's designee, as applicable), will have the option to purchase any or all Covered Aircraft owned by Contractor or to assume Contractor's leasehold interest with respect to any or all Covered Aircraft leased by Contractor (other than such aircraft leased from United), as the case may be. In addition, if United removes any CRJ700 Removed Aircraft or CRJ550 Removed Aircraft from this Agreement pursuant to Section 2.4, and *provided* that United has not delivered a notice of termination of the Agreement pursuant to Section 8.2(a) or (b) prior to November 30, 2019, [***]. Each Covered Aircraft, CRJ700 Removed Aircraft and CRJ550 Removed Aircraft purchased or the leasehold interest in which is assumed pursuant to this Section 10.1 shall be referenced herein, individually and collectively, as a "Call Option Aircraft," the option or obligation, as the case may be, to acquire the Call Option Aircraft or assume their leases shall be referenced herein as the "Call Option," and the terms of such obligation to purchase or assume shall be as set forth in this Section 10.1. Notwithstanding anything to the contrary in this Agreement, if this Agreement is terminated with respect to one or more EETC Aircraft at a time when any such EETC Aircraft is subject to an EETC Security Interest, the provisions of Section 10.1 shall not apply to such EETC Aircraft. Notwithstanding anything to the contrary in this Agreement, if this Agreement is terminated with respect to one or more Secured Loan Aircraft at a time when any such Secured Loan Aircraft is

subject to a Secured Loan Security Interest, the provisions of Section 10.1 shall not apply to such Secured Loan Aircraft.

(b) Such Call Option will be governed by the terms set forth below:

(i) If this Agreement is terminated pursuant to Section 8.2(a), 8.2(b) or 8.2(d), then not later than the later of (A) [***] Business Days following Contractor's confirmation of delivery of all Call Option Information and (B) [***] days following the date a relevant notice of termination of this Agreement, United may, at its option, deliver an irrevocable written notice (a "Call Option Notice") of its election to exercise the Call Option, which notice shall specify the Call Option Aircraft that are subject to such notice.

(ii) With respect to any CRJ700 Removed Aircraft, Contractor Owned E175 Covered Aircraft or CRJ550 Removed Aircraft, the Call Option shall be deemed to have been exercised, and shall be automatically exercised, upon delivery of the applicable 2.4(a) Notice, 2.4(b)(ii) Notice or 2.4(d) Notice to Contractor.

(iii) United may, at its option, deliver a written notice (a "Call Option Request") to Contractor requesting Call Option Information (x) not later than [***] days following the delivery of a relevant notice of termination of this Agreement by United to Contractor pursuant to Section 8.2(a), 8.2(b) or 8.2(d), or (y) at any time United determines in good faith that an inchoate default of this Agreement by Contractor has occurred that might lead to a termination pursuant to Section 8.2(a), 8.2(b) or 8.2(d), or (z) at any time in United's discretion if it is reasonably likely to deliver a 2.4(a) Notice or 2.4(d) Notice within the next [***] days. United shall be deemed to have delivered a Call Option Request upon delivery of a 2.4(a) Notice or 2.4(d) Notice.

(iv) Within [***] Business Days following its receipt of a Call Option Request, Contractor shall provide United with: (A) with respect to a Call Option Aircraft that is leased to Contractor (a "Leased Call Option Aircraft"), copies of all lease agreements, and with respect to all Call Option Aircraft owned by Contractor (whether directly, through an affiliate or owner trust) (an "Owned Call Option Aircraft"), copies of all financing and related agreements; (B) all lease rates and other financial information relevant to such lease agreements and financing and related agreements; (C) a good faith estimate of any costs to be incurred by Contractor in connection with the disposition of the Call Option Aircraft pursuant to the Call Option with respect to each such aircraft, including without limitation any termination, make-whole, prepayment (or similar) penalty or fee, breakage, third party attorney's fees and costs, trustee and wind-up fees and recording/filing fees, whether in connection with the lease or financing of the aircraft or the maintenance and/or support thereof, in each case as in effect on the earlier of the date of the applicable Call Option Request or the termination to which

such Call Option Request relates; (D) [***] (E) a summary of the maintenance status of each such aircraft, including with regard to the airframe, engines, landing gear, major components and other items reasonably requested by United; (F) the identity of and contact information for all parties with an interest in such aircraft or otherwise to be party to any assignments or purchases; and (G) any other information relevant to the Call Option that United may reasonably request (all such information in clauses (A) through (G) of this Section 10.1(b)(iii), the "Call Option Information"). Contractor's disclosures of Call Option Information shall be made expressly subject to any confidentiality restrictions applicable to the Call Option Information, and United agrees to be bound by such restrictions (subject to any arrangements regarding such confidentiality restrictions made between United and the party or parties to which such confidentiality obligations are owed). Upon the delivery of all Call Option Information to United, Contractor shall notify United in writing that all such information has been delivered.

(v) United shall have the right to revoke, with respect to any or all of the Call Option Aircraft, any such Call Option exercise prior to the consummation of the purchase or assignment of the relevant Call Option Aircraft, by written notice to Contractor prior to such consummation.

(vi) Leased Call Option Aircraft.

(A) In each case in respect of each Leased Call Option Aircraft, United shall obtain and provide to Contractor, [***], the written consent from the existing lessor (and applicable financing parties) to a full assignment and assumption by United (without recourse to Contractor) of all obligations of Parent and Contractor under the lease agreement, any guaranty and other related documents associated with the lease (or lease financing) of such Call Option Aircraft, together with a full release (the "Release") of Contractor and Parent from any and all obligations under such agreements for periods following the assignment date (such lease agreement, guaranty and other related documents, the "Lease Documents"). Such assignment and assumption agreement shall contain the Release and shall otherwise be in a form reasonably acceptable to Contractor and United and shall contain the provisions provided in clause (C) below (such agreement, "Assignment and Assumption Agreement").

(B) United and Contractor shall enter into an Assignment and Assumption Agreement for each Leased Call Option Aircraft. Subject to Contractor's receipt of a duly executed and effective Release, Contractor shall deliver such aircraft to United free and clear of all liens and encumbrances other than (x) the lien attributable to the lease, (y) any other lien attributable to the lessor

or other financing party of the Covered Aircraft and (z) any lien permitted to exist pursuant to the terms of the Lease Documents. Each Leased Call Option Aircraft shall otherwise be delivered to United in "AS-IS, WHERE-IS" condition, subject to the terms of the Lease Documents; *provided* that nothing in this sentence shall be interpreted as relieving Contractor of any of its obligations under this Agreement, including its obligation to operate and maintain the aircraft in accordance with the terms herein; and *provided further* that, notwithstanding the above, Contractor shall be solely liable, and United shall not be liable, for any breaches or defaults, or damages resultant thereto, having occurred in respect of any Leased Call Option Aircraft pursuant to this Agreement or the Lease Documents prior to the effective time of the assignment and Release and delivery by Contractor to United of such Leased Call Option Aircraft. Each Leased Call Option Aircraft shall be delivered to United at a location in the continental United States selected by United in United's sole discretion (any such location, a "Delivery Location"); *provided* that, if Contractor does not have a maintenance/operations base at a Delivery Location, then United shall pay to Contractor the direct out-of-pocket costs incurred by Contractor to deliver the applicable Leased Call Option Aircraft to such Delivery Location; *provided further* that any Leased Call Option Aircraft shall not be deemed delivered unless and until: (aa) Contractor has delivered to United all records and documents that Contractor is required to maintain in accordance with its FAA-approved records retention program and the applicable lease in respect of such aircraft, plus such other records and documents that are reasonably requested by United and are in Contractor's possession (*provided*, however, that if United reasonably requests additional records and documents that are not so required and are not in Contractor's possession, then, at United's request and cost, Contractor shall use commercially reasonable efforts to assist United in causing such records to be delivered to United); and (bb) the delivered aircraft is (vv) complete, (ww) has no parts or other items of equipment installed thereon that are not at the effective time of such assignment titled with the owner of such aircraft in accordance with the terms of the applicable lease, (xx) is in a condition for continuing commercial passenger operations under FAR Part 121 and the applicable lease, (yy) has no deferred/carryover maintenance items or, with respect to any Airworthiness Directives, any waivers or Alternative Means of Compliance (AMOCs) and (zz) complies with the applicable lease's aircraft return provisions (a copy of which is attached to this Agreement as Exhibit R), except for those provisions regarding (A) Lessee's exterior insignia and interior markings, (B) airworthiness directives (without limiting the requirements set forth in clause (yy)

above), (C) scheduled maintenance, (D) engine maintenance, (E) engine return, (F) structural inspection tasks, (G) landing gear life, (H) tires and brakes, (I) condition of controlled components and (J) appraisals; *provided further* that the reasonable costs of Contractor's compliance with return conditions relating to storage upon return shall be for United's account; and *provided further* that, notwithstanding anything to the contrary contained herein, upon United's request, Contractor shall make the aircraft available, prior to delivery of the aircraft and consummation of any assignment or sale, for the performance of airframe and engine inspections arranged by United and performed at its cost, including but not limited to boroscopes, ground performance runs, on-wing static inspections and testing and EGT margin tests. The effective date of such assignment shall occur, and subject to Section 10.1(b)(vi)(D) below Contractor shall deliver such aircraft to United, on the 7th day following the date of withdrawal of such aircraft as determined pursuant to Section 2.4(a) or Sections 8.2(a), 8.2(b) or 8.2(d), respectively (or such earlier or later day as United and Contractor may agree).

(C) Each of the following provisions shall apply and shall be provided for in the Assignment and Assumption Agreement: (t) risk of loss or damage to the Leased Call Option Aircraft and any corresponding obligation to store and maintain such aircraft shall transfer to United at the effective time of such assignment and Release and upon the completion of transfer of possession of such aircraft by Contractor to United; (u) United shall indemnify and insure (in accordance with customary terms) Contractor against all third-party liabilities and obligations related to facts or circumstances arising at and after such assignment, (v) Contractor shall indemnify and insure (in accordance with customary terms) United from all liabilities and obligations related to facts or circumstances arising prior to the date of the assignment, (w) at the effective time of the Assignment and Assumption Agreement, (i) Contractor shall transfer to United, and United shall take possession of, all rights in any deposits, prepaid rent and/or maintenance reserves held by the Lessor pursuant to, but subject to, the terms of the Lease Documents, (ii) United shall pay to Contractor, in immediately available funds, an amount equal to such rent security deposits and transferred prepaid rent (but only to the extent that United has not already reimbursed Contractor or otherwise paid for such rent security deposits and/or rent pursuant to the compensation and reimbursement provisions herein or used any portion of such rent security deposits and/or rent to cure any default existing under such Lease Documents at the time of such lease assumption), and (iii) to the extent that any payments of rent, reserves and/or deposits existing under the applicable Lease Documents cannot be transferred to (or for the benefit of) United,

and such payments, reserves and/or deposits have already been paid or reimbursed by United, then Contractor shall pay to United, in immediately available funds, an amount equal to such payments, reserves and/or deposits, (x) United shall assume all obligations and liabilities of Contractor as above provided with respect to such Lease Documents as of the effective date of such assignment, and (y) Contractor shall assign, to the extent assignable, all warranties, service life policies, guarantees and similar programs relating to such Leased Call Option Aircraft provided by the applicable manufacturer.

(D) United may not take possession of any Leased Call Option Aircraft unless United or Contractor first obtains an Assignment and Assumption Agreement and Release relating to all such aircraft that have been fully executed by all of the parties thereto (a "Consent"). With respect to each CRJ700 Removed Aircraft, if the relevant Consent has not been obtained by the removal date specified by the relevant 2.4(a) Notice, then the Wind-Down Period for such aircraft shall be extended and shall continue until either (x) such Consent has been obtained, or (y) United has revoked the Call Option pursuant to Section 10.1(b)(v), or (z) if such Consent shall not have been obtained within [***] following the delivery (or deemed delivery) of such Call Option Notice, then, to the extent permitted under the terms of the Lease Documents, United (at its sole option) may sublease such aircraft from Contractor on the same terms, *mutatis mutandis*, as the Lease Documents, with United's indemnification of Contractor as set forth in Section 10.1(b)(vi)(B) above expanded to include all claims arising in respect of such Lease Documents for all periods from and after the date of such sublease. With respect to any Call Option Aircraft withdrawn from this Agreement pursuant to Section 8.2(a), 8.2(b) or 8.2(d), if within [***] calendar months of the withdrawal date for such aircraft at the end of the applicable Wind-Down Period neither of the circumstances in clauses (x) or (y) above has occurred, nor has United subleased such aircraft from Contractor as provided in clause (z) above, then the Call Option in respect of such aircraft shall be deemed to have been and shall be without further act immediately revoked; *provided however*, that, for the avoidance of doubt, the Wind-Down Period for such aircraft shall not be extended beyond such Termination Date.

(vii) Owned Call Option Aircraft. [***]. Subject to United's payment to Contractor of the applicable purchase price for the Owned Call Option Aircraft as provided above and the other amounts required to be paid hereunder, Contractor shall deliver such aircraft to United free and clear of all liens and encumbrances, and otherwise in "AS-IS, WHERE-IS" condition; *provided* that nothing in this sentence shall be interpreted as

relieving Contractor of any of its obligations under this Agreement, including its obligation to operate and maintain the aircraft in accordance with the terms herein; and *provided further* that, notwithstanding the above, Contractor shall be solely liable, and United shall not be liable, for any breaches or defaults, or damages resultant thereto, having occurred in respect of any Owned Call Option Aircraft under any debt or financing arrangements in respect of such Owned Call Option Aircraft prior to the delivery by Contractor to United of such Owned Call Option Aircraft. Each Owned Call Option Aircraft shall be delivered to United at a Delivery Location; *provided* that, if Contractor does not have a maintenance/operations base at the Delivery Location, then United shall pay to Contractor the direct out-of-pocket costs incurred by Contractor to deliver the applicable Owned Call Option Aircraft to such Delivery Location; *provided further* that no Owned Call Option Aircraft shall be deemed delivered unless and until all records and documents required by Contractor's FAA-approved maintenance program to be maintained in respect of such aircraft have been delivered to United. The effective date of such sale shall occur, and Contractor shall deliver such aircraft to United, on the [***] day following the withdrawal date for such aircraft specified in the 2.4(a) Notice (with respect to CRJ700 Removed Aircraft) or the [***] day following the end of the Wind-Down Period for such aircraft (with respect to aircraft removed from this Agreement in connection with a termination of this Agreement by United pursuant to Section 8.2(a), 8.2(b) or 8.2(d)), as the case may be. The applicable purchase and sale agreement with respect to such Owned Call Option Aircraft shall provide that (x) risk of loss or damage to the Owned Call Option Aircraft and any corresponding obligation to store and maintain such aircraft shall transfer to United only upon the completion of transfer of possession of such aircraft by Contractor to United and payment to Contractor of the amounts specified herein, (y) United shall indemnify and insure (in accordance with customary terms) Contractor against all third-party liabilities and obligations related to facts or circumstances arising at and after such transfer, and (z) to the extent not otherwise provided for in this Agreement, Contractor shall indemnify and insure (in accordance with customary terms) United from all liabilities and obligations related to facts or circumstances arising prior to the date of such transfer.

(c) Contractor shall not discriminate in its operation or maintenance of the Call Option Aircraft (including without limitation with respect to any swapping or removal of parts, components or engines) following United's exercise, or deemed exercise of, a Call Option in respect to any aircraft and shall continue to comply with the provisions of Article IV hereto as they relate to each aircraft.

(d) United shall assume [***] *provided* that Contractor is not then in uncured default under such agreements, including without limitation with respect to any amounts due and owing thereunder, it being understood that Contractor shall be solely liable, and United shall not be liable, for any breaches or defaults, or damages resultant

thereto, having occurred under any such agreement prior to such assumption or termination.

10.2 Extension of E175 Aircraft Term.

(a) At any time and from time to time, but not less than [***] months prior to the Scheduled Exit Date for any United Owned E175 Covered Aircraft, and at its sole option, United may extend the exit date for any United Owned E175 Covered Aircraft (which shall extend the capacity purchase provisions hereof with respect to such Covered Aircraft to such later exit date) by delivering to Contractor a revised Schedule 1 reflecting such later exit date; *provided*, that, with respect to each United Owned E175 Covered Aircraft, (i) the first extension for such aircraft shall only be made in one increment of [***] months, and (ii) the second extension for such aircraft shall only be made in one increment of [***] months; *provided further,* that the exit date for any United Owned E175 Covered Aircraft may be extended more than once but not greater than [***] times, it being understood that, as of the date of this amendment and restatement, there have been no extension dates for any United Owned E175 Covered Aircraft; *provided further*, that in no event shall United's exercise of its extension rights pursuant to the provisions in this Section 10.2 result in Contractor operating less than [***] United Owned E175 Covered Aircraft in its provision of Regional Airline Services to United under this Agreement; and *provided further*, that the rates set forth on Schedules 2A in effect immediately prior to such extension term shall remain in effect throughout the extension term. Upon delivery to Contractor, such revised Schedule 1 shall be incorporated into this Agreement without any further action by any party and shall thereafter constitute the amended and restated Schedule 1 for all purposes of this Agreement. Upon any determination by Contractor not to renew any lease for any Covered Aircraft, Contractor shall promptly notify United.

(b) United may at any time and from time to time propose to extend the exit date for any E175 Covered Aircraft to Contractor through mutually-agreed modification of this Agreement.

10.3 Alternative Aircraft.

At any time that United desires to utilize aircraft other than the Covered Aircraft, Contractor and United agree to meet and discuss in good faith the appropriate adjustments to this Agreement necessary to include such other aircraft as a Covered Aircraft.

10.4 Additional Aircraft.

The parties may agree at any time and from time to time during the Term to amend Schedule 1 to increase the number of Covered Aircraft as a result of United's decision to award or induct new aircraft into the fleet (any such additional aircraft, the "New Aircraft") utilized by Contractor for Regional Airline Services; provided that the following provisions shall apply, except as otherwise mutually agreed at the time of such additional of New Aircraft:

(a) the Parties shall mutually agree on in-service dates for such New Aircraft;

(b) the New Aircraft shall be an aircraft type equivalent to the aircraft type set forth on Schedule 1 (or an acceptable substitute aircraft mutually agreed to by United and Contractor);

(c) United shall pay Contractor in respect of the New Aircraft the Compensation for Carrier Controlled Costs as set forth on the applicable Schedule 2A, 2B or 2C; and

(d) if a New Aircraft is owned or leased by United, then prior to such aircraft entering Regional Airline Services on the in-service date set forth in Schedule 1, Contractor shall sublease such aircraft from United pursuant to a sublease in the form of the United standard form of sublease; provided that the rent under such sublease shall be abated, except in the circumstances of such sublease where the rent is no longer abated, in which case such rent shall be payable as provided in such sublease.

10.5 Covered Aircraft Leases.

With respect to each E175 Covered Aircraft, E175LL Covered Aircraft and any other Covered Aircraft that is leased or subleased by United to Contractor, upon not less than ten Business Days' notice by Contractor to United, and at least ten Business Days' prior to the Actual In-Service Date for such aircraft, United and Contractor shall enter into a Covered Aircraft Lease for such aircraft; *provided* that pursuant to each Covered Aircraft Lease, among other things, Basic Rent payable by Contractor to United thereunder shall be entirely abated unless and until (A) such Covered Aircraft has been withdrawn from this Agreement and no longer constitutes a Covered Aircraft, (B) the occurrence of a Labor Strike, or (C) the mandatory grounding of such Covered Aircraft by the FAA due to any action or inaction of Contractor, upon which in each case such Basic Rent shall be payable by Contractor to United until (x) in the case of such a withdrawal of such Covered Aircraft, such aircraft shall have been returned to United in accordance with the terms of such Covered Aircraft Lease and this Agreement, or (y) in the case of a Labor Strike or such a mandatory grounding, as the case may be, the number of Scheduled Flights that are On-Time Departures (including any days resulting from a Labor Strike or mandatory grounding) on any day of the week equals or exceeds the number of Scheduled Flights that were On-Time Departures on the same day of the week prior to such Labor Strike or mandatory grounding, as the case may be. Notwithstanding anything else contained herein to the contrary, if and when a Covered Aircraft Lease terminates in accordance with its terms, then the aircraft subject to such lease shall no longer constitute a Covered Aircraft effective on the date on which the term of such Covered Aircraft Lease ends, regardless of whether the event giving rise to such lease termination also constitutes an independent termination or withdrawal event hereunder. Any withdrawal occurring upon such a termination of a Covered Aircraft Lease shall be separate and distinct from, and shall not limit or supersede, any other withdrawal rights of United contained in this Agreement.

10.6 Lien; Subordination.

(a) In order to secure all of Contractor's obligations owed to United pursuant to this Agreement (including without limitation the timely payment by Contractor of all payment and reimbursement obligations to United hereunder and any damages incurred by United (including without limitation pursuant to Article VIII) in any case where United is entitled to recover damages pursuant to applicable law as a

result of the default by Contractor of its obligations hereunder), Contractor hereby grants to United a security interest of first priority (subject only to liens that arise by operation of applicable law and except as provided below) in the following (the "E175 Lien"): any and all of Contractor's right, title and interest in all appliances, accessories and other equipment or property installed in or on the E175 Covered Aircraft (including all replacements of the foregoing), any equipment stored at United facilities, any contractual rights or general intangibles material to the operation or ownership or otherwise related to the E175 Covered Aircraft or amounts payable to Contractor with respect to damage or casualty to the E175 Covered Aircraft and all proceeds of the foregoing and any accounts containing such proceeds (collectively, the "E175 Collateral"); *provided* that the E175 Lien shall be junior and subordinate to any purchase money security interest in favor of one or more lenders (which lenders are not affiliates of Contractor) (each, a "PMSI Lender") arising from the provision by such lender(s) to Contractor of purchase money financing used to acquire any portion of the E175 Collateral. Contractor agrees, subject to the subordination provision set forth in this Section 10.6, that United shall have all the rights, powers and remedies of a secured party available under applicable law following any such default by Contractor, including but not limited to, the right to take possession of and sell in one or more transactions (whether by foreclosure, power of sale, or otherwise) the E175 Collateral or any part thereof; *provided further* that the E175 Collateral shall not include any property owned by United or not owned by Contractor or its affiliates. Contractor further agrees that United shall be entitled from time to time to file such Uniform Commercial Code ("UCC") financing statements and continuation statements with respect to the E175 Collateral and take such other actions as it deems necessary or appropriate in connection with the perfection and maintenance of such security interest, and Contractor hereby consents to the filing of all such UCC financing statements and continuation statements. Contractor represents and warrants to United that Contractor's current location (within the meaning of Section 9-307 of the UCC) is the State of Arizona. Contractor agrees that it will give United timely written notice (but in any event not later than thirty (30) days prior to the expiration of the period of time specified under applicable law to prevent lapse of perfection) of any change of its location (as such term is used in Section 9-307 of the UCC) from its then present location and will promptly take any action reasonably requested by United to continue the perfection of the E175 Lien on the E175 Collateral granted hereunder in favor of United; and provided, further, that no security interest shall be granted hereby in any property to the extent that such grant is prohibited by any agreement that comprises part of the EETC Transaction; and provided, further, that no security interest shall be granted hereby in any property to the extent that such grant is prohibited by any agreement that comprises part of a Secured Loan Transaction.

(b) In order to secure all of Contractor's obligations owed to United pursuant to this Agreement (including without limitation the timely payment by Contractor of all payment and reimbursement obligations to United hereunder and any damages incurred by United (including without limitation pursuant to Article VIII) in any case where United is entitled to recover damages pursuant to applicable law as a

result of the default by Contractor of its obligations hereunder), [***], accessories and other equipment or property installed in or on the CRJ Covered Aircraft owned by Contractor or its affiliates (including all replacements of the foregoing), any equipment stored at United facilities, any contractual rights or general intangibles material to the operation or ownership or otherwise related to the CRJ Covered Aircraft owned by Contractor or its affiliates or amounts payable to Contractor with respect to damage or casualty to the CRJ Covered Aircraft owned by Contractor or its affiliates and all proceeds of the foregoing and any accounts containing such proceeds (collectively, the "CRJ Collateral"); *provided* that the CRJ Lien shall in all respects be junior and subordinate to any and all security interests and/or liens in effect as of the Effective Date in or on all or any portion of the CRJ Collateral, and to any and all security interests and/or liens on all or any portion of the CRJ Collateral in effect at any time subsequent to the Effective Date and held by or in favor of any lender of any senior debt obligation of Contractor or its affiliates, which lender is not an affiliate of Contractor (hereinafter, a "Senior Lender"). Contractor agrees that, subject to the subordination provisions set forth in this Section 10.6, United shall have all the rights, powers and remedies of a secured party available under applicable law following any such default by Contractor, including but not limited to, the right to take possession of and sell in one or more transactions (whether by foreclosure, power of sale, or otherwise) the CRJ Collateral or any part thereof; *provided further* that the CRJ Collateral shall not include any property owned by United or not owned by Contractor or its affiliates. Contractor further agrees that United shall be entitled from time to time to file such UCC financing statements and continuation statements with respect to the CRJ Collateral and take such other actions as it deems necessary or appropriate in connection with the perfection and maintenance of such security interest, and Contractor hereby consents to the filing of all such UCC financing statements and continuation statements. Contractor represents and warrants to United that Contractor's current location (within the meaning of Section 9-307 of the UCC) is the State of Arizona. Contractor agrees that it will give United timely written notice (but in any event not later than thirty (30) days prior to the expiration of the period of time specified under applicable law to prevent lapse of perfection) of any change of its location (as such term is used in Section 9-307 of the UCC) from its then present location and will promptly take any action reasonably requested by United to continue the perfection of the CRJ Lien on the CRJ Collateral granted hereunder in favor of United.

(c) Contractor hereby represents and warrants that (i) it has all requisite corporate power and authority to grant the E175 Lien and the CRJ Lien in the E175 Collateral and CRJ Collateral, respectively, and (ii) such grant does not breach or result in a default of any of Contractor's contracts or agreements.

(d) Notwithstanding the date, manner or order of perfection or attachment of the security interests and liens granted by Contractor to United pursuant to this Section 10.6 or to any PMSI Lender or Senior Lender, and notwithstanding the usual application of the priority provisions of the UCC or any other applicable law or judicial decision, or whether a PMSI Lender or Senior Lender or United holds

possession of all or any part of the E175 Collateral or CRJ Collateral, United hereby acknowledges and agrees that such PMSI Lender or Senior Lender, as the case may be, shall have a first and prior continuing security interest in and lien on the E175 Collateral or CRJ Collateral, respectively, and United shall have a security interest therein junior and subordinate in priority to the lien and security interest held by such PMSI Lender or Senior Lender, as the case may be. United hereby agrees to make such filings and recordings in the public records to evidence the priorities made herein as may be reasonably requested by Contractor at the request any PMSI Lender or Senior Lender, as the case may be, and, if required by any such PMSI Lender or Senior Lender, enter into a subordination agreement directly with such PMSI Lender or Senior Lender, as the case may be, in form and substance reasonably satisfactory to such PMSI Lender or Senior Lender for the purpose of evidencing the subordination provisions set forth in this Section 10.6. The provisions of this Section 10.6 are applicable regardless of whether the security interest and/or lien of any PMSI Lender or Senior Lender, as the case may be, in the E175 Collateral or CRJ Collateral, respectively, is not perfected for any reason.

10.7 New Aircraft Configuration.

Contractor shall ensure that any Covered Aircraft added to scope of this Agreement materially conform to United's then-current specifications, including, but not limited to, specifications for aircraft configuration, galley, seats, winglets, and other standards, and that such aircraft are consistent with the specifications and livery applicable to such fleet type.

10.8 E175LL Covered Aircraft Call Option.

(a) Prior to [***], subject to the terms and conditions of this Section 10.8, Contractor shall have the option to purchase any or all E175LL Covered Aircraft owned or leased by United. Each E175LL Covered Aircraft purchased pursuant to this Section 10.8 shall be referenced herein, individually and collectively, as a "Call Option E175LL Aircraft," the option to acquire the Call Option E175LL Aircraft shall be referenced herein as the "E175LL Call Option," and the terms of such option to purchase shall be as set forth in this Section 10.8.

(b) Such E175LL Call Option will be governed by the terms set forth below:

(i) Contractor may, at its option, deliver a written notice (an "E175LL Call Option Request") to United requesting E175LL Call Option Information. Within [***] Business Days following its receipt of an E175LL Call Option Request, United shall provide Contractor with: (A) all lease rates and other financial information relevant to such lease agreements and financing and related agreements; (B) a good faith estimate of any costs to be incurred by United in connection with the disposition of the Call Option E175LL Aircraft pursuant to the E175LL Call Option with respect to each such aircraft, including without limitation any termination, make-whole, prepayment (or similar) penalty or fee, breakage, United's and third party attorney's fees and costs, trustee and wind-up fees and recording/filing fees,

whether in connection with the lease or financing of the aircraft or the maintenance and/or support thereof, in each case as in effect on the earlier of the date of the applicable E175LL Call Option Request or the termination to which such E175LL Call Option Request relates, and in each case without duplication; (C) [***]; (D) except to the extent that Mesa is obligated to deliver such information to United, or to otherwise maintain such information, pursuant to this Agreement or any Covered Aircraft Lease, a summary of the maintenance status of each such aircraft, including with regard to the airframe, engines, landing gear, major components and other items reasonably requested by Contractor; (E) the identity of and contact information for all parties with an interest in such aircraft or otherwise to be party to any assignments or purchases; and (F) any other information relevant to the E175LL Call Option that Contractor may reasonably request (all such information in clauses (A) through (F) of this Section 10.8(b)(i), the "E175LL Call Option Information"). United's disclosures of E175LL Call Option Information shall be made expressly subject to any confidentiality restrictions applicable to the E175LL Call Option Information, and Contractor agrees to be bound by such restrictions (subject to any arrangements regarding such confidentiality restrictions made between Contractor and the party or parties to which such confidentiality obligations are owed). Upon the delivery of all E175LL Call Option Information to Contractor, United shall notify Contractor in writing that all such information has been delivered.

(ii) Contractor shall have the right to revoke, with respect to any or all of the Call Option E175LL Aircraft, any such E175LL Call Option exercised prior to the consummation of the purchase or assignment of the relevant Call Option E175LL Aircraft, by written notice to Contractor prior to such consummation; [***]

(iii) [***]

(iv) If Contractor exercises the E175LL Call Option with respect to any Call Option 175LL Aircraft from time to time, then United shall have the right (but not the obligation), exercisable in its sole discretion by delivery of written notice to Contractor no later than [***] Business Days thereafter, to contribute an amount not to exceed [***] to the debt financing applicable to such aircraft; *provided* that such contribution shall be delivered in the form of a subordinated note or such other subordinated debt instrument determined by United in its reasonable discretion. If United delivers any such notice with respect to a Call Option 175LL Aircraft, then Contractor shall cooperate reasonably with United to execute definitive documentation to memorialize such contribution, and shall use commercially reasonable efforts with other financing parties to arrange for such contribution by United.

ARTICLE XI
MISCELLANEOUS

11.1 Notices.

All notices made pursuant to this Agreement shall be in writing and shall be deemed given upon (a) a transmitter's confirmation of a receipt of a facsimile transmission (but only if followed by confirmed delivery by a standard overnight courier the following Business Day or if delivered by hand the following Business Day), (b) confirmed delivery by a standard overnight courier or delivered by hand or (c) e-mail delivery, *provided* that, in the case of any such notice or communication transmitted by e-mail delivery, such notice or communication shall not be in compliance with this Section 11.1 unless such e-mail (i) includes in its subject line the following: "United CPA – Important Notice" and (ii) the sender of such email has received a reply which both has not been automatically generated and includes explicit acknowledgement of the e-mail received, to the parties at the following addresses:

if to United:

[***]
with a copy to (which shall not constitute notice):

[***]
if to Contractor:

Mesa Airlines, Inc.
410 N. 44th Street
Suite 700
Phoenix, AZ 85008
Attention: President (with a copy to General Counsel)
Facsimile No.: (602) 685-4350
E-mail:michael.lotz@mesa-air.com, brad.rich@mesa-air.com, brian.gillman@mesa-air.com

if to Parent:

Mesa Air Group, Inc.
410 N. 44th Street
Suite 700
Phoenix, AZ 85008
Attention: President (with a copy to General Counsel)
Facsimile No.: (602) 685-4350
E-mail: michael.lotz@mesa-air.com, brad.rich@mesa-air.com, brian.gillman@mesa-air.com

or to such other address as any party hereto may have furnished to the other parties by a notice in writing in accordance with this Section 11.1.

11.2 Binding Effect; Assignment.

This Agreement and all of the provisions hereof shall be binding upon the parties hereto and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except with respect to a merger or other consolidation of either party with another Person (and without limiting United's rights pursuant to Section 5.2 hereof), neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties. For the avoidance of doubt, United may effectively assign without Contractor's prior written consent all of its performance, rights, and obligations hereunder to any direct or indirect wholly-owned Subsidiary of United Continental Holdings, Inc.

11.3 Amendment and Modification.

This Agreement may not be amended or modified in any respect except by a written agreement signed by the parties hereto that specifically states that it is intended to amend or modify this Agreement. Any amendment or modification of this Agreement to decrease the amount of Ownership Rate payments required to be paid by United to Contractor with respect to any EETC Aircraft may be an Event of Default as defined under the Trust Indenture and Mortgage for such Aircraft under the EETC Transaction.

11.4 Waiver.

The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term, but such waiver shall be effective only if it is in writing signed by the party against which such waiver is to be asserted that specifically states that it is intended to waive such term. Unless otherwise expressly provided in this Agreement, no delay or omission on the part of any party in exercising any right or privilege under this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right or privilege under this Agreement operate as a waiver of any other right or privilege under this Agreement nor shall any single or partial exercise of any right or privilege preclude any other or further exercise thereof or the exercise of any other right or privilege under this Agreement. No failure by any party to take any action or assert any right or privilege hereunder shall be deemed to be a waiver of such right or privilege in the event of the continuation or repetition of the circumstances giving rise to such right unless expressly waived in writing by each party against whom the existence of such waiver is asserted.

11.5 Interpretation.

The table of contents and the section and other headings and subheadings contained in this Agreement and in the exhibits and schedules hereto are solely for the purpose of reference, are not part of the agreement of the parties hereto, and shall not in any way affect the meaning or interpretation of this Agreement or any exhibit or schedule hereto. All references to days or months shall be deemed references to calendar days or months. All references to "$" shall be deemed references to United States dollars. Unless the context otherwise requires, any reference to an "Article," a "Section," an "Exhibit," or a "Schedule" shall be deemed to refer to a section of this Agreement or an exhibit or schedule to this Agreement, as applicable. The words "hereof," "herein" and "hereunder" and words of similar import referring to this Agreement refer to this

Agreement as a whole and not to any particular provision of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, unless otherwise specifically provided, they shall be deemed to be followed by the words "without limitation." This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing the document to be drafted.

11.6 Confidentiality.

Except as required by law or stock exchange or other regulation or in any proceeding to enforce the provisions of this Agreement, or as otherwise provided below, each party to this Agreement hereby agrees not to publicize or disclose to any third party the terms or conditions of this Agreement or any of the Ancillary Agreements, or any exhibit, schedule or appendix hereto or thereto, or any CPA Records, without the prior written consent of the other parties thereto (except that (i) a party may disclose such information to its existing and potential lenders, lessors and other financing parties, its third-party consultants, its advisors and its representatives, in each case who are themselves bound to keep such information confidential and (ii) United may disclose any information to its organized labor groups and their third-party consultants, advisors and representatives as required pursuant to applicable collective bargaining agreements). Except as required by law or stock exchange or other regulation or in any proceeding to enforce the provisions of this Agreement or any of the Ancillary Agreements, or as otherwise provided below, each party hereby agrees not to disclose to any third party any confidential information or data, both oral and written, received from the other, whether pursuant to or in connection with this Agreement or any of the Ancillary Agreements, without the prior written consent of the party providing such confidential information or data (except that a party may disclose such information to its third-party consultants, advisors and representatives, in each case who are themselves bound to keep such information confidential). Each party hereby agrees not to use any such confidential information or data of the other party other than in connection with performing their respective obligations or enforcing their respective rights under this Agreement or any of the Ancillary Agreements, or as otherwise expressly permitted or contemplated by this Agreement or any of the Ancillary Agreements. If either party is served with a subpoena or other process requiring the production or disclosure of any of such agreements or information, then the party receiving such subpoena or other process, before complying with such subpoena or other process, shall immediately notify the other parties hereto of the same and permit said other parties a reasonable period of time to intervene and contest disclosure or production. Upon termination of this Agreement, each party must return to each other any confidential information or data received from the other which is still in the recipient's possession or control. Without limiting the foregoing, no party shall be prevented from disclosing the following terms of this Agreement: the number of aircraft subject hereto, the periods for which such aircraft are subject hereto, and any termination provisions contained herein. Notwithstanding anything to the contrary in the foregoing, prior to the disclosure of any information relating to this Agreement to a third party or governmental authority (even if such disclosure is permitted by the provisions set forth above), Contractor shall provide reasonable advance notice to United, and shall consider in good faith reasonable limitations on disclosure proposed by United (including redactions or the omission of certain schedules or exhibits), it being acknowledged by the parties that the omission or redaction of information customarily contemplated as commercially sensitive (including numerical figures for Base Compensation Rates) shall be deemed to constitute reasonable limitations in all events.

The provisions of this Section 11.6 shall survive the termination of this Agreement for a period of ten (10) years.

11.7 Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Agreement may be executed by facsimile signature.

11.8 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective (unless and until reformed automatically or replaced via good faith negotiations, as applicable, pursuant to the third sentence of this Section 11.8) to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. If (x) any term or provision of this Agreement is or is rendered or held invalid, illegal or incapable of being enforced by any jurisdiction, applicable law or public policy and (y) the parties agree that such term or provision is essential to this Agreement, then such term or provision will be reformed automatically in the applicable jurisdiction so as to comply with the applicable law or public policy and to effect the original intent of the parties as closely as possible; *provided*, *however*, that if, in the reasonable opinion of either party hereto, the reformation of such invalid, illegal or unenforceable term or provision materially adversely affects a party's rights or duties hereunder, then the parties shall immediately begin good faith negotiations for a suitable replacement provision which effects the original intent of the parties as closely as possible; *provided further*, that if, after the good faith negotiations referenced in the immediately preceding proviso, the parties are unable to reach agreement as to a suitable replacement provision, then the party adversely affected by the reformation may immediately terminate this Agreement upon written notice to the other party hereto, upon which termination this Agreement shall be of no further force and effect and the provisions of Section 8.3 shall apply.

11.9 Relationship of Parties.

Nothing in this Agreement shall be interpreted or construed as establishing between the parties a partnership, joint venture, joint employment, agency or other similar arrangement.

11.10 Entire Agreement; No Third Party Beneficiaries.

This Agreement (including the exhibits and schedules hereto) and the Ancillary Agreements are intended by the parties as a complete statement of the entire agreement and understanding of the parties with respect to the subject matter hereof and all matters between the parties related to the subject matter herein or therein set forth. This Agreement is made among, and for the benefit of, the parties hereto, and the parties do not intend to create any third-party beneficiaries hereby, and no other Person shall have any rights arising under, or interests in or to, this Agreement.

11.11 Governing Law.

Except with respect to matters referenced in Section 11.15(e) (which shall be governed by and construed pursuant to the Federal Arbitration Act), this Agreement shall be governed by and construed in accordance with the laws of the State of Illinois (excluding Illinois choice of law principles that might call for the application of the law of another jurisdiction) as to all matters, including matters of validity, construction, effect, performance and remedies. Subject to Section 11.15, any action arising out of this Agreement or the rights and duties of the parties arising hereunder may be brought, if at all, only in the state or federal courts located in the United States District Court for the Northern District of Illinois or the County of Cook, Illinois, as applicable. Each party further agrees to waive any right to a trial by jury.

11.12 Right of Set-Off.

If any party hereto shall be in default hereunder or under any Ancillary Agreement or any other agreement between the parties hereto relating to the provision of Contractor Services (including without limitation any ground handling agreement), then in any such case the non-defaulting party shall be entitled to set off from any payment owed by such non-defaulting party to the defaulting party hereunder or under any Ancillary Agreement any amount owed by the defaulting party to the non-defaulting party hereunder or thereunder; *provided* that contemporaneously with any such set-off, the non-defaulting party shall give written notice of such action to the defaulting party; *provided further* that the failure to give such notice shall not affect the validity of the set-off. It is specifically agreed that (i) for purposes of the set-off by any non-defaulting party, mutuality shall be deemed to exist among the parties; (ii) reciprocity among the parties exists with respect to their relative rights and obligations in respect of any such set-off; and (iii) the right of set-off is given as additional security to induce the parties to enter into the transactions contemplated hereby and by the Ancillary Agreements. Upon completion of any such set-off, the obligation of the defaulting party to the non-defaulting party shall be extinguished to the extent of the amount so set-off. Each party hereto further waives any right to assert as a defense to any attempted set-off the requirements of liquidation or mutuality. This set-off provision shall be without prejudice, and in addition, to any right of set-off, combination of accounts, lien or other right to which any non-defaulting party is at any time otherwise entitled (either by operation of law, contract or otherwise), including without limitation pursuant to Article III hereof. In addition to the foregoing, United shall have a credit in the amount of [***] (representing [***] per month per aircraft for all [***] CRJ Covered Aircraft, less [***] per month per aircraft for [***] CRJ Covered Aircraft, for each of June, July and August, 2013), which amount shall be set off by United against any payments to be made to Contractor hereunder.

11.13 Cooperation with Respect to Reporting.

Contractor shall be responsible for filing all reports relating to its operations that are required by the DOT, FAA or other applicable government agencies (other than any such reports for which United, where permitted by law, has assumed in writing the responsibility to file on Contractor's behalf), and Contractor shall promptly furnish United with copies of all such reports and such other available traffic and operating reports as United may request from time to time. Each of the parties hereto agrees to use its commercially reasonable efforts to cooperate with each other party in providing necessary data, to the extent in the possession of the first party,

required by such other party in order to meet any reporting requirements to, or otherwise in connection with any filing with or provision of information to be made to, any regulatory agency or other governmental authority. If a party fails to provide any such data to the other party sufficiently in advance of the applicable deadline for such filings, and the other party is unable to submit such filings by the deadline because of such delay, the first party will reimburse the other party for any fines or penalties incurred by the other party as a result of its failure to submit such filings by the deadline. Unless Contractor is otherwise notified by United in writing not less than 5 business days prior to the filing deadline (the "Tarmac Delay Notice"), Contractor and United agree that United will file the DOT filing required under 49 U.S.C. 42301(h) on Contractor's behalf. United will be liable for any fines assessed by the DOT attributable to United's failure to file this report by the deadline for such report, unless (i) that failure is caused by or otherwise results from Contractor's failure to provide United in a timely manner with the necessary data required by United in connection with the filing or (ii) United had provided the Tarmac Delay Notice specified above. The obligations under this Section 11.13 shall survive the termination of this Agreement.

11.14 Parent Guarantee.

Parent has previously executed a guarantee in favor of United in form of Exhibit K. Parent hereby agrees that it shall not participate in any transaction or series of transactions if, after giving effect to such transaction or series of transactions, Contractor will become the Subsidiary of another Person, unless at the time such transactions are consummated such other Person executes and delivers to United a guarantee of the obligations of Contractor under this Agreement and the Ancillary Agreements substantially in the form of Exhibit K.

11.15 Arbitration.

(a) Agreement to Arbitrate. Subject to the equitable remedies provided under Section 8.4(h), any and all claims, demands, causes of action, disputes, controversies and other matters in question (all of which are referred to herein as "Claims") arising out of or relating to this Agreement (other than with regard to the determination of Fair Market Value of a Call Option Aircraft or CRJ Removed Aircraft), shall be resolved by binding arbitration pursuant to the commercial arbitration rules (the "Rules") of the American Arbitration Association (the "AAA"). In the event of a conflict between this Agreement and the Rules, the provisions of this Agreement shall control. Subject to the equitable remedies provided under Section 8.4(i), each of the parties agrees that arbitration under this Section 11.15 is the exclusive method for resolving any Claim and that it will not commence an action or proceeding based on a Claim hereunder, except to enforce the arbitrators' decisions as provided in this Section 11.15, to compel any other party to participate in arbitration under this Section 11.15. The governing law for any such action or proceeding shall be the law set forth in Section 11.15(f). The parties shall bear the costs for the arbitration equally, but each shall pay for its own legal expenses.

(b) Initiation of Arbitration. If any Claim has not been resolved by mutual agreement on or before the 15th day following the first notice of the Claim to or from a

disputing party, then the arbitration may be initiated by one party by providing to the other party a written notice of arbitration specifying the Claim or Claims to be arbitrated. If a party refuses to honor its obligations to arbitrate under this provision, the other party may compel arbitration in either federal or state court in Chicago, Illinois and seek recovery of its attorneys' fees and court costs incurred if the arbitration is ordered to proceed.

(c) Place of Arbitration. The arbitration proceeding shall be conducted in Chicago, Illinois, or some other location mutually agreed upon by the parties.

(d) Selection of Arbitrators. The arbitration panel (the "Panel") shall consist of three arbitrators who are qualified to hear the type of Claim at issue. They may be selected by agreement of the parties within thirty days of the notice initiating the arbitration procedure, or from the date of any order compelling such arbitration to proceed. If the parties fail to agree upon the designation of any or all the Panel, then the parties shall request the assistance of the AAA. The Panel shall make all of its decisions by majority vote. Evident partiality on the part of an arbitrator exists only where the circumstances are such that a reasonable person would have to conclude there in fact existed actual bias, and a mere appearance or impression of bias will not constitute evident partiality or otherwise disqualify an arbitrator. The decision of the Panel will be binding and non-appealable, except as permitted under the Federal Arbitration Act.

(e) Choice of Law as to Procedural Matters. The enforcement of this agreement to arbitrate, and all procedural aspects of the proceeding pursuant to this Agreement to arbitrate, including but not limited to, the issues subject to arbitration (i.e., arbitrability), the scope of the arbitrable issues, and the rules governing the conduct of the arbitration, unless otherwise agreed by the parties, shall be governed by and construed pursuant to the Federal Arbitration Act.

(f) Choice of Law as to Substantive Claims. In deciding the substance of the parties' Claims, the arbitrators shall apply the substantive laws of the State of Illinois (excluding Illinois choice of law principles that might call for the application of the law of another jurisdiction).

(g) Procedure. It is contemplated that the arbitration proceeding will be self-administered by the parties and conducted in accordance with procedures jointly determined by the Panel and the parties; *provided*, *however*, that if either or both parties believes the process will be enhanced if it is administered by the AAA, then either or both parties shall have the right to cause the process to become administered by the AAA and, thereafter, the arbitration shall be conducted, where applicable or appropriate, pursuant to the administration of the AAA. In determining the extent of discovery, the number and length of depositions, and all other pre-hearing matters, the Panel shall endeavor to the extent possible to streamline the proceedings and minimize the time and cost of the proceedings.

(h) Final Hearing. The final hearing shall be conducted within 120 days of the selection of the entire Panel. The final hearing shall not exceed ten business days, with each party to be granted one half of the allocated time to present its case to the arbitrators, unless otherwise agreed by the parties.

(i) Damages. Only actual damages may be awarded. It is expressly agreed that the Panel shall have no authority to award (i) damages inconsistent with this Agreement or (ii) damages of any type that has been waived by the parties pursuant to Section 8.4(h). The parties expressly waive their right to obtain such damages in arbitration or in any other forum. In no event, even if any portion of these provisions is held to be invalid or unenforceable, shall the arbitrator have the power to make an award or impose a remedy which could not be made or imposed by a court deciding the matter in the same jurisdiction.

(j) Decision of the Arbitration. The Panel shall render its final decision and award (such decision, together with such decision's associated award, the "Award") in writing within twenty (20) days of the completion of the final hearing completely resolving all of the Claims that are the subject of the arbitration proceeding. The Panel shall certify in its decision that no part of the Award includes any amount for treble, exemplary or punitive damages. Any and all of the Panel's orders and decisions will be enforceable in, and judgment upon any award rendered in the arbitration proceeding may be confirmed and entered by, any federal or state court in Chicago, Illinois having jurisdiction.

(k) Appeal. Within thirty (30) days of receipt of the Award (which shall not be binding if an appeal is taken), a party may notify the AAA of an intention to appeal to a second arbitral tribunal panel (the "Second Panel"). The Second Panel shall be comprised of three (3) arbitrators who are qualified to hear the type of Claim at issue, each with at least fifteen (15) years of experience as an attorney or judge specializing in corporate or commercial matters. The Second Panel shall be entitled (x) to adopt the Award as its own, (ii) modify the Award or (z) substitute its own award for the Award. The Second Panel shall not modify or replace the Award except for clear errors of law or because of findings of fact against the manifest weight of the evidence. The award of the Second Panel (the "Appeals Award") shall be final, binding and non-appealable to the maximum extent permitted by law, and judgment may be entered by a court having jurisdiction thereof. The Appeals Award shall not be vacated, modified or corrected by the court other than on the grounds specified in Section 10 or Section 11 of the Federal Arbitration Act.

(l) Confidentiality. All proceedings conducted hereunder and the decision and award of the Panel shall be kept confidential by the Panel and, except as required by law or stock exchange regulation or in any proceeding to enforce any decision or award by the Panel, by the parties.

11.16 Unauthorized Payments.

(a) In connection with any performance under this Agreement, neither Contractor, nor any officer, employee, or agent of Contractor, will make any payment, or offer, promise, give or authorize any payment, of any money or other article of value, to any official, employee, or representative of United or any government official or representative, or to any person or entity doing business with United, in order either to obtain or to retain United's business, or to direct United's business to a third party, or to influence any act or decision of any employee or representative of United or any government official or representative to perform or to fail to perform his or her duties, or to enlist the aid of any third party to do any of the foregoing.

(b) In connection with any performance under this Agreement, neither Contractor, nor any officer, employee, or agent of Contractor, will solicit or receive any amount of cash or negotiable paper, or any item, service or favor of value (a "gift") from any present or prospective contractor, vendor or customer of United, or from anyone else with whom United does business, including any governmental official or representative, for or in connection with the obtaining or retaining any business of or with United. Contractor will refuse to accept all such gifts and, if received, will return such gifts to the donor. In all such cases Contractor will notify United promptly of such gift or offer thereof. If United deems it necessary, Contractor will turn over such gifts to United for further handling.

(c) In connection with any performance under this Agreement, Contractor will at all times comply fully with all of the terms and provisions of the Foreign Corrupt Practices Act (15 U.S.C. §§ 78dd-1, et seq.) and any related or successor statute, regulation, or governmental directive regarding payments to foreign nationals or other persons or entities.

(d) To the best of Contractor's knowledge, Contractor hereby certifies and represents that no official, employee or agent of United has any significant financial or other pecuniary interest in the Contractor's business enterprise or in the performance of this Agreement, and no inducements of monetary or other value were offered or given to any United officer, employee or agent, except as is stated in writing to the United official designated to sign this Agreement, prior to execution of this Amendment. Contractor further certifies and represents that no official, employee or agent of Contractor shall receive or has received any inducement of monetary or other value from any vendor or Contractor of United or has a significant ownership or other interest in a vendor or Contractor of United which is or could be perceived by a reasonable person as a conflict of interest, except as is stated in writing to the United official designated to sign this Agreement, prior to execution of this Amendment.

(e) The parties agree incidental expenses incurred for business meetings, meals and other minor business related expenses shall not violate this Article XI.

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Capacity Purchase Agreement to be duly executed and delivered as of the date and year first written above.

UNITED AIRLINES, INC.

By:
Name:
Title:

MESA AIR GROUP, INC.

By:
Name:
Title:

MESA AIRLINES, INC.

By:
Name:
Title:

SCHEDULE 1
Covered Aircraft

Table 1: E175 Covered Aircraft

Aircraft No.	Aircraft Type	Tail No.	MSN	Actual Delivery Date	Actual In-Service Date(1)	Scheduled Exit Date(2)	Scheduled Term	Category
1	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
2	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
3	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
4	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
5	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
6	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
7	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
8	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
9	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
10	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
11	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
12	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
13	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
14	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
15	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
16	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
17	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
18	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned

Aircraft No.	Aircraft Type	Tail No.	MSN	Actual Delivery Date	Actual In-Service Date(1)	Scheduled Exit Date(2)	Scheduled Term	Category
19	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
20	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
21	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
22	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
23	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
24	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
25	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
26	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
27	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
28	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
29	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
30	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
31	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
32	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
33	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
34	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
35	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
36	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
37	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
38	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
39	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned

Aircraft No.	Aircraft Type	Tail No.	MSN	Actual Delivery Date	Actual In-Service Date(1)	Scheduled Exit Date(2)	Scheduled Term	Category
40	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
41	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
42	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
43	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
44	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
45	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
46	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
47	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
48	E175	[***]	[***]	[***]	[***]	[***]	12 years	Contractor Owned
49	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
50	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
51	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
52	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
53	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
54	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
55	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
56	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
57	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
58	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
59	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned
60	E175	[***]	[***]	[***]	[***]	[***]	10 years	United Owned

Note 1 – Relating to all Covered Aircraft (except where specified otherwise):

(a) On the date that any Covered Aircraft becomes available to schedule under the provisions of this Agreement, such aircraft shall be deemed to have been placed into service hereunder (such date being the "**Actual In-Service Date**" for such aircraft).

(b) The scheduled exit date (the "**Scheduled Exit Date**") for Covered Aircraft will be the date that is the number of years specified for such aircraft in Table 1 above after the Actual In-Service Date of such Covered Aircraft.

Note 2 – Relating to all United Owned E175 Covered Aircraft:

The Scheduled Exit Dates set forth in the above table shall be adjusted from time to time to reflect any extension of the Term for any United Owned E175 Covered Aircraft pursuant to Section 10.2 of this Agreement.

Table 2 CRJ Covered Aircraft

Aircraft Number	Aircraft Type	Tail Number	CRJ Scheduled Delivery Date	Actual In-Service Date
01	CRJ700		September 1, 2013	September 1, 2013
02	CRJ700		September 1, 2013	September 1, 2013
03	CRJ700		September 1, 2013	September 1, 2013
04	CRJ700		September 1, 2013	September 1, 2013
05	CRJ700		September 1, 2013	September 1, 2013
06	CRJ700		September 1, 2013	September 1, 2013
07	CRJ700		September 1, 2013	September 1, 2013
08	CRJ700		September 1, 2013	September 1, 2013
09	CRJ700		September 1, 2013	September 1, 2013
10	CRJ700		September 1, 2013	September 1, 2013
11	CRJ700		September 1, 2013	September 1, 2013
12	CRJ700		September 1, 2013	September 1, 2013
13	CRJ700		September 1, 2013	September 1, 2013
14	CRJ700		September 1, 2013	September 1, 2013
15	CRJ700		September 1, 2013	September 1, 2013
16	CRJ700		September 1, 2013	September 1, 2013
17	CRJ700		September 1, 2013	September 1, 2013
18	CRJ700		September 1, 2013	September 1, 2013
19	CRJ700		September 1, 2013	September 1, 2013
20	CRJ700		September 1, 2013	September 1, 2013

Table 3 CRJ Covered Aircraft

Aircraft Number	CRJ Scheduled Exit Date(1) (2)	Scheduled Term(3) (4)
01	[***]	7 yrs 1 mos
02	[***]	7 yrs 1 mos
03	[***]	7 yrs 1 mos
04	[***]	7 yrs 1 mos
05	[***]	7 yrs 1 mos
06	[***]	7 yrs 1 mos
07	[***]	7 yrs 2 mos
08	[***]	7 yrs 2 mos
09	[***]	7 yrs 2 mos
10	[***]	7 yrs 2 mos
11	[***]	7 yrs 3 mos
12	[***]	7 yrs 3 mos
13	[***]	7 yrs 4 mos
14	[***]	7 yrs 4 mos
15	[***]	7 yrs 4 mos
16	[***]	7 yrs 5 mos
17	[***]	7 yrs 8 mos
18	[***]	7 yrs 9 mos
19	[***]	7 yrs 9 mos
20	[***]	7 yrs 9 mos

1 The CRJ Scheduled Exit Dates and Scheduled Term set forth in the above table shall be adjusted from time to time to coincide with the schedule change date within United's scheduling system most closely following any applicable exit date.

2 Contractor shall provide United, not later than ninety [*** days prior to each CRJ Scheduled Exit Date, with specific tail numbers identifying the CRJ Covered Aircraft to be terminated on such date.

3 Upon the CRJ Scheduled Exit Date, the Term associated with each of the CRJ Covered Aircraft shall expire.

4 The Scheduled Term will be deemed to be automatically adjusted based on the actual CRJ Scheduled Exit Date.

Table 4 E175LL Covered Aircraft

Aircraft No.	Aircraft Type	Tail No.	MSN	Delivery Month	Actual In Service Date	Scheduled Exit Date	Scheduled Term
1	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
2	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
3	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
4	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
5	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
6	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
7	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
8	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
9	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
10	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
11	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
12	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
13	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
14	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
15	E175LL	[***]	[***]	[***]	[***]	[***]	12 years
16	E175LL	[***]		[***]	[***]	[***]	12 years
17	E175LL	[***]		[***]	[***]	[***]	12 years
18	E175LL	[***]		[***]	[***]	[***]	12 years
19	E175LL	[***]		[***]	[***]	[***]	12 years
20	E175LL	[***]		[***]	[***]	[***]	12 years

Note 3 – Relating to E175LL Covered Aircraft:

The delivery dates and in-service dates for E175LL Covered Aircraft must satisfy the following conditions:

(a) No later than [***] days prior to the scheduled delivery month for each E175LL Covered Aircraft, or as soon as practically possible for any of the E175LL Covered Aircraft, as set forth on Table 4 to Schedule 1 (the "E175LL Scheduled Delivery Date"), Contractor and United shall meet to discuss the dates that are likely to be selected as the committed in-service date for each of the E175LL Covered Aircraft (the "E175LL Committed In-Service Date"), it being understood that (x) such discussions shall not be binding for purposes of selecting the actual E175 Committed In-Service Date pursuant to clause (e) below, and (y) such dates shall be used by Contractor and United in anticipating aircraft available to schedule and with respect to any applicable Final Monthly Schedule.

(b) Contractor shall use its commercially reasonable efforts to provide United with notice regarding the delivery status of each E175LL Covered Aircraft from time to time in advance of the E175LL Scheduled Delivery Date with respect to such E175LL Covered Aircraft, including without limitation information relating to the commencement of the delivery inspection period, delays in delivery, or otherwise relating to the delivery of such aircraft.

(c) [***] prior to the E175LL Scheduled Delivery Date for each of the E175LL Covered Aircraft as set forth on Table 4 to Schedule 1, and reasonably frequently from time to time thereafter, Contractor shall provide United with notice regarding the delivery status of such E175LL Covered Aircraft, including without limitation information relating to the commencement of the delivery inspection period (which notice is anticipated to be given no later than [***] days prior to actual delivery date of such aircraft), delays in delivery, or otherwise relating to the delivery of such aircraft.

(d) With respect to each E175LL Covered Aircraft, Contractor shall provide a final notice of the actual delivery date of any E175LL Covered Aircraft to United no later than the Actual Delivery Date, and which determination shall be confirmed in writing by the parties.

(e) Following the determination of the Actual Delivery Date for an E175LL Covered Aircraft pursuant to clause (d) above, the parties shall determine an E175LL Committed In-Service Date, which shall be not later than the first to occur of (x) the [***] day following the Actual Delivery Date and (y) the date set forth under the caption "Actual In-Service Date" for such aircraft on Table 4 to Schedule 1 (as such Actual In-Service Date may be delayed by, and only to the extent such date is delayed by, a delay attributable to the manufacturer or by a delay due to an Act of God that continues for fewer than [***] days), and which determination shall be confirmed in writing by the parties.

Table 5 CRJ550 Covered Aircraft

Aircraft No.	Aircraft Type	Tail No.	MSN	Actual In-Service Date	Scheduled Exit Date	Scheduled Term
1	CRJ550					7 years
2	CRJ550					7 years
3	CRJ550					7 years
4	CRJ550					7 years
5	CRJ550					7 years
6	CRJ550					7 years
7	CRJ550					7 years
8	CRJ550					7 years
9	CRJ550					7 years
10	CRJ550					7 years
11	CRJ550					7 years
12	CRJ550					7 years
13	CRJ550					7 years
14	CRJ550					7 years
15	CRJ550					7 years
16	CRJ550					7 years
17	CRJ550					7 years
18	CRJ550					7 years
19	CRJ550					7 years
20	CRJ550					7 years

SCHEDULE 2A
E175 Covered Aircraft Compensation for Carrier Controlled Costs

Table 1 – United Owned E175 Covered Aircraft

The following Table 1 shall apply per corresponding year to United Owned E175 Covered Aircraft flown under this Agreement:

United-Owned E175s Base Compensation Rates	**Effective Nov. 1, 2019**	**Effective June. 1, 2020**	**Effective June. 1, 2021**	**Effective June. 1, 2022**
for each Block Hour	[***]	[***]	[***]	[***]
for each Flight Hour	[***]	[***]	[***]	[***]
for each Departure	[***]	[***]	[***]	[***]
per aircraft per month	[***]	[***]	[***]	[***]

United-Owned E175s Base Compensation Rates	**Effective June. 1, 2023**	**Effective June. 1, 2024**	**Effective June. 1, 2025**	**Effective June. 1, 2026**
for each Block Hour	[***]	[***]	[***]	[***]
for each Flight Hour	[***]	[***]	[***]	[***]
for each Departure	[***]	[***]	[***]	[***]
per aircraft per month	[***]	[***]	[***]	[***]

(1) The rates included in this table do not include costs payable by United as Pass-Through Costs pursuant to Section 3.6(b)(ii)(A) of the Agreement, specifically including: (i) non-expendable repair/replacement costs, (ii) engine maintenance, (iii) Airframe Heavy Maintenance, (iv) landing gear maintenance, and (iv) APU maintenance.

Table 2 – Contractor Owned E175 Covered Aircraft

The following Table 2 shall apply per corresponding year to Contractor Owned E175 Covered Aircraft flown under this Agreement:

Mesa-Owned E175s Base Compensation Rates	**Effective Nov. 1, 2019**	**Effective June. 1, 2020**	**Effective June. 1, 2021**	**Effective June. 1, 2022**	**Effective June. 1, 2023**
for each Block Hour	[***]	[***]	[***]	[***]	[***]
for each Flight Hour	[***]	[***]	[***]	[***]	[***]
for each aircraft in schedule	[***]	[***]	[***]	[***]	[***]
per aircraft per month - Block 1 Contractor Owned E175 Covered Aircraft	[***]	[***]	[***]	[***]	[***]
per aircraft per month - Block 2 Contractor Owned E175 Covered Aircraft & 3 Contractor Owned E175 Covered Aircraft	[***]	[***]	[***]	[***]	[***]

Mesa-Owned E175s Base Compensation Rates	**Effective June. 1, 2024**	**Effective June. 1, 2025**	**Effective June. 1, 2026**	**Effective June. 1, 2027**
for each Block Hour	[***]	[***]	[***]	[***]
for each Flight Hour	[***]	[***]	[***]	[***]
for each aircraft in schedule	[***]	[***]	[***]	[***]
per aircraft per month - Block 1 Contractor Owned E175 Covered Aircraft	[***]	[***]	[***]	[***]
per aircraft per month - Block 2 Contractor Owned E175 Covered Aircraft & 3 Contractor Owned E175 Covered Aircraft	[***]	[***]	[***]	[***]

Table 3 – E175LL Covered Aircraft – Mesa Aircraft Ownership

The following Table 3 shall apply per corresponding year to E175LL Covered Aircraft flown under this Agreement with Mesa aircraft ownership:

Base Compensation Rates	Current	Effective Nov. 1, 2019	Effective June. 1, 2020	Effective June. 1, 2021
for each Block Hour	[***]	[***]	[***]	[***]
for each Departure	[***]	[***]	[***]	[***]
for each aircraft in schedule	[***]	[***]	[***]	[***]
per aircraft per month	[***]	[***]	[***]	[***]
per aircraft per month (fixed rate)	[***]	[***]	[***]	[***]
United Directed Cancels				
for each UA cancelled Block Hour	[***]	[***]	[***]	[***]
for each UA cancelled Departure	[***]	[***]	[***]	[***]

Base Compensation Rates	Effective June. 1, 2022	Effective June. 1, 2023	Effective June. 1, 2024	Effective June. 1, 2025
for each Block Hour	[***]	[***]	[***]	[***]
for each Departure	[***]	[***]	[***]	[***]
for each aircraft in schedule	[***]	[***]	[***]	[***]
per aircraft per month	[***]	[***]	[***]	[***]
per aircraft per month (fixed rate)	[***]	[***]	[***]	[***]
United Directed Cancels				
for each UA cancelled Block Hour	[***]	[***]	[***]	[***]
for each UA cancelled Departure	[***]	[***]	[***]	[***]

Base Compensation Rates	Effective June. 1, 2026	Effective June. 1, 2027	Effective June. 1, 2028	Effective June. 1, 2029
for each Block Hour	[***]	[***]	[***]	[***]
for each Departure	[***]	[***]	[***]	[***]
for each aircraft in schedule	[***]	[***]	[***]	[***]
per aircraft per month	[***]	[***]	[***]	[***]
per aircraft per month (fixed rate)	[***]	[***]	[***]	[***]
United Directed Cancels				
for each UA cancelled Block Hour	[***]	[***]	[***]	[***]
for each UA cancelled Departure	[***]	[***]	[***]	[***]

Base Compensation Rates	Effective June. 1, 2030	Effective June. 1, 2031	Effective June. 1, 2032

for each Block Hour	[***]	[***]	[***]
for each Departure	[***]	[***]	[***]
for each aircraft in schedule	[***]	[***]	[***]
per aircraft per month	[***]	[***]	[***]
per aircraft per month (fixed rate)	[***]	[***]	[***]
United Directed Cancels			
for each UA cancelled Block Hour	[***]	[***]	[***]
for each UA cancelled Departure	[***]	[***]	[***]

Table 4 – E175LL Covered Aircraft – United Aircraft Ownership

The following Table 4 shall apply per corresponding year to E175LL Covered Aircraft flown under this Agreement with United aircraft ownership; *provided* that the "per aircraft per month" rate for such aircraft shall be determined as set forth below in the section entitled "Determination of "Per Aircraft Per Month" Rates" in this Schedule 2A following the tables set forth below:

Base Compensation Rates	**Current**	**Effective Nov. 1, 2019**	**Effective June. 1, 2020**	**Effective June. 1, 2021**
for each Block Hour	[***]	[***]	[***]	[***]
for each Departure	[***]	[***]	[***]	[***]
for each aircraft in schedule	[***]	[***]	[***]	[***]
per aircraft per month (as defined below)	[***]	[***]	[***]	[***]
per aircraft per month (fixed rate)	[***]	[***]	[***]	[***]
United Directed Cancels				
for each UA cancelled Block Hour	[***]	[***]	[***]	[***]
for each UA cancelled Departure	[***]	[***]	[***]	[***]

Base Compensation Rates	**Effective June. 1, 2022**	**Effective June. 1, 2023**	**Effective June. 1, 2024**	**Effective June. 1, 2025**
for each Block Hour	[***]	[***]	[***]	[***]
for each Departure	[***]	[***]	[***]	[***]
for each aircraft in schedule	[***]	[***]	[***]	[***]
per aircraft per month	[***]	[***]	[***]	[***]
per aircraft per month (fixed rate)	[***]	[***]	[***]	[***]
United Directed Cancels				
for each UA cancelled Block Hour	[***]	[***]	[***]	[***]
for each UA cancelled Departure	[***]	[***]	[***]	[***]

Base Compensation Rates	**Effective June. 1, 2026**	**Effective June. 1, 2027**	**Effective June. 1, 2028**	**Effective June. 1, 2029**
for each Block Hour	[***]	[***]	[***]	[***]
for each Departure	[***]	[***]	[***]	[***]
for each aircraft in schedule	[***]	[***]	[***]	[***]
per aircraft per month	[***]	[***]	[***]	[***]
per aircraft per month (fixed rate)	[***]	[***]	[***]	[***]
United Directed Cancels				
for each UA cancelled Block Hour	[***]	[***]	[***]	[***]
for each UA cancelled Departure	[***]	[***]	[***]	[***]

Base Compensation Rates	**Effective June. 1, 2030**	**Effective June. 1, 2031**	**Effective June. 1, 2032**
for each Block Hour	[***]	[***]	[***]
for each Departure	[***]	[***]	[***]
for each aircraft in schedule	[***]	[***]	[***]
per aircraft per month	[***]	[***]	[***]
per aircraft per month (fixed rate)	[***]	[***]	[***]
United Directed Cancels			
for each UA cancelled Block Hour	[***]	[***]	[***]
for each UA cancelled Departure	[***]	[***]	[***]

Determination of "Per Aircraft Per Month" Rates

[***]

[***]

[***]

Indicative Aircraft Pricing Table - to be updated to actual
For illustrative purposes only

[***]					
	N78361	**N89362**	**N85363**	**N87364**	**N87365**
[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]
[***]					
	N78361	**N89362**	**N85363**	**N87364**	**N87365**
[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]
[***]					
[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]
[***]					
[***]	[***]	[***]	[***]	[***]	[***]

[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]

SCHEDULE 2B
CRJ700 Covered Aircraft Compensation for Carrier Controlled Costs

Except as otherwise provided in Section 2.5(d), the following rates shall apply to all CRJ700 Covered Aircraft flown under this Agreement with the November 1 effective date assumed to coincide the Effective Date of this agreement:

	Current	Effective Nov. 1, 2019	Effective June. 1, 2020	Effective June. 1, 2021
[***]				
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]				
[***]				
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]

SCHEDULE 2C
CRJ550 Covered Aircraft Compensation for Carrier Controlled Costs

The following rates shall apply to all CRJ550 Covered Aircraft flown under this Agreement and shall become effective at the Actual In-Service Date for each CRJ550 Covered Aircraft:

Base Compensation Rates	**Effective Nov. 1, 2019**	**Effective June. 1, 2020**	**Effective June. 1, 2021**	**Effective June. 1, 2022**	**Effective June. 1, 2023**
for each Block Hour	[***]	[***]	[***]	[***]	[***]
for each Departure	[***]	[***]	[***]	[***]	[***]
for each aircraft in schedule	[***]	[***]	[***]	[***]	[***]
per aircraft per month	[***]	[***]	[***]	[***]	[***]
per aircraft per month (fixed rate)	[***]	[***]	[***]	[***]	[***]

Base Compensation Rates	**Effective June. 1, 2024**	**Effective June. 1, 2025**	**Effective June. 1, 2026**	**Effective June. 1, 2027**	**Effective June. 1, 2028**
for each Block Hour	[***]	[***]	[***]	[***]	[***]
for each Departure	[***]	[***]	[***]	[***]	[***]
for each aircraft in schedule	[***]	[***]	[***]	[***]	[***]
per aircraft per month	[***]	[***]	[***]	[***]	[***]
per aircraft per month (fixed rate)	[***]	[***]	[***]	[***]	[***]

SCHEDULE 3
Pass-Through Costs

Category	Reconciled Expense	Section 3 Reference	Driver	Prepayment Rate
Completed Departures	Fuel Services**	Section 3.6(b)(ii)(A)(7)	Departures	*
	Landing Fees***	Section 3.6(b)(ii)(A)(4)	Departures	*
	Navigation Fees	Section 3.6(b)(ii)(A)(6)	Departures	*
	Mexico Regulatory Services	Section 3.6(b)(ii)(A)(16)	Departures	*
	Aerodata	Section 3.6(b)(ii)(A)(15)	Departures	[***]
Completed Passengers	War Risk Insurance	Section 3.6(b)(ii)(A)(3)	Completed Passenger	*
Completed Revenue Passenger Miles	Passenger Liability Insurance	Section 3.6(b)(ii)(A)(3)	Per [***] RPMs	*
Hull Value	War Risk Insurance	Section 3.6(b)(ii)(A)(3)	Per [***] of Hull Value	
	Aircraft Property Tax	Section 3.6(b)(ii)(A)(2)	Fixed per month	*
	Non-Expendable Parts	Section 3.6(b)(ii)(A)(9)	As incurred	*
	Engine Maintenance Expenses	Section 3.6(b)(ii)(A)(10)	As incurred	*
	Airframe Heavy Checks	Section 3.6(b)(ii)(A)(11)	As incurred	*
	Landing Gear Maintenance Expenses	Section 3.6(b)(ii)(A)(12)	As incurred	*
	APU Maintenance Expenses	Section 3.6(b)(ii)(A)(13)	As incurred	*
	Towing Expense above the Towing Baseline	3.6(b)(ii)(A)(14)	As incurred	*

* The "Prepayment Rates" reflected above in this Schedule 3 shall be determined annually by the parties acting reasonably and may be confirmed by e-mail exchange or other writing by the parties and may otherwise be adjusted from time to time, upon the mutual agreement of the parties (and confirmed by e-mail exchange or other writing), to reflect a closer approximation of the actual reconciled amounts of such Pass-Through Costs.

** Fuel Services shall constitute a Pass-Through Cost only if United shall not have elected to procure Fuel Services for or on behalf of Contractor pursuant to clause (ii) of Section 4.12(b).

*** Landing fees shall constitute a Pass-Through Cost only if United elects to have Contractor pay for landing fees pursuant to Section 4.24(b).

SCHEDULE 4
On-Time Adjustment

1. For any calendar month, if Z > Monthly Historical Percentage, then On-Time Adjustment Amount = A x Controllable Departures x (Z – Monthly Historical Percentage)

2. For any calendar month, if Z < Monthly Historical Percentage, then On-Time Adjustment Amount =

    a. A x (Controllable Short Delays in such month / ((1 - Z) x Controllable Departures in such month) x ((Controllable Departures in such month x (Z – Monthly Historical Percentage))

    Plus

    b. B x (Controllable Long Delays in such month / ((1 - Z) x Controllable Departures in such month) x ((Controllable Departures in such month x (Z - Monthly Historical Percentage)

Subject to the following defined terms (it being understood that, where the context requires, the terms below are defined in relation to the E175 Covered Aircraft, on the one hand, and the Bombardier Covered Aircraft, on the other hand, and the Scheduled Flights applicable to such respective fleets):

A = [***], *provided* that, following the date of this Agreement, such figure shall be adjusted on each June 1 of each calendar year as follows: the new rate, applicable beginning on June 1 of each calendar year, shall be equal the rate in effect on the date immediately preceding June 1 of each calendar year *multiplied* by [***].

B = [***], *provided* that, following the date of this Agreement, such figure shall be adjusted on each June 1 of each calendar year as follows: the new rate, applicable beginning on June 1 of each calendar year, shall be equal the rate in effect on the date immediately preceding June 1 of each calendar year *multiplied* by [***].

Z = for any month, the quotient obtained by dividing On-Time Departures during such month by Controllable Departures during such month

Hub Locations = the following, collectively, [***]

Departure = the departure of a Scheduled Flight, excluding Charter Flights, extra sections, unscheduled flights, maintenance flights, ferry flights, and other non-revenue flights.

On-Time Departure = a Departure to or from a Hub Location (without duplication for the applicable Scheduled Flight) no later than the scheduled departure time for the applicable Scheduled Flight. For the avoidance of doubt, any hub-to-hub departures will only be included as an “On-Time Departure” for the departing hub.

Controllable Departures = the sum of all Departures to or from a Hub location (without duplication for the applicable Scheduled Flight), excluding any applicable Excused Departures. For the avoidance of doubt, any hub-to-hub departures will only be included as a "Controllable Departure" for the departing hub.

Excused Departure = a Departure that is not an On-Time Departure solely because of one or more of the following: (i) weather, (ii) ATC, (iii) United's written request for delay for such Departure, (iv) a late inbound aircraft (only with respect to the flight scheduled immediately prior to the Scheduled Flight for the Covered Aircraft subject to such Departure), or (v) as determined by United in accordance with United's regular delay protocol, due solely to a factor beyond Contractor's direct control. The following charts depict the current delays codes for both controllable and uncontrollable delay codes, with "Excused Departures" representing flights coded with uncontrollable delay codes, it being understood that (x) no Departure with a delay code in the table below titled "Contractor Controllable Delay Codes" will be considered an "Excused Departure", and (y) such tables shall be subject to change from time to time in United's sole discretion to accommodate changes from time to time in United's overall delay coding:

Contractor Uncontrollable Delay Codes							
Airports	Customer	Ramp	Station	Vendor	Weather	Catering	Other
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
	[***]	[***]	[***]	[***]	[***]		[***]
	[***]	[***]	[***]	[***]	[***]		[***]
	[***]	[***]	[***]	[***]	[***]		[***]
		[***]	[***]	[***]	[***]		[***]
					[***]		
					[***]		

Contractor Controllable Delay Codes			
Tech	Pilot	Inflight	Other
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	
[***]	[***]	[***]	
[***]	[***]	[***]	
[***]	[***]	[***]	
[***]	[***]	[***]	
[***]	[***]	[***]	
[***]	[***]	[***]	
	[***]		

Short Controllable Delay = with respect to a Scheduled Flight to which an Excused Departure is not applicable, any delay of such flight that is less than [***] hours in duration

Long Controllable Delay = with respect to a Scheduled Flight to which an Excused Departure is not applicable, any delay of such flight that is greater than [***] hours in duration

Monthly Historical Percentage = as of any date of determination, the simple average value of Z for each of the last [***] completed calendar years prior to such date; *provided*, that, with respect to the applicable fleet type, for the purposes of calculating the Monthly Historical Percentage, for any month during the applicable period of measurement during which Contractor did not perform regional airline services under this Agreement using such fleet type hereunder at such Hub Location, the value of Z for any such month will instead be determined using the performance data for all regional aircraft Scheduled Flights that were operated by another/existing United Express carrier pursuant to the capacity purchase provisions of this Agreement with aircraft comparably-sized to such Covered Aircraft fleet type that were operated to or from such Hub Location as United Express; *provided* that (x) the determination of comparably-sized aircraft as referenced above will be made by United reasonably and (y) such determination will be made using historical performance data that United in good faith deems reliable and accurate; and *provided further* that the Monthly Historical Adjustment shall be further adjusted in accordance with the two tables set forth immediately below for Block Time [***] (as defined in Exhibit A) and for System Turn Time (as defined in Exhibit A), it being understood an illustrative example follows such two tables.

The historical percentage will adjusted based on the following:

E175 and CRJ		
On-Time Departure Adjustment for Block Time W/0		
Actual B0 Range		**Historical Avg Adjustment**
From	**To**	
[***]		[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]		[***]

The CD0 requirements mean the CCF requirements plus the items below:

E175 and CRJ		
CD0 Adjustment for System Turn Time		
Scheduled Avg Turn		**Historical Avg Adjustment**
From	**To**	
[***]		[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]		[***]

Note: Turn time calculations exclude any scheduled turns over [***] hours.

For illustrative purposes an example month has Short Controllable Delays totaling [***] and Long Controllable Delays of [***]. The sample month has [***] Controllable Departures. This would result in an on-time percentage or "Z" of [***]. When reviewing the historical [***] for the past [***] years of the target month, the Historical Monthly Percentage would be [***].

A = [***] B = [***] Z [***] Monthly Historical Percentage target = [***]

[***] +
[***]
A payment of [***] as a penalty for Short Controllable Delays is due to United in the above illustrative example. An additional [***] is due to United as a Long Controllable Delay penalty. If in the same month the actual [***] is scheduled for [***], the [***] monthly historical target would be adjusted lower by [***]. This would make the new Historical Monthly Percentage target of [***]. This lower threshold would result in an adjusted payment to United of [***] for Short Controllable Delays and [***] for Long Controllable Delays.

[***] +

Schedule 5 – Ownership Rate Schedule[1]

[1] All Reg. Nos. are expected and subject to change pursuant to the EETC Transaction.

Aircraft Reg. No.: N88331, N88332, N82333f		Aircraft Reg. No.: N86334		Aircraft Reg. No.: N88335		Aircraft Reg. No.: N86336, N87337		Aircraft Reg. No.: N82338, N87339, N85340	
Payment Date	**Ownership Rate**	**Payment Date**	**Ownership Rate**	**Payment Date**	**Ownership Rate**	**Payment Date**	**Ownership Rate**	**Payment Date**	**Ownership Rate**
December 14, 2015	-	December 14, 2015	-	December 14, 2015	-	December 14, 2015	-	December 14, 2015	-
December 15, 2015	-	December 15, 2015	-	December 15, 2015	-	December 15, 2015	-	December 15, 2015	-
January 15, 2016	[***]	January 15, 2016	[***]	January 15, 2016	[***]	January 15, 2016	[***]	January 15, 2016	[***]
February 15, 2016	[***]	February 15, 2016	[***]	February 15, 2016	[***]	February 15, 2016	[***]	February 15, 2016	[***]
March 15, 2016	[***]	March 15, 2016	[***]	March 15, 2016	[***]	March 15, 2016	[***]	March 15, 2016	[***]
April 15, 2016	[***]	April 15, 2016	[***]	April 15, 2016	[***]	April 15, 2016	[***]	April 15, 2016	[***]
May 15, 2016	[***]	May 15, 2016	[***]	May 15, 2016	[***]	May 15, 2016	[***]	May 15, 2016	[***]
June 15, 2016	[***]	June 15, 2016	[***]	June 15, 2016	[***]	June 15, 2016	[***]	June 15, 2016	[***]
July 15, 2016	[***]	July 15, 2016	[***]	July 15, 2016	[***]	July 15, 2016	[***]	July 15, 2016	[***]
August 15, 2016	[***]	August 15, 2016	[***]	August 15, 2016	[***]	August 15, 2016	[***]	August 15, 2016	[***]
September 15, 2016	[***]	September 15, 2016	[***]	September 15, 2016	[***]	September 15, 2016	[***]	September 15, 2016	[***]
October 15, 2016	[***]	October 15, 2016	[***]	October 15, 2016	[***]	October 15, 2016	[***]	October 15, 2016	[***]
November 15, 2016	[***]	November 15, 2016	[***]	November 15, 2016	[***]	November 15, 2016	[***]	November 15, 2016	[***]
December 15, 2016	[***]	December 15, 2016	[***]	December 15, 2016	[***]	December 15, 2016	[***]	December 15, 2016	[***]
January 15, 2017	[***]	January 15, 2017	[***]	January 15, 2017	[***]	January 15, 2017	[***]	January 15, 2017	[***]
February 15, 2017	[***]	February 15, 2017	[***]	February 15, 2017	[***]	February 15, 2017	[***]	February 15, 2017	[***]
March 15, 2017	[***]	March 15, 2017	[***]	March 15, 2017	[***]	March 15, 2017	[***]	March 15, 2017	[***]
April 15, 2017	[***]	April 15, 2017	[***]	April 15, 2017	[***]	April 15, 2017	[***]	April 15, 2017	[***]
May 15, 2017	[***]	May 15, 2017	[***]	May 15, 2017	[***]	May 15, 2017	[***]	May 15, 2017	[***]
June 15, 2017	[***]	June 15, 2017	[***]	June 15, 2017	[***]	June 15, 2017	[***]	June 15, 2017	[***]
July 15, 2017	[***]	July 15, 2017	[***]	July 15, 2017	[***]	July 15, 2017	[***]	July 15, 2017	[***]
August 15, 2017	[***]	August 15, 2017	[***]	August 15, 2017	[***]	August 15, 2017	[***]	August 15, 2017	[***]
September 15, 2017	[***]	September 15, 2017	[***]	September 15, 2017	[***]	September 15, 2017	[***]	September 15, 2017	[***]
October 15, 2017	[***]	October 15, 2017	[***]	October 15, 2017	[***]	October 15, 2017	[***]	October 15, 2017	[***]
November 15, 2017	[***]	November 15, 2017	[***]	November 15, 2017	[***]	November 15, 2017	[***]	November 15, 2017	[***]
December 15, 2017	[***]	December 15, 2017	[***]	December 15, 2017	[***]	December 15, 2017	[***]	December 15, 2017	[***]
January 15, 2018	[***]	January 15, 2018	[***]	January 15, 2018	[***]	January 15, 2018	[***]	January 15, 2018	[***]
February 15, 2018	[***]	February 15, 2018	[***]	February 15, 2018	[***]	February 15, 2018	[***]	February 15, 2018	[***]
March 15, 2018	[***]	March 15, 2018	[***]	March 15, 2018	[***]	March 15, 2018	[***]	March 15, 2018	[***]
April 15, 2018	[***]	April 15, 2018	[***]	April 15, 2018	[***]	April 15, 2018	[***]	April 15, 2018	[***]
May 15, 2018	[***]	May 15, 2018	[***]	May 15, 2018	[***]	May 15, 2018	[***]	May 15, 2018	[***]
June 15, 2018	[***]	June 15, 2018	[***]	June 15, 2018	[***]	June 15, 2018	[***]	June 15, 2018	[***]
July 15, 2018	[***]	July 15, 2018	[***]	July 15, 2018	[***]	July 15, 2018	[***]	July 15, 2018	[***]
August 15, 2018	[***]	August 15, 2018	[***]	August 15, 2018	[***]	August 15, 2018	[***]	August 15, 2018	[***]
September 15, 2018	[***]	September 15, 2018	[***]	September 15, 2018	[***]	September 15, 2018	[***]	September 15, 2018	[***]
October 15, 2018	[***]	October 15, 2018	[***]	October 15, 2018	[***]	October 15, 2018	[***]	October 15, 2018	[***]
November 15, 2018	[***]	November 15, 2018	[***]	November 15, 2018	[***]	November 15, 2018	[***]	November 15, 2018	[***]
December 15, 2018	[***]	December 15, 2018	[***]	December 15, 2018	[***]	December 15, 2018	[***]	December 15, 2018	[***]
January 15, 2019	[***]	January 15, 2019	[***]	January 15, 2019	[***]	January 15, 2019	[***]	January 15, 2019	[***]
February 15, 2019	[***]	February 15, 2019	[***]	February 15, 2019	[***]	February 15, 2019	[***]	February 15, 2019	[***]
March 15, 2019	[***]	March 15, 2019	[***]	March 15, 2019	[***]	March 15, 2019	[***]	March 15, 2019	[***]
April 15, 2019	[***]	April 15, 2019	[***]	April 15, 2019	[***]	April 15, 2019	[***]	April 15, 2019	[***]
May 15, 2019	[***]	May 15, 2019	[***]	May 15, 2019	[***]	May 15, 2019	[***]	May 15, 2019	[***]
June 15, 2019	[***]	June 15, 2019	[***]	June 15, 2019	[***]	June 15, 2019	[***]	June 15, 2019	[***]
July 15, 2019	[***]	July 15, 2019	[***]	July 15, 2019	[***]	July 15, 2019	[***]	July 15, 2019	[***]
August 15, 2019	[***]	August 15, 2019	[***]	August 15, 2019	[***]	August 15, 2019	[***]	August 15, 2019	[***]
September 15, 2019	[***]	September 15, 2019	[***]	September 15, 2019	[***]	September 15, 2019	[***]	September 15, 2019	[***]
October 15, 2019	[***]	October 15, 2019	[***]	October 15, 2019	[***]	October 15, 2019	[***]	October 15, 2019	[***]
November 15, 2019	[***]	November 15, 2019	[***]	November 15, 2019	[***]	November 15, 2019	[***]	November 15, 2019	[***]
December 15, 2019	[***]	December 15, 2019	[***]	December 15, 2019	[***]	December 15, 2019	[***]	December 15, 2019	[***]
January 15, 2020	[***]	January 15, 2020	[***]	January 15, 2020	[***]	January 15, 2020	[***]	January 15, 2020	[***]
February 15, 2020	[***]	February 15, 2020	[***]	February 15, 2020	[***]	February 15, 2020	[***]	February 15, 2020	[***]
March 15, 2020	[***]	March 15, 2020	[***]	March 15, 2020	[***]	March 15, 2020	[***]	March 15, 2020	[***]
April 15, 2020	[***]	April 15, 2020	[***]	April 15, 2020	[***]	April 15, 2020	[***]	April 15, 2020	[***]
May 15, 2020	[***]	May 15, 2020	[***]	May 15, 2020	[***]	May 15, 2020	[***]	May 15, 2020	[***]
June 15, 2020	[***]	June 15, 2020	[***]	June 15, 2020	[***]	June 15, 2020	[***]	June 15, 2020	[***]
July 15, 2020	[***]	July 15, 2020	[***]	July 15, 2020	[***]	July 15, 2020	[***]	July 15, 2020	[***]
August 15, 2020	[***]	August 15, 2020	[***]	August 15, 2020	[***]	August 15, 2020	[***]	August 15, 2020	[***]
September 15, 2020	[***]	September 15, 2020	[***]	September 15, 2020	[***]	September 15, 2020	[***]	September 15, 2020	[***]
October 15, 2020	[***]	October 15, 2020	[***]	October 15, 2020	[***]	October 15, 2020	[***]	October 15, 2020	[***]
November 15, 2020	[***]	November 15, 2020	[***]	November 15, 2020	[***]	November 15, 2020	[***]	November 15, 2020	[***]
December 15, 2020	[***]	December 15, 2020	[***]	December 15, 2020	[***]	December 15, 2020	[***]	December 15, 2020	[***]
January 15, 2021	[***]	January 15, 2021	[***]	January 15, 2021	[***]	January 15, 2021	[***]	January 15, 2021	[***]
February 15, 2021	[***]	February 15, 2021	[***]	February 15, 2021	[***]	February 15, 2021	[***]	February 15, 2021	[***]
March 15, 2021	[***]	March 15, 2021	[***]	March 15, 2021	[***]	March 15, 2021	[***]	March 15, 2021	[***]
April 15, 2021	[***]	April 15, 2021	[***]	April 15, 2021	[***]	April 15, 2021	[***]	April 15, 2021	[***]
May 15, 2021	[***]	May 15, 2021	[***]	May 15, 2021	[***]	May 15, 2021	[***]	May 15, 2021	[***]

Aircraft Reg. No.: N88331, N88332, N82333f		**Aircraft Reg. No.:** N86334		**Aircraft Reg. No.:** N88335		**Aircraft Reg. No.:** N86336, N87337		**Aircraft Reg. No.:** N82338, N87339, N85340	
Payment Date	**Ownership Rate**	**Payment Date**	**Ownership Rate**	**Payment Date**	**Ownership Rate**	**Payment Date**	**Ownership Rate**	**Payment Date**	**Ownership Rate**
June 15, 2021	[***]	June 15, 2021	[***]	June 15, 2021	[***]	June 15, 2021	[***]	June 15, 2021	[***]
July 15, 2021	[***]	July 15, 2021	[***]	July 15, 2021	[***]	July 15, 2021	[***]	July 15, 2021	[***]
August 15, 2021	[***]	August 15, 2021	[***]	August 15, 2021	[***]	August 15, 2021	[***]	August 15, 2021	[***]
September 15, 2021	[***]	September 15, 2021	[***]	September 15, 2021	[***]	September 15, 2021	[***]	September 15, 2021	[***]
October 15, 2021	[***]	October 15, 2021	[***]	October 15, 2021	[***]	October 15, 2021	[***]	October 15, 2021	[***]
November 15, 2021	[***]	November 15, 2021	[***]	November 15, 2021	[***]	November 15, 2021	[***]	November 15, 2021	[***]
December 15, 2021	[***]	December 15, 2021	[***]	December 15, 2021	[***]	December 15, 2021	[***]	December 15, 2021	[***]
January 15, 2022	[***]	January 15, 2022	[***]	January 15, 2022	[***]	January 15, 2022	[***]	January 15, 2022	[***]
February 15, 2022	[***]	February 15, 2022	[***]	February 15, 2022	[***]	February 15, 2022	[***]	February 15, 2022	[***]
March 15, 2022	[***]	March 15, 2022	[***]	March 15, 2022	[***]	March 15, 2022	[***]	March 15, 2022	[***]
April 15, 2022	[***]	April 15, 2022	[***]	April 15, 2022	[***]	April 15, 2022	[***]	April 15, 2022	[***]
May 15, 2022	[***]	May 15, 2022	[***]	May 15, 2022	[***]	May 15, 2022	[***]	May 15, 2022	[***]
June 15, 2022	[***]	June 15, 2022	[***]	June 15, 2022	[***]	June 15, 2022	[***]	June 15, 2022	[***]
July 15, 2022	[***]	July 15, 2022	[***]	July 15, 2022	[***]	July 15, 2022	[***]	July 15, 2022	[***]
August 15, 2022	[***]	August 15, 2022	[***]	August 15, 2022	[***]	August 15, 2022	[***]	August 15, 2022	[***]
September 15, 2022	[***]	September 15, 2022	[***]	September 15, 2022	[***]	September 15, 2022	[***]	September 15, 2022	[***]
October 15, 2022	[***]	October 15, 2022	[***]	October 15, 2022	[***]	October 15, 2022	[***]	October 15, 2022	[***]
November 15, 2022	[***]	November 15, 2022	[***]	November 15, 2022	[***]	November 15, 2022	[***]	November 15, 2022	[***]
December 15, 2022	[***]	December 15, 2022	[***]	December 15, 2022	[***]	December 15, 2022	[***]	December 15, 2022	[***]
January 15, 2023	[***]	January 15, 2023	[***]	January 15, 2023	[***]	January 15, 2023	[***]	January 15, 2023	[***]
February 15, 2023	[***]	February 15, 2023	[***]	February 15, 2023	[***]	February 15, 2023	[***]	February 15, 2023	[***]
March 15, 2023	[***]	March 15, 2023	[***]	March 15, 2023	[***]	March 15, 2023	[***]	March 15, 2023	[***]
April 15, 2023	[***]	April 15, 2023	[***]	April 15, 2023	[***]	April 15, 2023	[***]	April 15, 2023	[***]
May 15, 2023	[***]	May 15, 2023	[***]	May 15, 2023	[***]	May 15, 2023	[***]	May 15, 2023	[***]
June 15, 2023	[***]	June 15, 2023	[***]	June 15, 2023	[***]	June 15, 2023	[***]	June 15, 2023	[***]
July 15, 2023	[***]	July 15, 2023	[***]	July 15, 2023	[***]	July 15, 2023	[***]	July 15, 2023	[***]
August 15, 2023	[***]	August 15, 2023	[***]	August 15, 2023	[***]	August 15, 2023	[***]	August 15, 2023	[***]
September 15, 2023	[***]	September 15, 2023	[***]	September 15, 2023	[***]	September 15, 2023	[***]	September 15, 2023	[***]
October 15, 2023	[***]	October 15, 2023	[***]	October 15, 2023	[***]	October 15, 2023	[***]	October 15, 2023	[***]
November 15, 2023	[***]	November 15, 2023	[***]	November 15, 2023	[***]	November 15, 2023	[***]	November 15, 2023	[***]
December 15, 2023	[***]	December 15, 2023	[***]	December 15, 2023	[***]	December 15, 2023	[***]	December 15, 2023	[***]
January 15, 2024	[***]	January 15, 2024	[***]	January 15, 2024	[***]	January 15, 2024	[***]	January 15, 2024	[***]
February 15, 2024	[***]	February 15, 2024	[***]	February 15, 2024	[***]	February 15, 2024	[***]	February 15, 2024	[***]
March 15, 2024	[***]	March 15, 2024	[***]	March 15, 2024	[***]	March 15, 2024	[***]	March 15, 2024	[***]
April 15, 2024	[***]	April 15, 2024	[***]	April 15, 2024	[***]	April 15, 2024	[***]	April 15, 2024	[***]

Schedule 5-3

Aircraft Reg. No.: N88331, N88332, N82333f	
Payment Date	**Ownership Rate**
May 15, 2024	[***]
June 15, 2024	[***]
July 15, 2024	[***]
August 15, 2024	[***]
September 15, 2024	[***]
October 15, 2024	[***]
November 15, 2024	[***]
December 15, 2024	[***]
January 15, 2025	[***]
February 15, 2025	[***]
March 15, 2025	[***]
April 15, 2025	[***]
May 15, 2025	[***]
June 15, 2025	[***]
July 15, 2025	[***]
August 15, 2025	[***]
September 15, 2025	[***]
October 15, 2025	[***]
November 15, 2025	[***]
December 15, 2025	[***]
January 15, 2026	[***]
February 15, 2026	[***]
March 15, 2026	[***]
April 15, 2026	[***]
May 15, 2026	[***]
June 15, 2026	[***]
July 15, 2026	[***]
August 15, 2026	[***]
September 15, 2026	[***]
October 15, 2026	[***]
November 15, 2026	[***]
December 15, 2026	[***]
January 15, 2027	[***]
February 15, 2027	[***]
March 15, 2027	[***]

Aircraft Reg. No.: N86334	
Payment Date	**Ownership Rate**
May 15, 2024	[***]
June 15, 2024	[***]
July 15, 2024	[***]
August 15, 2024	[***]
September 15, 2024	[***]
October 15, 2024	[***]
November 15, 2024	[***]
December 15, 2024	[***]
January 15, 2025	[***]
February 15, 2025	[***]
March 15, 2025	[***]
April 15, 2025	[***]
May 15, 2025	[***]
June 15, 2025	[***]
July 15, 2025	[***]
August 15, 2025	[***]
September 15, 2025	[***]
October 15, 2025	[***]
November 15, 2025	[***]
December 15, 2025	[***]
January 15, 2026	[***]
February 15, 2026	[***]
March 15, 2026	[***]
April 15, 2026	[***]
May 15, 2026	[***]
June 15, 2026	[***]
July 15, 2026	[***]
August 15, 2026	[***]
September 15, 2026	[***]
October 15, 2026	[***]
November 15, 2026	[***]
December 15, 2026	[***]
January 15, 2027	[***]
February 15, 2027	[***]
March 15, 2027	[***]

Aircraft Reg. No.: N88335	
Payment Date	**Ownership Rate**
May 15, 2024	[***]
June 15, 2024	[***]
July 15, 2024	[***]
August 15, 2024	[***]
September 15, 2024	[***]
October 15, 2024	[***]
November 15, 2024	[***]
December 15, 2024	[***]
January 15, 2025	[***]
February 15, 2025	[***]
March 15, 2025	[***]
April 15, 2025	[***]
May 15, 2025	[***]
June 15, 2025	[***]
July 15, 2025	[***]
August 15, 2025	[***]
September 15, 2025	[***]
October 15, 2025	[***]
November 15, 2025	[***]
December 15, 2025	[***]
January 15, 2026	[***]
February 15, 2026	[***]
March 15, 2026	[***]
April 15, 2026	[***]
May 15, 2026	[***]
June 15, 2026	[***]
July 15, 2026	[***]
August 15, 2026	[***]
September 15, 2026	[***]
October 15, 2026	[***]
November 15, 2026	[***]
December 15, 2026	[***]
January 15, 2027	[***]
February 15, 2027	[***]
March 15, 2027	[***]

Aircraft Reg. No.: N86336, N87337	
Payment Date	**Ownership Rate**
May 15, 2024	[***]
June 15, 2024	[***]
July 15, 2024	[***]
August 15, 2024	[***]
September 15, 2024	[***]
October 15, 2024	[***]
November 15, 2024	[***]
December 15, 2024	[***]
January 15, 2025	[***]
February 15, 2025	[***]
March 15, 2025	[***]
April 15, 2025	[***]
May 15, 2025	[***]
June 15, 2025	[***]
July 15, 2025	[***]
August 15, 2025	[***]
September 15, 2025	[***]
October 15, 2025	[***]
November 15, 2025	[***]
December 15, 2025	[***]
January 15, 2026	[***]
February 15, 2026	[***]
March 15, 2026	[***]
April 15, 2026	[***]
May 15, 2026	[***]
June 15, 2026	[***]
July 15, 2026	[***]
August 15, 2026	[***]
September 15, 2026	[***]
October 15, 2026	[***]
November 15, 2026	[***]
December 15, 2026	[***]
January 15, 2027	[***]
February 15, 2027	[***]
March 15, 2027	[***]

Aircraft Reg. No.: N82338, N87339, N85340	
Payment Date	**Ownership Rate**
May 15, 2024	[***]
June 15, 2024	[***]
July 15, 2024	[***]
August 15, 2024	[***]
September 15, 2024	[***]
October 15, 2024	[***]
November 15, 2024	[***]
December 15, 2024	[***]
January 15, 2025	[***]
February 15, 2025	[***]
March 15, 2025	[***]
April 15, 2025	[***]
May 15, 2025	[***]
June 15, 2025	[***]
July 15, 2025	[***]
August 15, 2025	[***]
September 15, 2025	[***]
October 15, 2025	[***]
November 15, 2025	[***]
December 15, 2025	[***]
January 15, 2026	[***]
February 15, 2026	[***]
March 15, 2026	[***]
April 15, 2026	[***]
May 15, 2026	[***]
June 15, 2026	[***]
July 15, 2026	[***]
August 15, 2026	[***]
September 15, 2026	[***]
October 15, 2026	[***]
November 15, 2026	[***]
December 15, 2026	[***]
January 15, 2027	[***]
February 15, 2027	[***]
March 15, 2027	[***]

Aircraft Reg. No.: N88331, N88332, N82333f	
Payment Date	**Ownership Rate**
April 15, 2027	[***]
May 15, 2027	[***]
June 15, 2027	[***]
July 15, 2027	[***]
August 15, 2027	[***]
September 15, 2027	[***]
October 15, 2027	[***]
November 15, 2027	-
December 15, 2027	-

Aircraft Reg. No.: N86334	
Payment Date	**Ownership Rate**
April 15, 2027	[***]
May 15, 2027	[***]
June 15, 2027	[***]
July 15, 2027	[***]
August 15, 2027	[***]
September 15, 2027	[***]
October 15, 2027	[***]
November 15, 2027	[***]
December 15, 2027	[***]
January 15, 2028	

Aircraft Reg. No.: N88335	
Payment Date	**Ownership Rate**
April 15, 2027	[***]
May 15, 2027	[***]
June 15, 2027	[***]
July 15, 2027	[***]
August 15, 2027	[***]
September 15, 2027	[***]
October 15, 2027	[***]
November 15, 2027	[***]
December 15, 2027	[***]
January 15, 2028	
February 15, 2028	

Aircraft Reg. No.: N86336, N87337	
Payment Date	**Ownership Rate**
April 15, 2027	[***]
May 15, 2027	[***]
June 15, 2027	[***]
July 15, 2027	[***]
August 15, 2027	[***]
September 15, 2027	[***]
October 15, 2027	[***]
November 15, 2027	[***]
December 15, 2027	[***]
January 15, 2028	
February 15, 2028	-
March 15, 2028	-
April 15, 2028	-

Aircraft Reg. No.: N82338, N87339, N85340	
Payment Date	**Ownership Rate**
April 15, 2027	[***]
May 15, 2027	[***]
June 15, 2027	[***]
July 15, 2027	[***]
August 15, 2027	[***]
September 15, 2027	[***]
October 15, 2027	[***]
November 15, 2027	[***]
December 15, 2027	[***]
January 15, 2028	-
February 15, 2028	-
March 15, 2028	-
April 15, 2028	-
May 15, 2028	-

Schedule 6

Reserved.

Schedule 7 - Loan Payment Amount

				Senior Loan		
	Type	MSN	Tail No.	Rate	Original Balance	Est. End Date
Block 1	E175	17000563	N88341	[***]	$ [***]	6/6/2028
Block 1	E175	17000570	N89342	[***]	$ [***]	6/23/2028
Block 1	E175	17000571	N80343	[***]	$ [***]	7/7/2028
Block 1	E175	17000573	N86344	[***]	$ [***]	7/7/2028
Block 1	E175	17000583	N88346	[***]	$ [***]	8/18/2028
Block 1	E175	17000582	N87345	[***]	$ [***]	8/18/2028
Block 1	E175	17000599	N86347	[***]	$ [***]	9/23/2028
Block 3	E175	17000591	N80348	[***]	$ [***]	9/30/2028

				Junior Loan		
	Type	MSN	Tail No.	Rate	Original Balance	Est. End Date
Block 1	E175	17000563	N88341	[***]	$ [***]	6/6/2028
Block 1	E175	17000570	N89342	[***]	$ [***]	6/23/2028
Block 1	E175	17000571	N80343	[***]	$ [***]	7/7/2028
Block 1	E175	17000573	N86344	[***]	$ [***]	7/7/2028
Block 1	E175	17000583	N88346	[***]	$ [***]	8/18/2028
Block 1	E175	17000582	N87345	[***]	$ [***]	8/18/2028
Block 1	E175	17000599	N86347	[***]	$ [***]	9/23/2028
Block 3	E175	17000591	N80348	[***]	$ [***]	9/30/2028

Term of loans are 12 years with estimated end date provided above. Payments are made every [***] days with appropriate adjustments for holidays and weekends. Quarterly payments are included in the monthly prepayments to Contractor.

Junior loan is fixed rate loan with [***] equal principal payments and [***] interest. Senior loan schedule is calculated with a [***] amortization factor and average life [***] years. Interest payments based on outstanding balance, number of days in period over [***] and LIBOR + Fixed Rate above.

EXHIBIT A

Definitions

"2.4(a) Notice" – is defined in Section 2.4(a).

"2.4(b)(i) Notice" – is defined in Section 2.4(b)(i).

"2.4(b)(ii) Notice" – is defined in Section 2.4(b)(ii).

"2.4(c)(i) Notice" – is defined in Section 2.4(c).

"2.4(d) Notice" – is defined in Section 2.4(d).

"3.5 Notice" – is defined in Section 3.5.

"AAA" – is defined in Section 11.15(a).

"Accommodating Aircraft Movement" – is defined in Section 4.6(a).

"Act of God" – means an unpreventable natural catastrophe resulting in material consequences, such as an earthquake, a tidal wave, a volcanic eruption, or a tornado (it being understood that Labor Strikes, labor disputes any other events or circumstances involving the action or inaction of human beings shall not constitute an Act of God). For the avoidance of doubt, the parties agree that the term "Act of God" shall only be relevant in this Agreement specifically where it is used, namely Section 8.4 and Schedule 1.

"Actual Delivery Date" – is defined in Schedule 1.

"Actual In-Service Date" – is defined in Schedule 1.

"Aerodata Fees" – is defined in Section 3.6(b)(ii)(A).

"Agreement" – is defined in the first paragraph of the Agreement.

"Aircraft Drinking Water Regulation" – means 40 CFR Part 141.

"Aircraft Property Taxes" – means all aircraft property taxes (however designated, including excise or franchise taxes imposed on the ownership of aircraft property, ad valorem taxes, and special assessments or levies) for aircraft, spare parts and engines, including rotables and consumables included in or constituting part of an aircraft or engine or spare parts. Aircraft property taxes do not include property tax related to ground equipment, real estate, or personal property or any other tax that is not for aircraft property, including without limitation income, profits, withholding, employment, social security, disability, occupation, severance, excise, ad valorem, sales, use or franchise taxes.

"Airframe Heavy Maintenance" – means all activities performed pursuant to the Aircraft Heavy Maintenance Support Agreement.

"Airframe Heavy Maintenance Support Agreement" – means that certain airframe heavy maintenance agreement entered into by Contractor with a third party aircraft heavy maintenance service provider for the E175 Covered Aircraft, provided Contractor has received United's written approval of the commercial terms of such agreement.

"Airport Authority" – means any municipal, county, state or federal governmental authority, or any private authority, owning or operating any Applicable Airport with authority to lease, convey or otherwise grant rights to use any Airport Facilities.

"Alcoholic Beverage Product" – means beer, wine, liquor or any other alcoholic beverages.

"ALPA" – means the Air Line Pilots Association, International.

"Amended Agreement" – is defined in the Recitals.

"Ancillary Agreements" – means each of the Covered Aircraft Leases, the Prepayment Agreement and each of the agreements entered into by United and/or Contractor substantially in the form of any of the exhibits hereto (including without limitation Exhibits D, K and O), together with all amendments, exhibits, schedules and annexes thereto.

"Annual Supplemental Rent Adjustment" – is defined in Section 2.5(c)(iii).

"Appeals Award" – is defined in Section 11.16(k).

"Applicable Airport" – means any airport into or from which Scheduled Flights are scheduled to arrive or depart.

"APU" – means an auxiliary power unit.

"APU Support Agreement" – means that certain APU support agreement entered into by Contractor with a third party APU service provider for the E175 Covered Aircraft, provided Contractor has received United's written approval of the commercial terms of such agreement.

"Assignment and Assumption Agreement" – is defined in Section 10.1(b)(vi)(A).

"Available to Schedule Aircraft" – means, at any time and from time to time, Covered Aircraft in revenue service and does not include the then-current quantity of Spare Aircraft, Non-Comp Aircraft or aircraft not available due to heavy maintenance, overhauls and modifications and the continuous maintenance line.

"Available to Schedule CRJ Covered Aircraft" – means, at any time and from time to time, CRJ Covered Aircraft in revenue service and does not include the then-current quantity of Spare Aircraft, Non-Comp Aircraft or aircraft not available due to heavy maintenance, overhauls and modifications and the continuous maintenance line.

"Available to Schedule E175 Covered Aircraft" – means, at any time and from time to time, E175 Covered Aircraft in revenue service and does not include the then-current quantity of Spare Aircraft, Non-Comp Aircraft or aircraft not available due to heavy maintenance, overhauls and modifications and the continuous maintenance line.

"Average Peer Group Rate Increase" – means, with respect to any insurance coverage and as of any date of determination, (x) the insurance rates relating to passenger liability insurance and war risk insurance as set forth on Schedule 3, multiplied by (y) the average percentage increase or decrease, as appropriate, from January 1, 2013 to such date of determination, in the cost of such passenger liability insurance and war risk insurance coverage for the [***] regional airlines with annual revenue passenger miles closest to those of Contractor, as determined by available information obtained from public sources or reputable insurance brokers, excluding (i) any such regional airline that experienced a major loss within the previous three years, and (ii) any regional airline whose insurance rates are included with its major airline partner(s).

"Award" – is defined in Section 11.16(j).

"Base Locations" – means, collectively, [***]; *provided, however*, that, as of any date of determination, a location will only be a "Base Location" if, during the calendar month of such date of determination, such location has been a Contractor crew and maintenance base.

"Basic Rent" – is defined, with respect to any Covered Aircraft, in the Covered Aircraft Lease for such Covered Aircraft.

"Block 1 Contractor Owned E175 Covered Aircraft" – means the E175 Covered Aircraft identified as aircraft numbers 31 to 40 on Table 1 to Schedule 1.

"Block 2 Contractor Owned E175 Covered Aircraft" – means the E175 Covered Aircraft identified as aircraft numbers 41 to 45 on Table 1 to Schedule 1.

"Block 3 Contractor Owned E175 Covered Aircraft" – means the E175 Covered Aircraft identified as aircraft numbers 46 to 48 on Table 1 to Schedule 1.

"Block-Hour Adjustment Amount" – is defined in Section 3.6(b)(iii).

"Block-Hour Monthly Threshold" – is defined in Section 3.6(b)(iii).

"Block Time w/0" – means, with respect to E175 Covered Aircraft and CRJ Covered Aircraft, calculated separately, the percentage actual block time was less than the scheduled block time.

"Block-Hour Requirement" – is defined in Section 4.27(a).

"Bombardier CCF Adjustment" – is defined in Section 3.2(a).

"Bombardier Covered Aircraft" – means Covered Aircraft manufactured by Bombardier.

"Business Day" – means each Monday, Tuesday, Wednesday, Thursday and Friday unless such day shall be a day when financial institutions in New York, New York or Chicago, Illinois are authorized by law to close.

"Call Option" – is defined in Section 10.1(a).

"Call Option Aircraft" – is defined in Section 10.1(a).

"Call Option E175LL Aircraft" – is defined in Section 10.8(a).

"Call Option Information" – is defined in Section 10.1(b)(iv).

"Call Option Notice" – is defined in Section 10.1(b)(ii).

"Call Option Request" – is defined in Section 10.1(b)(iii).

"Candidate" – is defined in Section 4.1(g).

"Cause" – means the following, each of which constitutes breach: (i) the suspension for three consecutive days or longer or the revocation of Contractor's authority to operate as a scheduled airline, (ii) the ceasing of Contractor's operations as a scheduled airline, other than as a result of a Labor Strike or the mandatory grounding of any of portion of the Covered Aircraft by the FAA, and other than any temporary cessation for not more than fourteen (14) consecutive days, (iii) the occurrence of a Labor Strike that shall have continued for seven (7) consecutive days or longer, (iv) a Controllable Completion Factor of [***] or below for each of any three consecutive calendar months, (v) an On-Time Departure Rate of [***] or below for each of any three consecutive calendar months, (vi) a Prohibited Transaction shall occur to which United shall not have consented in writing in advance, (vii) the occurrence of a willful or intentional material breach of this Agreement by Contractor that substantially deprives United of the benefits of this Agreement, which breach shall have continued for three [***] days after notice thereof is delivered by United to Contractor or, if Contractor has provided United reasonable assurance that such breach will be cured by Contractor within [***] days after delivery of such notice and for so long as Contractor is acting diligently in all respects to cure such breach within such period, for ten (10) days after notice thereof is delivered by United to Contractor, or (viii) the occurrence of a System Flight Disruption.

"CEO" – is defined in Section 5.3.

"Charter Flights" – means any flight by a Covered Aircraft for charter operations at the direction of United that may or may not be reflected in the Final Monthly Schedule.

"Claims" – is defined in Section 11.16(a).

"Commencement Date" – is defined in Section 8.1.

"Compensation for Carrier Controlled Costs" – is defined in Section 3.1.

"Consent" – is defined in Section 10.1(b)(vi)(D).

"Consent Period" – is defined in Section 2.5(a).

"Contractor" – means Mesa Airlines, Inc., a Nevada corporation, and its successors and permitted assigns.

"Contractor Marks" – is defined in Exhibit F.

"Contractor Owned E175 Covered Aircraft" – means those E175 Covered Aircraft identified as Contractor owned E175 Covered Aircraft on Schedule 1.

"Contractor Owned E175 Removed Aircraft" – is defined in Section 2.4(b)(ii).

"Contractor Services" – means (i) Regional Airline Services and (ii) any other services provided by Contractor pursuant to this Agreement or any Ancillary Agreement.

"Contractor Terminal Facility" – means any Terminal Facility to the extent owned, leased, subleased or otherwise retained or used by Contractor as of the date hereof, and any Terminal Facility to the extent owned, leased, subleased or otherwise retained or used by Contractor pursuant to Section 4.10(a) after the date hereof, in either case, for the provision of Contractor Services.

"Controllable Cancellation" – means a cancellation of a Scheduled Flight that is not an Uncontrollable Cancellation (including flights deemed to have resulted in Controllable Cancellations pursuant to the last sentence of Section 2.1(c)).

"Controllable Completion Factor" – means, for any period of determination, the number of actual departures completed divided by the number of scheduled departures, excluding Uncontrollable Cancellations.

"Controllable Delays" – means a delay of a Scheduled Flight that is not an Uncontrollable Delay.

"Covered Aircraft" – means the E175 Covered Aircraft, the E175LL Covered Aircraft, the CRJ700 Covered Aircraft and the CRJ550 Covered Aircraft.

"Covered Aircraft Lease" – means an aircraft lease or sublease agreement, as the case may be, substantially in the form of United's then-current (at the time of execution of such agreement by the parties) standard aircraft lease or sublease agreement, as the case may be, for transactions in which United is lessor or sublessor, as the case may be, which standard agreement shall contain, among other things, (w) provisions, whether financial, operational or otherwise, that are necessary to conform to the requirements of any mortgage, lease and/or other financing agreement relating to the applicable Covered Aircraft, to which United is a party and under which United is the mortgagor, lessee, borrower or similar party, as the case may be, (x) provisions, whether financial, operational or otherwise, that are necessary to conform to the requirements of the Embraer Purchase Agreement, including without limitation provisions effective to obligate Contractor to perform, or refrain from performing, any and all actions (including without limitation making and submitting reports, performing inspections, taking possession of the aircraft as directed by United, utilizing Embraer personnel, and communicating with Embraer and United) as may be required to preserve all of United's rights and privileges arising under the provisions of the Embraer Purchase

Agreement Excerpt (including without limitation rights relating to the delivery and acceptance of the aircraft, maintenance and dispatch reliability guarantees, ferry flight assistance and product support, and all other warranties and guarantees contained therein), (y) term and termination provisions that conform to the provisions of this Agreement (including a base term that conforms to the term set forth on Schedule 1 with respect to the applicable Covered Aircraft, termination provisions conforming to Article VIII and Section 2.4(b) and cross-default and term extension provisions), and (z) other economic terms, if any, that are commercially reasonable taking into account the financial condition of Contractor.

"CPA Records" – is defined in Section 3.5.

"CRJ Collateral" – is defined in Section 10.6(b).

"CRJ Covered Aircraft" – means all of the CRJ700 Covered Aircraft or CRJ550 Covered Aircraft listed on Schedule 1 (as amended from time to time pursuant to the provisions of this Agreement), or any acceptable substitute aircraft agreed to in writing by United and presented for Regional Airline Services by Contractor, as adjusted from time to time for withdrawals pursuant to Article VIII. For the avoidance of doubt, as of the date of this amendment and restatement, the CRJ Covered Aircraft are comprised only of the CRJ700 Covered Aircraft.

"CRJ Incentive Program Waiver Condition" – means, with respect to a calendar month, the number of block-hours per day per Available to Schedule CRJ Covered Aircraft is less than 6.0.

"CRJ Lease Notice" – is defined in Section 2.5(a).

"CRJ Lien" – is defined in Section 10.6(b).

"CRJ Purchase Notice" – is defined in Section 2.5(a).

"CRJ Third Party Lessee" – is defined in Section 2.5(a).

"CRJ550 Accelerated Margin Payment" – means, with respect to any CRJ550 Removed Aircraft at any time from time to time, the product of (x) [***] *multiplied* by (y) the quotient obtained by dividing (i) one (1) *minus* [***] to the power of negative "Y" (where "Y" equals the number of calendar months (prorated for partial months based on a 30 day month) remaining from and after the date on which such CRJ550 Removed Aircraft ceases to be operated in scheduled service pursuant to the capacity purchase provisions of this Agreement until the scheduled exit date of such aircraft) and (ii) [***]; *provided, however*, that, notwithstanding anything to the contrary above in this definition, if, as of the time that United delivers of a 2.4(d) Notice with respect to such aircraft, the average number of CRJ550 Covered Aircraft in scheduled service pursuant to the capacity purchase provisions of this Agreement for the prior [***] completed calendar months is greater than or equal to [***] CRJ550 Covered Aircraft, then, for each CRJ550 Removed Aircraft, the CRJ550 Accelerated Margin Payment shall be [***] if, as of the time that United delivers the 2.4(d) Notice with respect to such aircraft, the Controllable Completion Factor calculated for all CRJ Covered Aircraft for the prior [***] completed calendar months is less than [***]. As an example, and for illustrative purposes only, if there are [***] months remaining in the term, the formula for CRJ550 Accelerated Margin Payment would be (assuming the proviso set forth immediately above does not apply for the purposes of this example):

[***]

"CRJ550 Committed In-Service Date" – is defined in Section 2.5(b)(i).

"CRJ550 Conversion Notice" – is defined in Section 2.5(a).

"CRJ550 Covered Aircraft" – means all of the CRJ550 aircraft listed on Schedule 1 (as amended from time to time pursuant to the provisions of this Agreement), or any acceptable substitute aircraft agreed to in writing by United and presented for Regional Airline Services by Contractor, but such Schedule 1 shall be deemed automatically adjusted from time to time to account for any such aircraft that is withdrawn from the capacity purchase provisions of this Agreement effective beginning on the date of such withdrawal.

"CRJ550 Removed Aircraft" – is defined in Section 2.4(d).

"CRJ700 Covered Aircraft" – means all of the CRJ700 aircraft listed on Schedule 1 (as amended from time to time pursuant to the provisions of this Agreement), or any acceptable substitute aircraft agreed to in writing by United and presented for Regional Airline Services by Contractor, but such Schedule 1 shall be deemed automatically adjusted from time to time to account for any such aircraft that is withdrawn from the capacity purchase provisions of this Agreement effective beginning on the date of such withdrawal.

"CRJ700 Removed Aircraft" – is defined in Section 2.4(a).

"Customer Satisfaction Score" – means the score, as determined by surveys, measuring customer satisfaction on United's mainline and regional flights, as such surveys or program may be altered or replaced from time to time by United in its sole discretion.

"Daily United Damages" – is defined in Section 8.4(e).

"Deemed Bombardier CCF Adjustment" – is defined in Section 3.2(a).

"Deemed E175 CCF Adjustment" – is defined in Section 3.2(a).

"Delivery Location" – is defined in Section 10.1(b)(vi)(B).

"Design Changes" – means, following the initial entry of Covered Aircraft and crews into service for the provision of Contractor Services by Contractor, the expenses of Contractor relating to interior and exterior design changes to the Covered Aircraft and other product-related changes required by United, including the cost of changes uniforms and other livery, in each case that occur outside of Contractor's normal uniform replacement and aircraft maintenance/refurbishment program. For the avoidance of doubt, Design Changes shall not include (a) scheduled refresh paint to occur within normal paint standards (unless poor workmanship by, on behalf of, or directed by Contractor requires an additional event) or (b) initial paint on new aircraft.

"Designation Date" – is defined in Section 4.27(a)(ii).

"DG" – is defined in the definition of United Cargo Program.

"DHS" – means the United States Department of Homeland Security.

"DOT" – means the United States Department of Transportation.

"Drinking Water Requirements" – is defined in Section 4.19(b)(viii).

"E175 CCF Adjustment" – is defined in Section 3.2(a).

"E175 Collateral" – is defined in Section 10.6(a).

"E175 Covered Aircraft" – means all of the Embraer E175 aircraft listed on Schedule 1 (as amended from time to time pursuant to the provisions of this Agreement), or any acceptable substitute aircraft agreed to in writing by United and presented for Regional Airline Services by Contractor, but such Schedule 1 shall be deemed automatically adjusted from time to time to account for any such aircraft that is withdrawn from the capacity purchase provisions of this Agreement effective beginning on the date of such withdrawal and for exit date extensions pursuant to Section 10.2.

"E175 Lien" – is defined in Section 10.6(a).

"E175 Removed Aircraft" – is defined in Section 2.4(b).

"E175LL Accelerated Margin Payment" – means, with respect to any E175LL Removed Aircraft at any time from time to time, the product of (x) [***] *multiplied* by (y) the quotient obtained by dividing (i) [***] *minus* [***] to the power of negative "Y" (where "Y" equals the number of calendar months (prorated for partial months based on a [***] day month) remaining from and after the date on which such aircraft ceases to be operated in scheduled service pursuant to the capacity purchase provisions of this until the scheduled exit date of such aircraft) and (ii) [***]; *provided, however*, that, notwithstanding anything to the contrary above in this definition, if, as of the time that United delivers of a 2.4(c)(i) Notice with respect to such aircraft, the average number of E175LL Covered Aircraft in scheduled service pursuant to the capacity purchase provisions of this Agreement for the prior [***] completed calendar months is greater than or equal to [***] E175LL Covered Aircraft, then, for each E175LL Removed Aircraft, the E175LL Accelerated Margin Payment shall be [***] if, as of the time that United delivers the 2.4(c)(i) Notice with respect to such aircraft, the Controllable Completion Factor calculated for all E175 Covered Aircraft for the prior [***] completed calendar months is less than [***]. As an example, and for illustrative purposes only, if there are [***] months remaining in the term, the formula for E175LL Accelerated Margin Payment would be as follows (assuming the proviso set forth immediately above does not apply for the purposes of this example):

[***]

"E175LL Call Option" – is defined in Section 10.8(a).

"E175LL Call Option Information" – is defined in Section 10.8(b)(i).

"E175LL Call Option Request" – is defined in Section 10.8(b)(i).

"E175LL Committed In-Service Date" – is defined in footnote 1(a) of Table 4 in Schedule 1 with respect to E175LL Covered Aircraft.

"E175LL Covered Aircraft" – means all of the Embraer E175LL aircraft listed on Schedule 1 (as amended from time to time pursuant to the provisions of this Agreement), or any acceptable substitute aircraft agreed to in writing by United and presented for Regional Airline Services by Contractor, but such Schedule 1 shall be deemed automatically adjusted from time to time to account for any such aircraft that is withdrawn from the capacity purchase provisions of this Agreement effective beginning on the date of such withdrawal. For the avoidance of doubt, as of the date of this amendment and restatement, the E175 Covered Aircraft are comprised of the United Owned E175 Covered Aircraft, the Contractor Owned E175 Covered Aircraft and the E175LL Covered Aircraft.

"E175LL Liquidity Termination Notice" – is defined in Section 2.4(c)(iii).

"E175LL Outstanding Debt Balance" – means the aggregate principal and interest owing with respect to any note, mortgage or other instrument evidencing a debt obligation of United incurred in order to pay the purchase price of a Call Option E175LL Aircraft *plus* any and all out-of-pocket fees and expenses required to be incurred in order to pay the same, including without limitation termination, make-whole, prepayment (or similar) penalty or fee, breakage, third party attorney's fees and costs, trustee and wind-up fees and recording/filing fees, in each case pursuant to obligations in effect on the earlier of the date of the applicable E175LL Call Option Request, but in each case only to the extent that such fees and expenses have been disclosed as part of the E175LL Call Option Information in a timely manner as required hereunder, and, for the avoidance of doubt, shall not include any changes in income tax position, including loss of deductions, increased income tax expense or other income and other tax losses.

"E175LL Removed Aircraft" – is defined in Section 2.4(c).

"E175LL Scheduled Delivery Date" – is defined in footnote 1(a) of Table 4 in Schedule 1 with respect to E175LL Covered Aircraft.

"E175LL United Equity" means, with respect to each Call Option E175LL Aircraft, [***]

"EBR Cure Period" – is defined in Section 4.20.

"EBR Goal" – is defined in Section 4.20.

"EBR Payment" – is defined in Section 4.20.

"EBR Performance" – is defined in Section 4.20.

"EBR Period" – is defined in Section 4.20.

"EETC Aircraft" – is defined in Section 3.6(d).

"EETC Security Interest" – means a security interest granted on an EETC Aircraft in connection with the EETC Transaction.

"EETC Transaction" – means Contractor's acquisition of EETC Aircraft on the terms set forth in the "Summary Mesa Airlines, Inc. ("Mesa") EETC Transaction 2015-1" Execution Version.

"Effective Date" – is defined in Section 8.1.

"Embraer" – means Embraer SA, a Brazilian corporation.

"Embraer Confidentiality Agreement" – means that certain Confidentiality Agreement among Embraer, United and Parent, dated as of July 30, 2013.

"Embraer Purchase Agreement" – means that certain Purchase Agreement entered into by and United and Embraer as of April 29, 2013 for the purchase by United of the E175 Covered Aircraft.

"Embraer Purchase Agreement Excerpt" – means the portion of the Embraer Purchase Agreement disclosed to Contractor pursuant to the Embraer Confidentiality Agreement (as such provisions may be amended from time to time by United and Embraer; *provided* that United shall have notified Contractor in writing of such amendments, if any).

"Engine" – means any jet aircraft engine delivered with any Covered Aircraft (or any replacement engine thereof) that constitutes an "Engine," as such term is defined in a Covered Aircraft mortgage, lease or sublease, as the case may be.

"Engine Maintenance Support Agreement" – means that certain engine maintenance support agreement entered into by Contractor with a third party maintenance service provider for the E175 Covered Aircraft, provided Contractor has received United's written approval of the commercial terms of such agreement.

"Engine Swap Notice" – is defined in Section 2.5(c)(vi).

"Environmental Laws" – is defined in Section 4.19(a)(i).

"EPA" – means the Environmental Protection Agency.

"ERJ Incentive Program Waiver Condition" – means, with respect to a calendar month, the number of block-hours per day per Available to Schedule ERJ Covered Aircraft is less than [***].

"ERJ Margin Payment" – means the product of (x) the number of remaining calendar months, which may include a partial month, between the Termination Date and the Scheduled Exit Date as set forth on Schedule 1 for each Contractor Owned E175 Removed Aircraft and (y) [***]; *provided, however*, that, notwithstanding anything to the contrary above in this definition, for each Contractor Owned E175 Removed Aircraft, the ERJ Margin Payment shall be [***] if, as of the time that United delivers the 2.4(b)(ii) Notice with respect to such aircraft, the Controllable Completion Factor calculated for all E175 Covered Aircraft for the prior [***] completed calendar months is less than [***].

"Estimated Idle Aircraft Time" – is defined in Section 2.5(b)(i).

"Excess Delayed Flights" – is defined in Section 3.6(c)(vi).

"FAA" – means the United States Federal Aviation Administration.

"Fair Market Value" – means, as of any date of determination, (u) the then-current market value of the aircraft mutually determined by the parties; or (v) failing mutual agreement between the parties, the average of the then-current market value of the aircraft as determined by [***] independent International Society of Transport Aircraft Trading certified appraiser, [***] selected by United and [***] selected by Contractor, within ten (10) Business Days after either party requests such an appraiser be selected. All determinations made as provided in this definition shall be binding upon Contractor and United. All such appraisal costs will be shared equally between Contractor and United.

"Final Monthly Schedule" – means the final schedule of Scheduled Flights for the applicable calendar month delivered by United to Contractor pursuant to Section 2.1(c).

"First Amendment" means the First Amendment to this Agreement dated on or around September 15, 2020.

"First Event Settlement Amount" - is defined in Section 2.5(c)(iii).

"Forecasted Passengers" – means, for any month, the forecasted Revenue Onboards derived from the Final Monthly Schedule for such month.

"Foreign Costs" – means the [***] reasonably incurred by Contractor and paid to government agencies in connection with its initial provision of Regional Airline Services to a foreign country, and [***] imposed by foreign governmental or regulatory authorities in connection with the provision of Scheduled Flights into or out of such foreign jurisdiction.

"Fuel Services" – means the act of putting fuel product into an aircraft and taking fuel product out of an aircraft, and any other incidental tasks as are customarily required from time to time in connection therewith; *provided* that the cost of aircraft fuel shall not be included as a cost of Fuel Services.

"GAAP" – means generally accepted accounting principles in the United States of America, consistently applied.

"Ground Handling Services" – means the ground handling services performed in connection with Regional Airline Services and as determined by United or United's designee in United's or United's designee's, sole option and discretion, which services will typically (but not necessarily) include without limitation the following: (i) gate check-in activities, (ii) passenger enplaning/deplaning activities, (iii) sky cap and wheelchair services, (iv) aircraft loading/unloading services, (v) passenger ticketing, (vi) jetbridge maintenance, (vii) janitorial services, (viii) deicing services, (ix) pushback, (x) airstarts, and (xi) aircraft overnight cleaning, including lavatory service and water service; *provided* that the foregoing list shall typically (but

not necessarily) exclude turn cleaning unless otherwise directed by United, and towing services provided by Contractor pursuant to Section 4.6.

"Hazardous Materials" – is defined in Section 4.19(a)(ii).

"Hub Airport" – means, as of any date of determination, (i) [***], and (ii) any other airport at which United and its subsidiaries, together with all other operators operating under United's livery or a derivative thereof, operate an average of at least [***] flights per day at such airport during the [***] months period prior to such date of determination.

"Identification" – means the United Marks, the aircraft livery set forth on Exhibit E, the United flight code and other trade names, trademarks, service marks, graphics, logos, employee uniform designs, distinctive color schemes and other identification selected by United in its sole discretion for the Regional Airline Services to be provided by Contractor, whether or not such identification is copyrightable or otherwise protected or protectable under federal law.

"Idle Aircraft Cost" – is defined in Section 2.5(b)(iii).

"Idle Aircraft Time" – is defined in Section 2.5(b)(iii).

"Incentive Program" – is defined in Section 3.2.

"Indemnifying Party" – is defined in Section 7.3.

"Indemnity Notice" – is defined in Section 7.3.

"Initial Proposed Monthly Schedule" – is defined in Section 2.1(c).

"Insurance Baseline" – is defined in Section 3.6(b)(ii)(A)(3).

"Interim Period" – means the period beginning at 12:00 a.m. local time in Chicago, Illinois on [***] and ending at 12:00 a.m. local time in Chicago, Illinois on [***].

"IOSA" – is defined in Section 4.9.

"Labor Strike" – means a labor dispute, as such term is defined in 29 U.S.C. Section 113(c) involving Contractor and some or all of its employees, which dispute results in a union-authorized strike resulting in a work stoppage.

"Landing Fees" – consists of all airport landing fees, Aircraft Rescue Fire Fighter (ARFF) charges or similar charges, apron fees, and any other fees charged by airport operators to cover airfield costs or other airport facilities. Unscheduled flights operated by Contractor for aircraft repositioning, maintenance or any purpose other than carrying revenue passengers will not be reimbursed.

"Landing Gear Support Agreement" – means that certain landing gear support agreement entered into by Contractor with a third party landing gear service provider for the E175 Covered Aircraft,

provided Contractor has received United's written approval of the commercial terms of such agreement.

"Lead Director" – is defined in Section 5.3.

"Lease Documents" – is defined in Section 10.1(b)(vi)(A).

"Leased Call Option Aircraft" – is defined in Section 10.1(b)(iv).

"Lessor Time" - is defined in Section 2.5(c)(iii).

"Letter of Agreement" – is defined in Section 4.1(e).

"Liquidity" – is defined in Section 2.4(c)(iii).

"Liquidity Notice" – is defined in Section 2.4(c)(iii).

"LLP Swap Notice" – is defined in Section 2.5(c)(vii).

"Maintenance Location" – means, as of any date of determination, a Base Location or any other location that is a Contractor maintenance base.

"Mexico Regulatory Rendered Services" – means 24 hour on call service personnel required for the performance of maintenance activities in Mexico in accordance (i) with local law or regulation and (ii) Contractors maintenance agreements.

"Modified EBR Goal" – is defined in Section 4.20(b)(ii)(B).

"Modified EBR Payment" – is defined in Section 4.20(b)(ii)(C).

"Modified EBR Performance" – is defined in Section 4.20(b)(ii)(C).

"Modified EBR Period" – is defined in Section 4.20(b)(ii)(A).

"Monthly Incentive Adjustment" – is defined in Section 3.2.

"Navigation Fees" – means navigation charges invoiced from Canadian/Mexican authorities to operate flights in the air space (NavCanada and Services a la Navigation en el Espacio Aereo Mexicano (SENEAM)) and fees and reasonable third party expenses to file schedules in foreign country.

"New Aircraft" – is defined in Section 10.4.

"Non-Comp Aircraft" – means the quantity of Covered Aircraft that are designated as or become "Non-Comp Aircraft" in accordance with Section 4.27, *provided* that the designation of a Covered Aircraft as a Non-Comp Aircraft is subject to change as provided in Section 4.27; *provided*, *further*, that Non-Comp Aircraft are not Spare Aircraft and shall not be included in determining the number of Spare Aircraft pursuant to Section 2.1(d).

"On-Time Adjustment" – is defined in Section 3.2(b).

"On-Time Departure" – means a flight departing on-time or earlier than scheduled departure time during such period. For the avoidance of doubt, On-Time Departures shall exclude all flights which do not depart on-time or earlier than scheduled departure time, without regard to any circumstance whatsoever, and specifically without regard to whether the failure to depart on-time or earlier was within Contractor's control or outside of Contractor's control.

"On-Time Departure Rate" – means, for any period of determination and for any number of flights, the quotient, expressed as a percentage, obtained by dividing (x) the number of such flights that are On-Time Departures by (y) the total number of such flights. For example, Contractor's On-Time Departure Rate for Scheduled Flights for a particular month would equal the number of Scheduled Flights for such month that were On-Time Departures divided by the total number of Scheduled Flights for such month.

"Outstanding Debt Balance" – means the aggregate principal and interest owing with respect to any note, mortgage or other instrument evidencing a debt obligation of Contractor incurred in order to pay the purchase price of a Call Option Aircraft *plus* any and all out-of-pocket fees and expenses required to be incurred in order to pay the same, including without limitation termination, make-whole, prepayment (or similar) penalty or fee, breakage, third party attorney's fees and costs, trustee and wind-up fees and recording/filing fees, in each case pursuant to obligations in effect on the earlier of the date of the applicable Call Option Request or the termination to which such Call Option Request relates, but in each case only to the extent that such fees and expenses have been disclosed as part of the Call Option Information in a timely manner as required hereunder, and, for the avoidance of doubt, shall not include any changes in income tax position, including loss of deductions, increased income tax expense or other income and other tax losses.

"Owned Call Option Aircraft" – is defined in Section 10.1(b)(iv).

"Ownership Rate" – is defined in Section 3.6(d).

"Panel" – is defined in Section 11.16(d).

"Parent" – means Mesa Air Group, Inc., a Nevada corporation, and its successors and permitted assigns.

"Parts Support Agreement" – means that certain parts support agreement entered into by Contractor with a third party parts service provider for the E175 Covered Aircraft, provided Contractor has received United's written approval of the commercial terms of such agreement.

"Passenger-Related Terminal Facilities" – shall mean all passenger-related terminal facilities and spaces leased, subleased or otherwise retained or used by a party at an Applicable Airport, including without limitation all passenger lounges, passenger holding areas, aircraft parking positions (which may or may not be adjacent to a passenger holding area) and associated ramp spaces, gates (including loading bridges and associated ground equipment parking areas), ticketing counters and curbside check-in facilities.

"Pass-Through Costs" – is defined in Section 3.6(b)(ii)(A).

"Person" – means an individual, partnership, limited liability company, corporation, joint stock company, trust, estate, joint venture, association or unincorporated organization, or any other form of business or professional entity.

"Pilot Requirement" – is defined in Section 4.27(b).

"PMSI Lender" – is defined in Section 10.6(a).

"Prepayment" – is defined in Section 3.6(a).

"Prepayment Agreement" – means that certain Prepayment Agreement by and among United, Mesa and Parent dated as of the date of this Agreement, a copy of which is attached to this Agreement as Exhibit U.

"Prohibited Person" – means an air carrier (other than United and its successors and any Subsidiary thereof), or a corporation directly or indirectly owning or controlling or directly or indirectly owned or controlled by an air carrier.

"Prohibited Transaction" – means any transaction described in clauses (I), (II) or (III) below:

I. With respect to Contractor or Parent (each of the foregoing being referred to in this clause (I) as "Contractor"):

a. Contractor consolidates with, or merges with or into, a Prohibited Person or conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to a Prohibited Person, or a Prohibited Person consolidates with, or merges with or into, Contractor in any such event pursuant to a transaction in which the voting securities of Contractor are converted into or exchanged for cash or securities of a Prohibited Person, except where the holders of voting securities of Contractor immediately prior to such transaction own not less than a majority of the voting securities of the surviving or transferee corporation immediately after such transaction, in each case other than any such transaction between Contractor on the one hand, and United and/or any of its Subsidiaries on the other;

b. the direct or indirect acquisition by a Prohibited Person or any Person directly or indirectly controlling a Prohibited Person of control of Contractor (including without limitation as a result of the acquisition by such Prohibited Person or other Person of a controlling block of the capital stock of Contractor or the voting power with regard to such capital stock);

c. the liquidation or dissolution of Contractor in connection with which Contractor ceases operations as an air carrier; or

d. the sale, transfer or other disposition of all or substantially all of the airline assets of Contractor on a consolidated basis directly or indirectly to a Prohibited Person or its affiliate, whether in a single transaction or a series of related transactions.

II. Any transaction as a result of which neither of the following circumstances exists: (x) Contractor is a direct wholly-owned subsidiary of Parent or (y) Contractor is both (A) an indirect wholly-owned subsidiary of Parent and (B) the direct or indirect wholly-owned subsidiary only of other direct or indirect wholly-owned subsidiaries of Parent, each of which has executed a guarantee in the form of Exhibit K; *provided* that notwithstanding the foregoing, this clause (II) shall not be applicable due to a merger of Contractor so long as the successor to Contractor meets at least one of the circumstances describing Contractor in clauses (x) and (y) above and such successor to Contractor shall have assumed all of Contractor's obligations arising under this Agreement, whether by operation of law or otherwise.

III. The execution by Contractor or Parent or their affiliates of bona fide definitive agreements, the consummation of the transactions contemplated by which would result in a transaction described in the immediately preceding clauses (I) or (II).

"QE Amount" - is defined in Section 2.5(c)(iii).

"Qualifying Event" - is defined in Section 2.5(c)(iii).

"Reasonable Operating Constraints and Conditions" – means the operating constraints and conditions for the operation of Scheduled Flights reasonably imposed by the aircraft type, maintenance requirements, crew training requirements, aircraft rotation requirements, and route authorities, slots, and other applicable regulatory restrictions on flight schedule, in each case as evidenced by industry practice and custom.

"Regional Airline Services" – means the provisioning by Contractor to United of Scheduled Flights and all other flights contemplated in this Agreement, including, ground returns (completed and uncompleted), air returns (completed and uncompleted), permitted ferrying and maintenance flights, and delayed flights (including Excess Delayed Flights) using the Covered Aircraft in accordance with this Agreement.

"Release" – is defined in Section 10.1(b)(v)(A).

"Rent Obligation" – is defined in Section 2.5(c)(i).

"Replaced CRJ Covered Aircraft" – is defined in Section 2.5(a).

"Revenue Onboard" – means one revenue-generating passenger on one flight segment, regardless of whether such flight segment is all or part of such passenger's entire one-way flight itinerary.

"RON Aircraft" – means, with respect to each applicable fleet (E175 Covered Aircraft or CRJ Covered Aircraft) and each Base Location, the quantity of the Total Aircraft for which the last flight of the day terminates either (x) at such Base Location or (y) a Maintenance Location that is not such Base Location.

"RON Capture Rate" – means (i) with respect to E175 Covered Aircraft and each Base Location from which E175 Covered Aircraft operate, the percentage of Total Aircraft that are RON Aircraft and (ii) with respect to CRJ Covered Aircraft and each Base Location from which CRJ Covered Aircraft operate, the percentage of Total Aircraft that are RON Aircraft.

"Rules" – is defined in Section 11.16(a).

"Scheduled ASMs" – means, for any period of calculation, the greater of (x) the number of available seat miles for all Scheduled Flights set forth on the Initial Proposed Monthly Schedule and (y) the number of available seat miles for all Scheduled Flights set forth on the Final Monthly Schedule, it being understood that each of the Initial Proposed Monthly Schedule and the Final Monthly Schedule shall be determined pursuant to Section 2.1(c) herein and are subject to Reasonable Operating Constraints and Conditions as set forth therein.

"Scheduled Exit Date" – is defined in footnote 1(g) of Table 1 of Schedule 1 with respect to E175 Covered Aircraft and shall be the date set forth under the caption "CRJ Scheduled Exit Date" of Table 3 of Schedule 1 with respect to CRJ Covered Aircraft.

"Scheduled Flight" – means a flight as determined by United pursuant to Section 2.1(c) (including all Charter Flights).

"Second Panel" – is defined in Section 11.16(k).

"Secured Loan Agreement" – means a loan agreement entered into by Contractor, as borrower, as part of a Secured Loan Transaction.

"Secured Loan Aircraft" – means each Secured Loan Eligible Aircraft that is financed pursuant to a Secured Loan Transaction.

"Secured Loan Eligible Aircraft" – means [***] through and including [***] in Block 1 Contractor Owned E175 Covered Aircraft and [***] in Block 3 Contractor Owned E175 Covered Aircraft.

"Secured Loan Ownership Rate" – is defined in Section 3.6(e).

"Secured Loan Security Interest" – means a security interest granted on a Secured Loan Aircraft in connection with a Secured Loan Transaction.

"Secured Loan Transaction" – means the financing of any Secured Loan Eligible Aircraft. For the avoidance of doubt, the financing of each such aircraft shall be a separate Secured Loan Transaction.

"Senior Lender" – is defined in Section 10.6(b).

"Spare Aircraft" – is defined in Section 2.1(d).

"Special Cause" – means the following, each of which constitutes breach: (i) a Controllable Completion Factor of [***] (in the case of E175 Covered Aircraft) or [***] (in the case of CRJ Covered Aircraft) or below for each of any [***] consecutive calendar months or for each of any four calendar months during any period of [***] consecutive calendar months, (ii) an On-Time Departure Rate of [***] or below for each of any [***] consecutive calendar months or for each of any [***] calendar months during any period of [***] consecutive calendar months; *provided* that all departure delays or cancellations caused by United and resulting from a material and extraordinary event that causes a departure delay or cancellation to similarly situated United or United Express flights not operated by Contractor or its affiliates shall be excluded from such calculation in this clause (ii), and that, for the avoidance of doubt and without limitation, Weather and ATC Delays and Cancels shall not be considered delays caused by United, or (iii) a Controllable Completion Factor below [***] and an On-Time Departure Rate below [***] for a period of [***] consecutive calendar months.

"SR" – is defined in Section 2.5(c)(iii).

"Subsidiary" – means, as to any Person, (a) any corporation more than [***] of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time, any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries and (b) any partnership, association, joint venture, limited liability company, joint stock company or any other form of business or professional entity, in which such Person directly or indirectly through Subsidiaries has more than [***] equity interest at any time.

"Supplemental Rent" – is defined in Section 2.5(c)(iii).

"System Flight Disruption" – means the failure by Contractor to complete at least [***] of the aggregate Scheduled ASMs in any three consecutive calendar months, or at least [***] of the aggregate Scheduled ASMs in any consecutive [***] day period, in each case excluding the effect of Uncontrollable Cancellations; *provided*, that if the average number of Block Hours flown per Covered Aircraft during such period is more than the average number of Block Hours flown per Covered Aircraft during the [***] consecutive calendar months immediately preceding the period first measured, then the calculation for purposes of this definition shall disregard that number of Scheduled ASMs for such period as is necessary to reduce the average number of Block Hours flown per Covered Aircraft during such period to the average number of Block Hours flown per Covered Aircraft during such prior [***] consecutive calendar month period; *provided further*, that a System Flight Disruption shall be deemed to continue until the next occurrence of a single calendar month in which Contractor completes at least [***] of the aggregate Scheduled ASMs; and *provided further*, that completions and cancellations of Scheduled Flights on any day during which a Labor Strike is continuing shall not be taken into account in the foregoing calculations.

"System Turn Time" – means, with respect to E175 Covered Aircraft and CRJ Covered Aircraft, calculated separately, the average time between a scheduled arrival and a scheduled departure.

"Target" – is defined in Section 3.2(a).

"Term" – has the meaning set forth in Section 8.1, as earlier terminated pursuant to Section 8.2, if applicable, and any Wind-Down Period.

"Terminal Facilities" – means (i) all Passenger-Related Terminal Facilities and (ii) all other terminal facilities and spaces leased, subleased or otherwise retained or used by a party at an Applicable Airport, including without limitation all baggage makeup areas, inbound baggage areas and other terminal facilities.

"Termination Date" – means the date of early termination of this Agreement, as provided in a notice delivered from one party to the others pursuant to Section 8.2, or, if no such early termination shall have occurred, the date of the end of the Term.

"Termination Event" – means any event or circumstance which provides United a right to terminate this Agreement pursuant to Article VIII.

"Total Aircraft" – means, with respect to each Base Location, the sum of (A) the quantity of aircraft for which the last flight of the day for such aircraft originates or terminates at such Base Location, excluding Spare Aircraft, *plus* (B) the quantity of aircraft located at such Base Location for which there is no flight, excluding Spare Aircraft, *plus* (C) the quantity of aircraft for which the last flight of the day does not originate or terminate at any Base Location (including Base Locations other than the Base Location in respect of which "Total Aircraft" is being determined) and for which the last Base Location from which such aircraft departed on such day was such Base Location (i.e., the Base Location in respect of which "Total Aircraft" is being determined), excluding Spare Aircraft; *provided* that Total Aircraft at each Base Location will be calculated separately for the E175 Covered Aircraft, on the one hand, the CRJ Covered Aircraft, on the other hand. For illustrative purposes, if an aircraft flies from Houston (IAH) to Oklahoma City and subsequently terminates in Omaha (all on the same day), then such aircraft shall be included in the calculation of "Total Aircraft" under clause (C) for Houston (IAH).

"Total Monthly Scheduled Block-Hours" – is defined in Section 3.6(b)(iii).

"Total Time" – is defined in Section 2.5(c)(iii).

"Touch Time" [***]

"Towing Baseline" – is defined in Section 4.6(b).

"Transfer" – is defined in Section 4.10(a)(v).

"Transition" – is defined in Section 2.5(b)(i).

"TSA" – means the United States Transportation Security Administration.

"UCC" – is defined in Section 10.6(a).

"UCH" – means United Continental Holdings, Inc., a Delaware corporation, and its successors and permitted assigns.

"Uncompleted Maintenance Tasks" - is defined in Section 2.5(c)(iii).

"Uncontrollable Cancellation" – means:

(i) a cancellation of a Scheduled Flight with a cancel code other than as set forth below; *provided* that the table below shall be subject to change from time to time in United's sole discretion to accommodate changes from time to time in United's overall cancellation coding

Cancel Codes			
Tech	Pilot	Inflt	Other
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	
[***]	[***]		
[***]	[***]		
[***]			

and;

(ii) a cancellation of a Scheduled Flight as a result of any changes to the Final Monthly Schedule made by United after the presentation of the Final Monthly Schedule pursuant to Section 2.1(c), *provided* that such cancellation was not made pursuant to the last sentence of Section 2.1(c); and

(iii) a cancellation of a Scheduled Flight described by the last proviso in Section 2.1(d);

in each case of (i), (ii) and (iii) above, as coded on United's operations reports in accordance with United's standard coding policies; it being further understood and agreed that if United's operations or other United Express Operations are subject to the same circumstances giving rise to such Scheduled Flight cancellation, and such United or other United Express flights are not canceled as a result, then such Scheduled Flight cancellation shall not be an Uncontrollable Cancellation.

"Uncontrollable Delays" – means a delay of a Scheduled Flight for any reason that, if it resulted in the cancellation of such flight, would constitute an Uncontrollable Cancellation.

"United" – means United Airlines, Inc., a Delaware corporation and subsidiary of UCH, and its successors and permitted assigns.

"United Cargo Program" – means United's "QuickPak" and "Petsafe" programs and/or any additional or replacement cargo program implemented by United from time to time, pursuant to which: (i) Contractor shall accept for carriage all baggage and shipments, whether from the ticket counter or cargo facility, that are permitted under United's DOT and FAA approved Dangerous Goods ("DG") management program, (ii) Contractor shall have access to United's required training records and DG procedures and/or forms as necessary to permit Contractor to integrate

such procedures into its existing flight crew training and acceptance procedures, (iii) Contractor shall accept and maintain compliance with United's Hazardous Training Program for Scheduled Flights, and any training in connection therewith may be utilized to meet Contractor's requirements under 14 CFR 121.1001-1007, Subpart Z and (iv) Contractor shall be permitted to transport its aircraft parts which are shipped as Company Material (COMAT) on Scheduled Flights, which shipments shall be tendered and/or accepted for shipment only by United's employees or agents who have satisfactorily completed United's required DG training and are authorized to perform such tendering and/or acceptance functions.

"United Directed Cancelled Flight" – is defined in Section 2.1(c).

"United Express Operations" – means, with respect to any contractor or service provider, all of the flights and other related operations of such contractor or service provider performed under the livery and/or the brand of "United Express."

"United Marks" – is defined in Exhibit E.

"United Owned E175 Covered Aircraft" – means those E175 Covered Aircraft identified as United owned E175 Covered Aircraft on Table 1 to Schedule 1. For the purposes of clarity, the E175LL Covered Aircraft are distinct from the United Owned E175 Covered Aircraft.

"Unsatisfied Operational Improvement Metric" – is defined in Section 4.28.

"Utilization Requirement" – is defined in Section 4.27(b).

"Weather and ATC Delays and Cancels" – means a delay or cancellation of a Scheduled Flight as a result of weather or air traffic control as coded on United's operations reports in accordance with United's standard coding policies consistently applied to all domestic operations of United and its related United Express operators.

"Wind-Down Expenses" – means, with respect to an aircraft, (i) [***]; *provided, however*, that, notwithstanding anything to the contrary in this Agreement, (x) if, as of the time that United delivers the applicable notice under Section 2.4 with respect to such aircraft, the average number of Covered Aircraft in scheduled service pursuant to the capacity purchase provisions of this Agreement for the prior [***] completed calendar months for the applicable fleet subject to the applicable removal notice under Section 2.4 is greater than or equal to [***] Covered Aircraft, then, for each Covered Aircraft, [***].

"Wind-Down Period" – means, as the context may require, (i) with respect to any specific Covered Aircraft, the period after the Termination Date and until the time when such Covered Aircraft has been withdrawn from the capacity purchase provisions of this Agreement, and (ii) with respect to the Agreement as a whole, the period after the Termination Date and until the time when the last Covered Aircraft has been withdrawn from the capacity purchase provisions of this Agreement.

"Wind-Down Schedule" – means the schedule, determined as provided in Article VIII of this Agreement, for Covered Aircraft to be withdrawn from the capacity purchase provisions of this Agreement.

EXHIBIT B

Terms of Codeshare Arrangements

1. Contractor's use of United designated code. During the Term of the Agreement, United shall place its designator code, "UA", on all Scheduled Flights operated by Contractor. United may suspend the display of its code on flights operated by Contractor if Contractor is in breach of any of its safety-related obligations, or material breach of any of its operational obligations, under the Agreement during the period that such breach continues. All Contractor operated flights that display the United designated code are referred to herein as "UA* Flights".

2. Contractor's display of United designated code.

(a) All UA* Flights will be included in the schedule, availability and fare displays of all computerized reservations systems in which United and Contractor participate, the Official Airline Guide (to the extent agreed upon) and United's and Contractor's internal reservation systems, under the UA code, to the extent possible. United and Contractor will take the appropriate measures necessary to ensure the display of the schedules of all UA* Flights in accordance with the preceding sentence.

(b) United and Contractor will disclose and identify the UA* Flights to the public as actually being a flight of and operated by Contractor, in at least the following ways:

(i) a symbol will be used in timetables and computer reservation systems indicating that UA* Flights are actually operated by Contractor;

(ii) to the extent reasonable, messages on airport flight information displays will identify Contractor as the operator of flights shown as UA* Flights;

(iii) United and Contractor advertising concerning UA* Flights and United and Contractor reservationists will disclose Contractor as the operator of each UA* Flight; and

(iv) in any other manner prescribed by law.

3. Terms and Conditions of Carriage. In all cases the contract of carriage between a passenger and a carrier will be that of the carrier whose code is designated on the ticket. United and Contractor shall each cooperate with the other in the exchange of information necessary to conform each carrier's contract of carriage to reflect service offered by the other carrier.

4. Notification of irregularities in operations. Contractor shall promptly notify United of all irregularities involving a UA* Flight which result in any material damage to persons or property as soon as such information is available and shall furnish to United as much detail as practicable. For purposes of this section, notification shall be made as follows:

5. Code Sharing License.

(a) Grant of License. Subject to the terms and conditions of the Agreement, United hereby grants to Contractor a nonexclusive, nontransferable, revocable license to use the UA* designator code on all of its flights operated as a UA* Flight.

(b) Control of UA* Flights. Subject to the terms and conditions of the Agreement, Contractor shall have sole responsibility for and control over, and United shall have no responsibility for, control over or obligations or duties with respect to, each and every aspect of Contractor's operation of UA* Flights.

6. Display of other codes. During the Term of the Agreement, United shall have the exclusive right to determine which other airlines ("Alliance Airlines"), if any, may place their two letter designator codes on flights operated by Contractor with Covered Aircraft and to enter into agreements with such Alliance Airlines with respect thereto. Contractor will cooperate with United and any Alliance Airlines in the formation of a code share relationship between Contractor and the Alliance Airlines and enter into reasonably acceptable agreements and make the necessary governmental filings, as requested by United, with respect thereto.

7. Customer Commitment. During the period that United places its designator code on flights operated by Contractor, Contractor will adopt and follow plans and policies comparable (to the extent applicable and permitted by law and subject to operational constraints) to United's Customer Commitment as presently existing and hereafter modified. Contractor acknowledges that it has received a copy of United's presently existing Customer Commitment. United will provide Contractor with any modifications thereto promptly after they are made.

EXHIBIT C

Non-Revenue Pass Travel

United will have the sole right to design, implement and oversee a pass travel program for the Regional Air Services.

EXHIBIT D

Fuel Services

AGREEMENT FOR FUEL SERVICES

This Agreement for Fuel Services (this "Agreement"), dated _____ (the "Effective Date") is entered into by and between _____, a _____ _____with its principal offices at _____ ("Airline") and _____, with its principal offices at _____ ("Service Provider").

1. OBLIGATIONS OF SERVICE PROVIDER; SCOPE OF UNDERTAKING

A. Fuel Services: Service Provider will provide fuel services for Airline at the location(s) designated on Exhibit A hereto ("Airport"). "Fuel Services" means the Fueling and Defueling of aircraft, and other incidental tasks as may be required, on occasion, by Airline. "Fueling" means putting fuel product into and "Defueling" means taking fuel product out of aircraft. The Fuel Services shall include the following services:

1. Perform Skill Category 4 Fueling and Defueling of aircraft as defined in Airline's General Fueling Manual, latest revision, as provided by Airline, based on schedule requirements and upon receipt of requests from an authorized representative of Airline specifying the type of service required, the type and amount of fuel product required, the time and place of delivery, and the type and identification number of aircraft to be serviced;

2. At the time of into-plane fuel delivery, provide Airline with an imprinted ticket specifying meter readings and quantity serviced, date, type of aircraft, and plane/flight number. On the first working day of each calendar month, Service Provider will provide Airline's Airport Station Manager with a statement recapping the total quantity of fuel product issued to Airline during the preceding month. Other reports will be prepared and furnished by Service Provider as required by Airline;

3. Provide a daily report to Airline and Airline's fuel supplier (including, if applicable, United Airlines) itemizing the amount of fuel product withdrawn from the airport fuel system truck rack, each dispensal of fuel into-plane and a report of the fuel balance held in Service Provider's refueler trucks;

4. When title to fuel product remains in Airline's name or that of Airline's fuel supplier, accountability for such fuel product shall be reported on a "gallon-in, gallon-out" basis as a book inventory. Service Provider shall have responsibility for all losses and gains in excess of +/- [***] while fuel product is stored in refuelers or trucks under Service Provider's care, custody and control;

5. Maintain complete and accurate books and records and make reports to Airline, in such form and detail as may be specified by Airline, of deliveries into and withdrawals from Airline's aircraft, employee training, Fuel Quality Assurance checks, and equipment maintenance;

6. Maintain (including necessary testing and flushing), repair, and replace fuel service equipment, including refueling equipment in order to keep the fuel service equipment (i) in good, safe and efficient operating condition and repair, (ii) in sanitary and sightly condition, (iii) in compliance with the obligations under any Airport leases, (iv) in compliance with all applicable governmental laws, rules and regulations, (v) in compliance with all directives and applicable rules of the applicable port authority, city and/or Airport authority granting rights to or having jurisdiction over the Airport (collectively, the "Airport Authority"), (vi) in compliance with Airline's Fuel Operations Manual, latest revision, that defines equipment and facility maintenance standards, and that will be provided separately to Service Provider; and (vii) in compliance with all directives or procedures of Airline regarding safety and security; *provided* that such Airline requirements, if any, shall be deemed minimum requirements, and shall not diminish to any extent Service Provider's duty to comply with law or requirements of any Airport Authority;

7. Obtain and furnish all facilities, labor, supervision, materials, supplies, vehicles, equipment and tools and other requisites necessary for the performance of into-plane fueling and defueling services to Airline and all administrative services related thereto; and

8. Furnish only properly trained and Airline qualified personnel to perform the Fuel Services.

B. Facility Required to Perform Fuel Services. In the event and to the extent that Service Provider's provision of Fuel Services requires access and occupancy of a portion of the site leased, subleased, licensed or operated by Airline at the Airport (the "Airline Premises", Service Provider shall be additionally subject to all the terms and provisions specified below.

1. Grant of License. Airline hereby grants to Service Provider a license (which, if required by an airport, shall be in a form approved by such airport) and a permit to enable Service Provider and its employees to access and use a portion of the Airline Premises delineated on Exhibit B attached hereto (the "Licensed Premises") for the sole purpose of performing the Fuel Services, and for no other purpose. Service Provider shall have the right to access and occupy the Licensed Premises for the purposes specified herein only during the Term of this Agreement and such right shall expire simultaneously with the expiration of this Agreement. Service Provider acknowledges that (i) the size, location and configuration of the Licensed Premises shall be determined by Airline in its sole discretion; (ii) the license

and Service Provider's right to access and use the Licensed Premises is granted only to employees of Service Provider, and (iii) extending such rights to subcontractors of Service Provider shall require Airline's prior written consent in each instance. Service Provider agrees that Airline shall have no obligation to perform any services or to provide any equipment to Service Provider except as otherwise expressly provided in this Agreement.

2. Acceptance of Licensed Premises. By its execution of this Agreement, Service Provider shall be deemed to represent and certify that (i) Service Provider has been given adequate opportunity to investigate and examine the condition of the Licensed Premises; (ii) Airline shall not be required to improve, equip, repair or otherwise prepare the Licensed Premises for Service Provider's occupancy or use thereof for the provision of the Fuel Services except as otherwise provided in Agreement; (iii) further and for the avoidance of doubt, nothing in this Agreement for Fuel Services is intended or shall be construed to make Service Provider liable for, or to cure, correct or remediate, any Pre-Existing Condition, as hereinafter defined. "Pre-Existing Condition" shall mean any condition in, on, or within the Licenses Premises which first manifested itself prior to the Effective Date, including but not limited to any condition which fails to comply with or violates any applicable law, including any legal requirement or prohibition related to hazardous materials, but does not include any exacerbation of a condition by Service Provider or its subcontractors.

3. Use and Maintenance of Licensed Premises. Service Provider (i) shall use the Licensed Premises solely for the purposes delineated in this Agreement, and for no other purpose, in compliance with, and without violating, the agreements granting Airline its rights to the Licensed Premises (*provided* that Service Provider shall be provided a copy of any such agreements granting); (ii) shall take good care of the Licensed Premises and keep same clean and orderly; (iii) shall not waste electricity or other utility resources, and (iv) shall not use or authorize the Licensed Premises to be used, in whole or in part, in a manner that is dangerous to persons or property, or that may invalidate or increase the premium cost of any policy of insurance carried with respect to the Airline Premises, in whole or in part, or in violation of rules, regulations or requirements of the local Fire Department or Fire Insurance Rating Organization, or other authority having jurisdiction. In the event and to the extent that any damage to the Licensed Premises is caused by the negligent or intentional act or omission of Service Provider, its employees or agents, or any breach or noncompliance by Service Provider with its obligations under this Agreement, the reasonable and necessary cost of such repair shall be the responsibility of Service Provider, and Service Provider shall be liable to Airline for, and shall pay to Airline, on demand, all such reasonable, necessary and documented costs.

4. Airline Agreements Relating to Licensed Premises. Service Provider acknowledges and agrees that: Service Provider's rights to use the Licensed

Premises are and shall be subject and subordinate to (i) the terms and provisions of the agreements granting Airline its rights to the Licensed Premises; (ii) any rules and regulations that may, at any time or from time to time, be promulgated by the Airport Authority, and (iii) any approvals, consents and authorizations of the Airport Authority that may be required in order for the Service Provider to provide the Fuel Services. If requested, Airline will reasonably assist Service Provider with obtaining the requisite Airport Authority approval.

5. No Liens. Service Provider will not file, and will not permit or authorize any laborer's, materialmen's, mechanic's or other similar lien to be filed or otherwise imposed on any part of the Licensed Premises, the Airline Premises, or the Airport of which the Licensed Premises or Airline Premises form a part. If any laborer's, materialmen's, mechanic's or other similar lien or claimed is filed as a result of Service Provider's fault or negligence, and Service Provider does not cause such lien to be released and discharged promptly, or promptly file a bond in lieu thereof, Airline shall have the right to pay all sums necessary, including without limitation, direct payment to the claimant, to obtain such release and discharge and recover all such amount from Service Provider forthwith, together with interest thereon and reasonable attorneys' fees and costs.

6. Surrender. Upon termination of this Agreement, Service Provider shall vacate the Licensed Premises and surrender same to Airline vacant and in as good a condition as when Service Provider originally entered upon same, normal wear and tear excepted. Service Provider shall, at its sole cost, repair any and all damage to the Licensed Premises, excepting reasonable wear and tear, the Airline Premises or any other property of Airline resulting from Service Provider's use of the Licensed Premises.

7. Equipment. Service Provider will be responsible for the protection of all equipment, materials and tools used in the provision of the Fuel Services, whether such items belong to Airline or to Service Provider, regardless of the fact that such property may be stored, with Airline's permission, on Airline's property, including the Licensed Premises. Airline will not be responsible for any loss of or damage to such property from any cause whatsoever, other than the negligent or intentionally wrongful act of Airline or its employees, agents or contractors other than Service Provider. In the case of any equipment provided by Airline, Service Provider agrees to maintain same to the manufacturers operational standards.

C. Schedule of Work. Service Provider will be available to perform the Fuel Services upon request during the hours designated by Airline. Also, the Service Provider, in any event, perform the Fuel Services, where practicable, in such a manner as to avoid inconvenience to Airline and its personnel and to avoid interference with Airline's operations.

D. Inspection and Acceptance of Fuel Services. All Fuel Services will be subject to inspection and acceptance by Airline's designated representative, including inspections to verify compliance with this Agreement. Service Provider understands and expressly agrees that, with respect to any performance or provision of any Fuel Services subject to this Agreement: (i) to the extent of Service Provider's authority to allow such access and to the extent Service Provider is not prohibited by other legal or contractual obligations, Airline will have full access at all times to any and all work spaces provided to or used by Service Provider to perform any Fuel Services; (ii) Fuel Services will be subject to quality audits [and to compliance with the standards defined in the applicable Service Level Agreement (SLA), as modified from time to time,][but not more than twice per year, upon mutual written agreement between Airline and Service Provider;] and (iii) Service Provider will promptly respond to reasonable requests from Airline or its designee for information regarding Service Provider's performance of Fuel Services and compliance with this Agreement.

2. PERSONNEL

A. Independent Service Provider Status of Service Provider and Service Provider's Personnel. Airline and Service Provider will not act as and will not be deemed to be employees, partners, joint ventures, agents or associates of one another, and nothing herein set forth will be construed to impose any liability on them as such. Service Provider understands and expressly agrees that, with respect to any performance or provision of any Fuel Services subject to this Agreement:

1. Service Provider's relationship to Airline shall be strictly that of an independent contractor;

2. Service Provider will not be entered on Airline's payroll; Service Provider will be solely responsible for the payment and withholding, as the case may be, of all federal, state and local income taxes, and all contributions under the Federal Insurance Contribution Act;

3. Airline shall not maintain, keep in force or pay for any worker's compensation, employer liability insurance, or unemployment compensation insurance for Service Provider.

4. Service Provider shall be responsible for procuring and maintaining its own insurance protection, and understands that Airline shall not provide any insurance coverage;

5. Service Provider shall not be eligible to receive or participate in any vacation, group insurance, pension, travel or any other benefit currently available or at any time extended to Airline's employees; and

6. (Any persons providing any Fuel Services in whole or in part under this Agreement ("Personnel") will be and remain employees or subcontractors of Service Provider and not of Airline; they shall not be eligible or entitled to participate in any of the benefits or privileges extended by Airline to its employees, including the privileges or benefits referenced in Section 2(A)(1)-(5) above, and they shall not be, nor shall they be deemed to be, employees of Airline for purposes of federal, state or local income taxes, FICA taxes, unemployment benefits, workers compensation or in any other respect.

B. Personnel Standards of Performance. Service Provider represents and warrants to Airline that all Fuel Services to be delivered shall (i) be performed by qualified Personnel in a good, competent and safe manner; (ii) reflect and adhere to the industry standards; (iii) be provided in accordance with the terms and conditions of this Agreement and Exhibits hereto; (iv) comply and comport with all applicable laws or airport rules and/or regulations; and (v) comply and comport with Airline rules and regulations applicable to the Fuel Services.

C. Background Investigations And Airport Badges. If required at the Airport or by the Transportation Security Administration, the Department of Homeland Security, the Department of Transportation, the Federal Aviation Administration, or any other duly constituted governmental authority with jurisdiction over the matter, Service Provider, at its sole cost and expense, will conduct background investigations of all Personnel who will have access to any secure or restricted area of such premises. Background investigations will include, at a minimum, verification of prior employment (five years where available, shorter periods as applicable for those who have not been in the work force for ten years) to the extent permitted by law. Further, Service Provider must complete FBI approved fingerprint checks on all Personnel being issued a security badge to enter the air operations area (AOA) at the Airport. Each background investigation will be reduced to writing and will be verified by Service Provider as having been completed upon request by Airline, or by applicable governmental authority, upon reasonable notice. Without limiting, excusing or waiving to any extent Service Provider's obligations under this Section 2(C), Airline reserves the right to verify independently the results of any investigation, and to terminate this Agreement without further notice upon discovery of a materially inaccurate investigation or deception regarding an investigation.

D. Safety. The Service Provider shall be responsible for compliance with all local, municipal, federal or government regulations that relate to the safety of its Personnel and operations, including any airport rules or regulations. Service Provider shall have a written safety program that defines the roles and responsibilities of the Service Provider and its Personnel for achieving a safe operation. At Airline's request, a copy of this program shall be submitted to Airline for review to assure that it is compatible with Airline's safety program and in no way jeopardizes the safety of Airline's employees, customers or operations. Service Provider and its Personnel shall, at a minimum, comply with all written Airline

procedures and regulations that apply to the operation and maintenance of equipment, if any, that have been made available by Airline to Service Provider; such availability to be satisfied by (i) physical delivery to Service Provider of hard copies of such procedures and regulations, or, alternatively, (ii) through access to Airline's web-based procedures and regulations, along with specific direction from Airline as to the location of any such procedures and regulations. Service Provider shall actively participate in all local safety initiatives, as requested by Airline station management, and shall assist and cooperate in incident investigations that involve Fuel Services equipment and/or Service Provider or Personnel.

3. TERM OF AGREEMENT; PERIOD OF PERFORMANCE; TERMINATION

A. This Agreement takes effect on, and Service Provider's performance under this Agreement shall commence on [DATE] and, unless earlier terminated, shall continue and remain in effect thereafter for _____ years, through [DATE] ("Term"). Airline shall have the right to immediately terminate this Agreement if (i) Airline, in its reasonable and good faith judgment, determines that Service Provider's performance does not meet the standards established by Airline as necessary for the performance of the Fuel Services required under this Agreement, or (ii) the Service Provider is in violation of any material provision of this Agreement. Either party shall have the right to terminate this Agreement, (a) for convenience, upon ninety (90) days' written notice to the other party, or (b) in the event of a breach of this Agreement by the other party, which breach is not cured within ten (10) days from the date of receipt of notice of such breach.

B. In the event of any termination, Airline's sole obligation to Service Provider shall be the payment to the Service Provider for Fuel Services properly rendered, and pre-authorized out-of-pocket expenses incurred, up to the time of termination, subject, however, to Airline's right to withhold payments or portions thereof to compensate and make Airline whole for any loss resulting from Service Provider's breach of this Agreement.

C. In the event of termination, the Service Provider shall immediately return to Airline all originals, copies and summaries of records related to the Fuel Services provided under this contract, Airline's Confidential and Proprietary Information, and Airline property, materials, equipment or documents in Service Provider's possession.

4. FEES AND EXPENSES

A. Compensation. In consideration of the performance by Service Provider of all Fuel Services (and subject to Service Provider's full performance of all Fuel Services), Airline shall pay Service Provider the compensation set forth on Exhibit A.

B. Reimbursable Expenses. There are no reimbursable expenses under this contract. In the event Airline, in its sole discretion, determines certain expenses to be reimbursable, any reimbursement must be approved in writing by Airline prior to Service Provider incurring the expense.

C. Taxes. Airline agrees to be responsible for and pay any sales or use taxes (other than taxes imposed on or measured by income received for provision of the Fuel Services, including both gross receipts and net income) imposed by any taxing authority and required to be paid by Service Provider or Airline as a result of the Fuel Services provided to Airline pursuant to this Agreement. If a claim is made against Service Provider for any taxes that are to be paid by Airline, Service Provider will timely notify Airline and take such action, at Airline's expense, as Airline may reasonably direct with respect to such taxes, including payment of same under protest. In the event that the disputed tax was previously paid and if Airline so requests, Service Provider will, at Airline's expense, take such action as Airline may reasonably direct, including the filing of an amended tax return, or Service Provider shall permit Airline to file a claim or commence legal action in Service Provider's name to recover such tax payment. In the event of a refund or recovery of any tax, in whole or in part, Service Provider will pay to Airline promptly that portion of the tax paid by Airline, including any interest received thereon.

D. Airport Fees. Airline agrees to reimburse Service Provider for applicable airport fees related to the Fuel Services as a result of this Agreement. Specifically excluded from this provision are airport badging fees, vehicle registration or tag fees (and charges related thereto), airport environmental recovery fees, fuel system access fees and airport fines.

E. Invoices. Service Provider shall invoice Airline monthly, payable in U.S. dollars, for Fuel Services satisfactorily performed and completed in the previous month, less the sum of all credit notices due Airline. Each invoice, submitted in the form provided by Airline under separate cover. Invoices shall be submitted to the Station Manager at the address shown on Exhibit A and Service Provider will also send as quickly as possible thereafter an electronic copy.

F. Disputed Invoices. Airline reserves the right to reasonably reject invoices that are unclear and do not meet Airline's requirements as stipulated in this Agreement. In the event that Airline disputes any invoices, payment of only the disputed portion will be delayed until such dispute is resolved to the mutual satisfaction of the parties. Airline will timely pay the undisputed portion. If there has been no response from Service Provider within 30 days after disputed invoice notification, Service Provider shall be deemed to have agreed with Airline regarding the disputed amount and the invoice dispute shall be closed without further payment due. Airline shall inform Service Provider of any disputed invoice within 21 calendar days from Airline's receipt of said invoice.

G. Late Invoices. Service Provider must submit an invoice, in the form provided by Airline under separate cover, to Airline within thirty (30) days after the end of the month in which the Fuel Services were performed. If more than once during any 12-month period, Service Provider's invoice is submitted more than thirty (30) days after the end of the month in which Fuel Services are performed, the payment

required on subsequent late invoices during that 12-month period shall be reduced as follows:

Months after Fuel Services are performed:	% due:
[***]	[***]
[***]	[***]

H. Payment of Invoices. Airline will pay properly issued and approved invoices, or to the extent an invoice is subject to reasonable dispute, any undisputed portion, within thirty (30) calendar days of date on invoice. The Station Manager will approve invoices in a timely manner.

I. Liens. Service Provider will keep the premises, improvements, machinery, and equipment of Airline free and clear from any and all liens arising out of the Fuel Services performed or materials furnished hereunder. Service Provider will obtain properly executed waivers and releases from all permitted subcontractors or other persons entitled to liens for Fuel Services or materials furnished in accordance with this Agreement. Service Provider hereby agrees to defend, indemnify and hold Airline harmless from any and all costs, expenses, losses and all damages resulting from the filing of any such liens against Airline. As a condition to payment hereunder, Service Provider will from time to time, upon reasonable request by Airline, furnish waivers or releases of such liens or receipts in full for all claims for such Fuel Services or materials and an affidavit that all such claims have been fully satisfied.

5. REPRESENTATIONS AND WARRANTIES

A. Permits. Service Provider represents that it has obtained, and will maintain at all times during the term of this Agreement, all permits and consents required in order to provide Fuel Services to Airline at the Airport.

B. Due Authorization, Execution and Delivery. Each of Airline and Service Provider represent that this Agreement has been duly authorized, executed and delivered by such party and is enforceable against such party in accordance with its terms.

6. INDEMNIFICATION

A. Indemnification by Service Provider. Service Provider will be responsible for, defend, indemnify, and hold harmless Airline, United Airlines, Inc. ("United") and the owner or lessor (and, if applicable, sublessor) of the Airline Premises and their respective officers, employees, and agents (collectively the "Airline Indemnified Parties") from and against any and all liabilities, claims, suits, judgments, losses, damages, fines or costs (including reasonable attorneys' fees and expenses) to the extent that they arise out of (i) any negligence or willful misconduct on the part of Service Provider in connection with its performance under this Agreement, (ii) any failure of supervision, negligence, or willful misconduct of the Service Provider in

connection with its performance under this Agreement, or (iii) any breach or default by Service Provider of its obligations under this Agreement, or (iv) otherwise arising out of Service Provider's provision of Services under this Agreement, all except and to the extent caused by the negligence or willful misconduct of any of the Airline Indemnified Parties.

B. Indemnification by Airline. Subject to and without limiting any of Service Provider's obligations under this Agreement, including the above Service Provider Indemnity, Airline will be responsible for, defend, indemnify and hold harmless Service Provider and United, and their respective officers, employees, and agents (collectively, the "Service Provider Indemnified Parties") against and from any and all liabilities, claims, suits, judgments, losses, damages, fines or costs (including reasonable attorneys' fees and expenses in the event that Airline breaches its duty of defense) to the extent that they arise out of any (i) gross negligence or willful misconduct on the part of Airline, its employees or agents (other than Service Provider) in connection with this Agreement, or (ii) any breach or default by Airline of its obligations under this Agreement, all except and to the extent caused by the negligence or willful misconduct of any of the Service Provider Indemnified Parties.

C. Environmental Indemnity. In addition to all other indemnities provided in this Agreement, Service Provider shall be responsible for, indemnify, defend and hold harmless Airline Indemnified Parties (as defined herein) from and against any and all claims, liabilities, damages, costs, losses, penalties, and judgments, including costs and expenses incident thereto under Environmental Laws or due to the release of a Hazardous Material, which may be suffered or incurred by, accrue against, be charged to, or recoverable from Airline or its officers, agents, servants and employees, arising out of Service Provider's provision of Services under this Agreement, except to the extent caused by the negligence or willful misconduct of Airline. Notwithstanding anything to the contrary set forth in Section 14(L), such damages may include the payment of consequential, special or exemplary damages to the extent an applicable lease agreement, sublease or other similar agreement requirements payment of such damages.

D. Cooperation. Both parties shall reasonably cooperate with and assist each other in the defense of any action of whatever kind brought by a third party against either party in connection with the Services, except to the extent such cooperation or assistance precludes or jeopardizes any claims or defenses of such party in connection with any such action.

7. RECORDS

A. Upon reasonable request by Airline, Service Provider will make available to Airline for inspection and, if necessary, copying a complete set of all daily sign-in registers, listing each of the employees of Service Provider engaged in performance under this Agreement, including name, date, and number of hours worked. Each listing will be acknowledged and verified by the supervisor of each such employee.

B. Service Provider will maintain, for a period of three (3) years following the performance of any Services, such books, records, and accounts as are necessary for Airline to verify the accuracy of Service Provider's invoices regarding any performance by Service Provider under this Agreement, including without limitation time sheets, payroll registers, canceled payroll checks, and any other work records of all personnel regarding all work included in any invoice of Service Provider under this Agreement. Airline or its designated representative upon reasonable notice and to the extent permissible by law, may inspect any such books, records, and accounts, during normal business hours throughout the term of this Agreement and for a period of one year after expiration or other termination hereof.

C. To the extent that Service Provider is required by law or by any regulatory authority to maintain records of background investigations, training, or other qualification or certification of employees or agents of Service Provider performing services under this Agreement, upon expiration or termination of this Agreement for any reason and upon reasonable notice, Service Provider will make available to Airline all such records, to the extent reasonable and permissible by law.

D. Upon reasonable notice, the books and records of Service Provider relating to Airline fuel inventories and Service Provider's records relating to employee training, fuel QA checks, facility and equipment maintenance, and compliance requirements, will be accessible to and open for inspection, examination and audit by Airline and/or its authorized representatives to the extent permissible by law.

E. Service Provider shall maintain records relating to its compliance with Environmental Laws under this Agreement for at least three (3) years or such longer period of time if required by Environmental Laws. Upon reasonable notice Service Provider shall, at the reasonable request of Airline, promptly provide copies of relevant environmental records to Airline to the extent permissible by law.

8. NONDISCLOSURE OF CONFIDENTIAL AND PROPRIETY INFORMATION

A. Service Provider acknowledges that, in connection with its performance hereunder, it may access business information that is proprietary to Airline, confidential or compressively sensitive, and/or information, materials, documents that are proprietary to third parties. Service Provider acknowledges that all such information and programs constitute "Confidential and Proprietary Information" which is highly confidential, proprietary and sensitive and understands that any Confidential and Proprietary Information shall be disclosed and made available to Service Provider for the sole and exclusive purpose of performing the Services required by the Agreement.

B. Service Provider shall (i) treat all Confidential and Proprietary Information as privileged, confidential, and proprietary (ii) retain same in the strictest confidence; (iii) use the utmost diligence to guard and protect such Confidential and Proprietary Information (iv) not divulge, copy, disclose or use same, in whole or in part, for any purpose other than for the performance of the Services subject to this

Agreement; and (v) not duplicate or use any Confidential and Proprietary Information, in whole or in part, for itself or third parties, except with the express written consent of Airline and, if applicable, the third party owner; *provided however* that Confidential and Proprietary Information shall not mean or include:

1. Any information which is in the public domain or becomes publicly available, unless due to any unauthorized act or omission on the part of Service Provider or any other party;

2. Any information which becomes rightfully known to the Service Provider from a third party not bound by any restriction of non-disclosure, or

3. Any information which is expressly authorized to be disclosed by Airline in writing; or

4. Any information sought pursuant to any subpoena or court order; *provided*, *however*, that in such event, Service Provider will promptly notify Airline and afford to Airline such opportunity as is feasible under the circumstances to permit Airline to object to, challenge or resist the disclosure.

C. Service Provider understands and acknowledges that disclosure of the Confidential and Proprietary Information may give rise to an irreparable injury to Airline, its parent company and/or their respective subsidiaries or affiliates. Accordingly, Service Provider agrees that Airline or the affected entity may seek, in addition to any legal remedies available to it and without the posting of any bond or other security, injunctive relief against the breach or threatened breach of any of the foregoing undertakings.

D. Airline acknowledges that, in connection with its performance hereunder, it may access business information that is proprietary to Service Provider, confidential or compressively sensitive, and/or information, materials, documents that are proprietary to third parties. Airline acknowledges that all such information and programs constitute Confidential and Proprietary Information which is highly confidential, proprietary and sensitive and understands that any Confidential and Proprietary Information shall be disclosed and made available to Airline for the sole and exclusive purpose of performing the Services required by the Agreement.

E. Airline shall (i) treat all Confidential and Proprietary Information as privileged, confidential, and proprietary (ii) retain same in the strictest confidence; (iii) use the utmost diligence to guard and protect such Confidential and Proprietary Information (iv) not divulge, copy, disclose or use same, in whole or in part, for any purpose other than for the performance of the Services subject to this Agreement; and (v) not duplicate or use any Confidential and Proprietary Information, in whole or in part, for itself or third parties, except with the express written consent of Service Provider and, if applicable, the third party owner; *provided however* that Confidential and Proprietary Information shall not mean or include:

1. Any information which is in the public domain or becomes publicly available, unless due to any unauthorized act or omission on the part of Airline or any other party;

2. Any information which becomes rightfully known to the Airline from a third party not bound by any restriction of non-disclosure, or

3. Any information which is expressly authorized to be disclosed by Service Provider in writing; or

4. Any information sought pursuant to any subpoena or court order; *provided*, *however*, that in such event, Airline will promptly notify Service Provider and afford to Service Provider such opportunity as is feasible under the circumstances to permit Service Provider to object to, challenge or resist the disclosure.

F. Airline understands and acknowledges that disclosure of the Confidential and Proprietary Information may give rise to an irreparable injury to Service Provider, its parent company and/or their respective subsidiaries or affiliates. Accordingly, Airline agrees that Service Provider or the affected entity may seek, in addition to any legal remedies available to it and without the posting of any bond or other security, injunctive relief against the breach or threatened breach of any of the foregoing undertakings.

9. UNAUTHORIZED PAYMENTS

A. Prohibited Payments. In connection with any performance under this Agreement, neither Service Provider, nor any officer, employee, or agent of Service Provider, will make any payment, or offer, promise or authorize any payment, of any money or other article of value, to any official, employee, or representative of Airline, or to any person or entity doing business with Airline, in order either to obtain or to retain Airline's business, or to direct Airline's business to a third party, or to influence any act or decision of any employee or representative of Airline to perform or to fail to perform his or her duties, or to enlist the aid of any third party to do any of the foregoing.

B. Prohibited Receipt of Payments. In connection with any performance under this Agreement, neither Service Provider, nor any officer, employee, or agent of Service Provider, will solicit or receive any amount of cash or negotiable paper, or any item, service or favor of value from any present or prospective supplier, Service Provider or customer of Airline, or from anyone else with whom Airline does business, including any governmental official or representative, for or in connection with the obtaining or retaining any business of or with Airline. Service Provider will refuse to accept all such gifts and, if received, will return such gifts to the donor. In all such cases Service Provider will notify Airline promptly of such gift or offer thereof. If Airline deems it necessary, Service Provider will turn over such gifts to Airline for further handling.

10. OPERATION OF BUSINESS

A. Change in Ownership. If any person or business entity that does not presently have a controlling interest in Service Provider obtains a controlling interest in Service Provider whether by merger, acquisition, or otherwise then Airline may provide notice of termination to the Service Provider (or its successor or assign) within sixty (60) days from learning of the acquisition. Termination according to this section shall be without penalty or cost to Airline except for payment for obligations which arose prior to the termination date.

B. Cessation of Business. If Service Provider ceases to do business as a going concern, Service Provider will provide Airline promptly with all testing and quality control procedures and manuals, and all other technical information, and certain equipment as referenced in Section 3(C) above under the terms of that Section, to the extent the foregoing does not represent proprietary information of Service Provider, or if it does, after receipt of assurances from Airline, acceptable to Service Provider, to protect the confidentiality of said proprietary information, sufficient to allow Airline to obtain substitute performance of any duties or obligations of Service Provider under this Agreement.

11. INSURANCE

It is understood and agreed that the insurance coverages required herein will neither limit nor expand Service Provider's duty to defend, indemnify and hold harmless pursuant to this Agreement. It is further understood and agreed that the designation of Airline as an additional insured of Service Provider will not increase or expand Service Provider's defense and indemnification obligations beyond what is required under the terms of this Agreement, nor will it limit or expand Service Provider's sole responsibility for payment of any deductible or self-insured retention amounts under the Insurance. Except as expressly provided in this Agreement, the aforementioned insurance coverages required of the Service Provider shall be subject to all coverage limitations, exclusions, definitions, conditions, endorsements and other requirements, limitations and obligations set forth in Service Provider's insurance policies.

Service Provider will obtain and maintain insurance of the following types and amounts:

A. Comprehensive General Liability Coverage including, On-Airport Operations (including air-side automobile, contractual, completed operations, independent contractor, products hazards, and war risk and allied perils) covering both bodily injury and property damage in an amount not less than [***] combined single limit per occurrence.

B. Automobile Liability covering both bodily injury and property damage in an amount not less than [***] combined single limit per occurrence.

C. Workers' Compensation at statutory limits with a waiver of subrogation in favor of Airline and Employers Liability Insurance in an amount not less than [***] per

employee by accident, [***] per employee by disease, and [***] policy limit by disease.

D. Environmental Impairment Liability in an amount not less than [***] per occurrence and in the annual aggregate.

E. All Risk Property Coverage at replacement cost.

All insurance policies required to be carried by the Service Provider will (i) be written on an occurrence basis by companies of recognized responsibility and otherwise reasonably acceptable to Airline; (ii) be subject to such deductibles, increases in limits and coverages as Airline may from time to time reasonably request; (iii) name Airline, its directors and officers, agents and employees as additional insureds; (iv) include a provision that no act or omission of Service Provider or any party acting under its direction will affect or limit the obligations of the insurance company in respect to any additional insured; (v) provide appropriate cross liability and severability of interest clauses (vi) be deemed primary without right of contribution of any insurance that Airline may carry and the liability assumed by Service Provider has been specifically insured under the liability policy; and (vii) provide that the prescribed coverages may not be reduced, canceled, or non-renewed without at least thirty (30) days' prior written notice to Airline (7 days' notice with respect to war risk), except in the case of a cancellation for nonpayment of premium, in which case only ten (10) days' prior written notice will be sufficient. Certificates evidencing such insurance and clauses will be provided to Airline prior to or upon execution of this agreement.

12. COMPLIANCE

A. Law. Service Provider will comply (and will cause all its Personnel to comply) with all applicable laws, ordinances, rules and regulations (federal, state and local), statutory, regulatory, and any and all legal requirements now in effect or that may be enacted, promulgated, issued, or imposed in the future in connection with or relating to any services to be provided by Service Provider including, by way of example and not a limitation, all legal requirements relating to safety or otherwise that are subject to the jurisdiction of the Federal Aviation Administration and the Department of Transportation, The Americans with Disabilities Act, the Civil Rights Act of 1964, as amended, the Foreign Corrupt Practices Act, Workman's Compensation, Employer's Liability, Environmental Laws, and applicable rules of affected airport authorities and will make all reports and remit all required withholdings and other deductions from the compensation paid to its personnel.

B. Airline's Safety and Security Procedures. Service Provider shall at all times comply (and will cause all its Personnel fully to comply) with all safety, environmental, security and health regulations in effect at Airline's facilities of which Service Provider is made aware, including without limitation, Airline's drug screening and "no smoking" policies; *provided*, *however* that Airline's policies or directives will be minimum requirements, and Service Provider's full compliance with Airline's directives will not limit to any extent Service Provider's responsibility to comply

with applicable law under Section 12(A) above. It is additionally *provided* that, in the event that Airline's policies are inconsistent with or in conflict with any express legal requirement, Service Provider shall comply with said legal requirement.

C. Permits, Notices, Approvals, And Code Compliance. Service Provider will at its expense obtain all necessary permits and licenses that may be required in order to perform the Services. Service Provider will ensure that all Services performed and materials furnished under this Agreement comply with all applicable municipal, county, state and federal building, fire, sanitary and other codes. Service Provider will arrange for all necessary governmental or other inspections or approvals, including all notices in connection therewith, regarding all Services. At Airline's request and upon reasonable notice, Service Provider will provide to Airline written and documentary evidence of Service Provider's compliance.

D. Costs. Service Provider must pay governmental fines and fees and any other costs to address any such enforcement action that arises out of the provision of Fuel Services under this Agreement, except to the extent caused by the negligence or willful misconduct of Indemnified Parties.

13. ENVIRONMENTAL

A. Definitions.

1. The term "Environmental Laws" means all applicable federal, state, local and foreign laws and regulations, including orders or settlements under those laws and including airport rules, regulations and policies, lease requirements (if the lease is provided to Service Provider) relating to the environment or human health and safety, including, without limitation, laws, regulations and rules relating to emissions to the air, discharges to surface and subsurface waters, regulation of potable or drinking, the use, storage, release, disposal, transport or handling of Hazardous Materials.

2. The term "Hazardous Materials" means any substances, whether solid, liquid or gaseous, which are listed and/or or regulated under any Environmental Laws or which otherwise cause or pose a known threat or hazard to health, safety or the environment, including, without limitation any petroleum products or any constituent thereof.

B. Service Provider Obligations.

1. Service Provider shall conduct its operations in a prudent manner, taking reasonable preventative measures to avoid liabilities under any Environmental Laws or harm to human health or the environment, including, without limitation, measures to prevent unpermitted releases of Hazardous Materials to the environment, impacts to on-site or off-site properties and the creation of any public nuisance. If in the course of conducting services under this Agreement Service Provider encounters

conditions that could give rise to any liability for Airline (whether or not caused by Service Provider), Service Provider or any other person under any Environmental Laws or which otherwise could harm human health or the environment, Service Provider shall promptly notify Airline of such conditions. Notification shall be provided as indicated in Section 14(G) of this Agreement, with a copy to [*insert title and address of Airline representative*].

2. Service Provider shall, at its own expense, conduct its operations in compliance with applicable Environmental Laws, including obtaining any needed permits or authorizations for Service Provider's operations, and shall properly train its employees to comply with such Environmental Laws.

3. Service Provider shall ensure that any waste materials generated in connection with the services performed by Service Provider under this Agreement are managed in accordance with all applicable Environmental Laws with Service Provider assuming responsibility as the legal generator of such wastes.

4. For any leased areas or other equipment that are jointly used or operated by both Service Provider and Airline (and/or other Airline contractors), Service Provider shall effectively coordinate its activities with Airline (and/or other Airline contractors) and otherwise perform such activities to ensure compliance with applicable Environmental Laws. Service Provider's obligations under this Section shall include, without limitation (by way of example only): (a) properly managing shared fuel storage tanks and ground service equipment to ensure that the fuel complies with the sulfur concentration limitations required under the Clean Air Act and state laws, and its implementing regulations, as amended from time to time, (b) providing information on operations, materials used, and equipment (c) coordination regarding spill response responsibilities. If requested in writing by Airline, Service Provider shall replace specific products used in its operations with less toxic products, as long as there is a reasonable replacement available. If such products are more expensive, the parties agree the increased cost would be paid by Airline.

5. Except for de minimis amounts of Hazardous Materials that are not required to be reported to the Airport or any governmental authority and are immediately and fully remediated to pre-existing conditions, Service Provider shall promptly notify Airline of any spills or leaks of Hazardous Materials arising out of Service Provider's provision of Services under this Agreement, and shall provide copies to Airline of any written reports provided to any governmental agencies and airport authorities under any Environmental Laws. Service Provider shall promptly undertake all actions to remediate any such spills or leaks to the extent required by applicable Environmental Laws, by an applicable governmental authority, by the airport authority, or in order to comply with a lease obligation. In the event

that Service Provider fails to fulfill its remediation obligations under this Section 13(B)(5) to the satisfaction of Airline, Airline may undertake such actions at the sole reasonable and necessary cost and expense of Service Provider. Such costs and expenses shall be promptly paid upon Service Provider's receipt of a written request for reimbursement by Airline.

6. Service Provider shall upon written request promptly provide Airline written copies of any notices of violation or other claims from any party related to or associated with the provision of Services conducted by Service Provider under this Agreement. Service Provider shall promptly undertake all actions necessary to resolve such matters, including, without limitation, the payment of fines and penalties to the extent required by applicable Environmental Laws. In the event that Service Provider fails to fulfill its obligations under this Section 13(B)(6), Airline may undertake such actions at the sole reasonable and necessary cost and expense of Service Provider.

7. If reasonably requested in writing, Service Provider shall conduct a review and provide information to Airline demonstrating compliance with any provision of this Section 13. This review may include, at Airline's request and expense, the completion of an environmental compliance audit of Service Provider's activities pursuant to a work plan approved by Airline. Service Provider shall provide Airline with a summary of the results of this audit and provide an opportunity to review the report. Upon three (3) days' advance written notice from Airline, Service Provider shall provide Airline with access (for the limited purpose of ascertaining Service Provider's compliance with this Section) to that portion of the Fuel Services operations, documents and management employees specifically developed and positioned to provide the Fuel Services to Airline. Service Provider shall promptly remedy areas of non-compliance identified in writing by Service Provider, Airline or by a government agency with jurisdiction over Service Provider's operations.

8. Service Provider shall develop, maintain, implement, and update (as necessary) a Spill prevention, Control and Countermeasures Plan (SPCC) as required by 40 CFR Part 112 for the regulated storage of oil and oil products.

9. If Airline provides any information, instruction, or materials ("Airline's Materials") to Service Provider relating to Airline's obligations under any Environmental Laws, Service Provider agrees that such information, instruction, or materials shall not in any way relieve Service Provider of its obligation to comply with Environmental Laws and for avoidance of doubt, Service Provider shall comply with applicable Environmental Laws in the event of a conflict between Environmental Laws and Airline's Materials. Service Provider further agrees that it shall otherwise preserve the proprietary nature of any such information and ensure that the information

is not disclosed to any third parties without first obtaining the written consent of Airline.

14. MISCELLANEOUS

A. Governing Law. This Agreement shall be construed and interpreted according to the laws of the State of Illinois without regard to conflicts of law provisions.

B. Entire Agreement/Modifications/Validity. This Agreement, together with all exhibits and attachments hereto, contains the entire agreement between the parties, and supersedes all prior or contemporaneous oral or written representations or communications between the parties. This Agreement may be modified only by an instrument in writing executed by both parties. In the event that a court determines that a portion of this Agreement is void, invalid or unenforceable, that provision shall be limited or eliminated to the minimum extent necessary so that the Agreement shall otherwise remain in full force and effect and the remaining provisions of this Agreement remain in effect.

C. Assignment and Subcontracting. Service Provider acknowledges that it may not, and agrees that it shall not (i) assign or otherwise transfer this Agreement, or (ii) subcontract or delegate any of Service Provider's obligations under this Agreement in whole or in part without the prior written consent of Airline in each instance, which consent may be withheld in Airline's sole discretion. No subcontracting, even if approved by Airline, shall (a) release Service Provider from its responsibility for its obligations under this Agreement, in whole or in part; (b) diminish or limit to any extent Service Provider's obligation to Airline, or (c) create a contractual relationship between Airline and any subcontractor.

Notwithstanding anything in this Agreement to the contrary, this Agreement may be assigned, in whole or in part, to any entity into which Airline, or its parent, may be merged or consolidated, or which may succeed to the business of Airline, or its parent, as well as any entity that is an affiliate, subsidiary, parent, or successor of Airline or its parent.

D. Force Majeure. Without prejudice to Airline's rights of termination set forth herein, neither party will be deemed to be in default or breach of this Agreement, in the event and to the extent that its delay or failure to perform as required under this Agreement is prevented, delayed, or made impossible or impracticable as a result of any act of God, war, insurrection, riot, terrorist attack, civil disorder, unrest or disturbance, martial law or other governmental restrictions, including rationing, epidemics, fire, flood, earthquake or other casualty, failure of facilities or systems, any natural or man-made disaster or other cause of like nature that is beyond the reasonable control of such party ("Force Majeure"). The party affected by an event of Force Majeure, upon prompt written notice given to the other party, shall be excused from its obligations on a day to day basis to the extent of such prevention, restriction or interference *provided* that the party so affected shall use its best efforts to avoid, remove or work around such Force Majeure event and minimize the

consequences thereof and both parties shall resume performance hereunder as soon as feasible.

E. Nonwaiver. No delay or failure of either party to exercise any right or remedy hereunder shall operate as a waiver thereof in such or any subsequent instance.

F. Third Party Beneficiaries. Except with respect to United, which shall be a third party beneficiary of this Agreement with respect to the indemnification provisions set forth in Section 6 hereto, nothing in this Agreement is intended to confer any rights or remedies under this Agreement on any person other than Airline and Service Provider.

G. Notices. All notices, requests or other communications (other than routine communications made or exchanged in the ordinary course of Service Provider's performance hereunder) shall be given in person, or mailed by certified or registered mail, or by a nationally recognized overnight courier. Notices shall be given to each party at the addresses specified below, or to such other address or addresses as either party may from time to time designate to the other by written notice:

To Airline

To Service Provider

Notices shall be effective upon receipt, or upon attempted delivery where delivery is refused or mail is unclaimed. Any notices from Service Provider to Airline regarding termination of the agreement or changes in the terms and conditions of this agreement shall be directed to Airline's corporate headquarters at the above mailing addresses.

H. Publicity. Service Provider may refer to Airline as a customer reference in non-public business dealings with potential customers and financial concerns. Neither party will refer to this Agreement or use the name of the other party in any form of publicity or advertising, either directly or indirectly, without the prior written consent of the other party.

I. Survival. All obligations accrued but not performed as of the termination of this Agreement, and all obligations which, by their nature survives the expiration or termination of this Agreement, shall survive any such expiration or termination.

J. Successors and Assigns. Without waiving or limiting any provision of Section 14(C) above, all rights specified hereunder shall be binding on and shall inure to the benefit of the parties' respective successors and assigns, including trustees and receivers.

K. Attorneys' Fees. In the event either party fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by any other party in enforcing or establishing its rights hereunder (whether in pre-trial, trial or post-trial proceedings or on appeal), including court costs and reasonable attorneys' fees. The "prevailing party" shall include (i) a party who dismisses an action in exchange for sums allegedly due, (ii) the party who received performance from the other party where such performance is substantially equal to the relief sought in an action, or (iii) the party determined to be the prevailing party by a court of law, and the "party not prevailing" shall be the other party.

L. DISCLAIMER OF CONSEQUENTIAL DAMAGES. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR, AND EACH PARTY HEREBY WAIVES AND RELEASES ANY AND ALL CLAIMS AGAINST THE OTHER PARTY FROM, ANY CONSEQUENTIAL, INDIRECT, SPECIAL, INCIDENTAL, COLLATERAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION DAMAGES DUE TO BUSINESS INTERRUPTION, LOST REVENUES, LOST PROFIT, LOSS OF PROSPECTIVE ECONOMIC ADVANTAGE OR GOODWILL, ARISING FROM OR RELATED TO THIS AGREEMENT, REGARDLESS OF THE TYPE OF CLAIM OF THEORY OF LIABILITY, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLY THEORY, AND REGARDLESS OF THE CAUSE OF SUCH DAMAGES (INCLUDING LOSS OF DATA) AND EVEN IF SUCH DAMAGES WERE FORESEEABLE.

THE PROTECTION OR LIMITATION AGAINST LIABILITY AFFORDED BY THIS SECTION 14(L) SHALL APPLY REGARDLESS OF WHETHER THE DAMAGES ARE SOUGHT IN CONTRACT, TORT, STATUTE OR OTHERWISE, AND IRRESPECTIVE OF WHETHER SOLE, CONCURRENT OR OTHER NEGLIGENCE (ACTIVE OR PASSIVE) OR STRICT LIABILITY IF INVOLVED OR IS ASSERTED, AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. TO THE EXTENT NOT PROHIBITED BY LAW, ANY STATUTORY REMEDY INCONSISTENT WITH THE FOREGOING IS HEREBY WAIVED.

M. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Agreement may be executed by facsimile or PDF signature.

[Remainder of This Page Intentionally Left Blank; Signature Page(s) Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement for Fuel Services to be duly executed and delivered as of the date and year first written above.

AIRLINE

[Insert legal name]

By:
Name:
Title:

SERVICE PROVIDER

[Insert legal name]

By:
Name:
Title:

EXHIBIT A

Location and Compensation

A. Location of Fuel Services:

Airport
City
State of

B. Compensation For Fuel Services:

I.Service	II.Products	*Service Provider's sole compensation for providing such services will be:
Into-plane Fueling	Jet-A	per scheduled flight
Defueling	Jet-A	$ per flight, plus disposal fees if applicable. Fuel must be reintroduced into Airline aircraft within 24 hours.

*Above rates are plus all applicable taxes and airport fees except those specifically excluded in Section 4(D) of this Agreement.

Invoices should be directed to:

Airline
[Insert address]

EXHIBIT B

Licensed Premises

Exhibit D-24

EXHIBIT E

Use of United Marks and Other Identification

1. Grant. United hereby grants to Contractor, and Contractor accepts, a non-exclusive, personal, non-transferable, royalty-free, fully paid-up right and license to adopt and use the United Marks and other Identification in connection with the rendering by Contractor of Regional Airline Services, subject to the conditions and restrictions set forth herein.

2. Ownership of the United Marks and Other Identification.

   a. United shall at all times remain the owner of the United Marks and the other Identification and any registrations thereof and Contractor's use of any United Marks or other Identification shall clearly identify United as the owner of such marks (to the extent practical) to protect United's interest therein. All use by Contractor of the United Marks and the other Identification shall inure to the benefit of United. Nothing in this Agreement shall give Contractor any right, title, or interest in the United Marks or the other Identification other than right to use the United Marks and the other Identification in accordance with the terms of this Agreement.

   b. Contractor acknowledges United's ownership of the United Marks and the other Identification and further acknowledges the validity of the Identification. Contractor agrees that it will not do anything that in any way infringes or abridges United's rights in the Identification or directly or indirectly challenges the validity of the Identification

3. Use of the United Marks and the Other Identification.

   a. Contractor shall use the United Marks and other Identification only as authorized herein by United and in accordance with such standards of quality as United may establish.

   b. Contractor shall use the Identification on all Covered Aircraft and all facilities, equipment and printed materials used in connection with the Contractor Services.

   c. Contractor shall not use the Identification for any purpose other than as set forth in this Exhibit E, and specifically shall have no right to use the United Marks or other Identification on or in any aircraft other than Covered Aircraft or in connection with any other operations of Contractor.

   d. United shall have exclusive control over the use and display of the United Marks and other Identification, and may change the Identification at any time and from time to time (including by adding or deleting marks from the list specified in this Exhibit E), in which case Contractor shall as soon as practicable make such changes as are requested by United to utilize the new Identification; *provided* that United shall either pay directly the reasonable costs of making such changes to the

Identification or shall promptly reimburse Contractor for its reasonable expenses incurred in making such changes. Expenses paid to Contractor by United require advanced written approval from United.

e. Nothing shall abridge United's right to use and/or to license the Identification, and United reserves the right to the continued use of all the Identification, to license such other uses of the Identification and to enter into such agreements with other carriers providing for arrangements similar to those with Contractor as United may desire. No term or provision of this Agreement shall be construed to preclude the use of the United Marks or other Identification by other persons or for similar or other uses not covered by this Agreement.

4. United-Controlled Litigation. United at its sole expense shall take all steps that in its opinion and sole discretion are necessary and desirable to protect the United Marks and other Identification against any infringement or dilution. Contractor agrees to cooperate fully with United in the defense and protection of the United Marks and other Identification as reasonably requested by United. Contractor shall report to United any infringement or imitation of, or challenge to, the United Marks and other Identification, immediately upon becoming aware of same. Contractor shall not be entitled to bring, or compel United to bring, an action or other legal proceedings on account of any infringements, imitations, or challenges to any element of the United Marks and other Identification without the written agreement of United. United shall not be liable for any loss, cost, damage or expense suffered or incurred by Contractor because of the failure or inability to take or consent to the taking of any action on account of any such infringements, imitations or challenges or because of the failure of any such action or proceeding. If United shall commence any action or legal proceeding on account of such infringements, imitations or challenges, Contractor agrees to provide all reasonable assistance requested by United in preparing for and prosecuting the same.

5. Revocation of License. United shall have the right to cancel the license provided herein in whole or in part at any time and for any reason, in which event all terminated rights to use the Identification provided Contractor herein shall revert to United and the United Marks and the other Identification shall not be used by Contractor in connection with any operations of Contractor. The following provisions shall apply to the termination of the license provided herein: (i) in the case of a termination of the license to use the globe element of the United Marks, Contractor shall cease all use of the globe element of the United Marks with respect to each Covered Aircraft within ninety (90) days of such aircraft being withdrawn from the capacity purchase provisions of the Agreement, and shall cease all use of the globe element of the United Marks in all other respects within ninety (90) days of last Covered Aircraft being withdrawn from this Agreement (unless this Agreement is terminated for Cause or Special Cause pursuant to Section 8.2(a) or the first sentence of Section 8.2(b), in which case Contractor shall cease all use of the globe element of the United Marks within forty-five (45) days of the Termination Date); (ii) in the case of a termination of the license to use any other United Marks and Identification, Contractor shall cease all use of such other United Marks and Identification within forty-five (45) days of the termination of the license for such other United Marks and other Identification.

Within such specified period, Contractor shall cease all use of such other United Marks and Identification, and shall change its facilities, equipment, uniforms and supplies to avoid any customer confusion or the appearance that Contractor is continuing to have an operating relationship with United, and Contractor shall not thereafter make use of any word, words, term, design, name or mark confusingly similar to the United Marks or other Identification or take actions that otherwise may infringe the United Marks and the other Identification.

6. Assignment. The non-exclusive license granted by United to Contractor is personal to Contractor and may not be assigned, sub-licensed or transferred by Contractor in any manner without the written consent of a duly authorized representative of United.

7. United Marks. The United Marks are as follows:

UNITED EXPRESS
UNITED EXPRESS'S LOGO (DESIGN) IN COLOR
UNITED EXPRESS'S LOGO (DESIGN) IN BLACK AND WHITE

8. Aircraft Livery. The aircraft livery shall be as follows, unless otherwise directed by United: The colors blue, gray, white and gold are used on the aircraft. The color white appears on the top approximate 2/3 of the body of the aircraft; the color gray appears below the color white on the remainder of the bottom portion of the body of the aircraft; the color gold is used as a stripe or band dividing the white and gray colors. The tail of the aircraft is primarily blue with the globe logo design in a gold and white combination and the trade name is written in blue on the white portion of the body of the aircraft. Interior décor shall be as directed by United. There shall be no Contractor Marks displayed on the aircraft exterior or in the aircraft interior, including without limitation any marks on any backwall or cabin separator.

All aircraft delivered per Schedule 1 shall be delivered in United livery as of the Actual Delivery Date. If Contractor does not deliver aircraft in United livery on the Actual Delivery Date, then Contractor agrees to backfill the aircraft and its associated lines of flying at no additional cost to United while the scheduled aircraft is being painted. For avoidance of doubt United will incur no additional ownership and United will not reduce lines of flying to accommodate paint.

9. Survival. The provisions of this Exhibit E shall survive the termination of this Agreement for a period of six years.

EXHIBIT F

Use of Contractor Marks

1. Grant. Contractor hereby grants to United, and United accepts, a non-exclusive, personal, non-transferable, royalty-free right, fully paid-up and license to adopt and use the Contractor Marks (as defined below) in connection with United's entering into this Agreement, subject to the conditions and restrictions set forth herein.

2. Ownership of the Contractor Marks.

   a. Contractor shall at all times remain the owner of the Contractor Marks and any registrations thereof and United's use of any Contractor Marks shall clearly identify Contractor as the owner of such marks (to the extent practical) to protect Contractor's interest therein. All use by United of the Contractor Marks shall inure to the benefit of Contractor. Nothing in this Agreement shall give United any right, title, or interest in the Contractor Marks other than right to use the Contractor Marks in accordance with the terms of this Agreement

   b. United acknowledges Contractor's ownership of the Contractor Marks and further acknowledges the validity of the Contractor Marks. United agrees that it will not do anything that in any way infringes or abridges Contractor's rights in the Contractor Marks or directly or indirectly challenges the validity of the Contractor Marks.

3. Use of the Contractor Marks.

   a. United shall use the Contractor Marks only as authorized herein by Contractor and in accordance with such standards of quality as Contractor may establish.

   b. United shall use the Contractor Marks as necessary or appropriate in United's sole discretion in connection with the Regional Airline Services, including without limitation the sale or disposition by United of the seat inventory of the Scheduled Flights.

   c. United shall not use the Contractor Marks for any purpose other than as set forth in this Exhibit F, and specifically shall have no right to use the Contractor Marks in connection with any other operations of United.

   d. Contractor may change the Contractor Marks at any time and from time to time (including by adding or deleting marks from the list specified in this Exhibit F), in which case United shall as soon as practicable make such changes as are requested by Contractor to utilize the new Contractor Marks; *provided* that Contractor shall either pay directly the reasonable costs of making such changes to the Contractor Marks or shall promptly reimburse United for its reasonable expenses incurred in making such changes.

e. Nothing shall abridge Contractor's right to use and/or to license the Contractor Marks, and Contractor reserves the right to the continued use of all the Contractor Marks, to license such other uses of the Contractor Marks and to enter into such agreements with other carriers providing for arrangements similar to those with United as Contractor may desire. No term or provision of this Agreement shall be construed to preclude the use of the Contractor Marks by other persons or for other similar uses not covered by this Agreement.

4. Contractor-Controlled Litigation. Contractor at its sole expense shall take all steps that in its opinion and sole discretion are necessary and desirable to protect the Contractor Marks against any infringement or dilution. United agrees to cooperate fully with Contractor in the defense and protection of the Contractor Marks as reasonably requested by Contractor; *provided* that Contractor agrees to reimburse United for any reasonable third party costs and expenses incurred by United. United shall report to Contractor any infringement or imitation of, or challenge to, the Contractor Marks, immediately upon becoming aware of same. United shall not be entitled to bring, or compel Contractor to bring, an action or other legal proceedings on account of any infringements, imitations, or challenges to any element of the Contractor Marks without the written agreement of Contractor. Contractor shall not be liable for any loss, cost, damage or expense suffered or incurred by United because of the failure or inability to take or consent to the taking of any action on account of any such infringements, imitations or challenges or because of the failure of any such action or proceeding. If Contractor shall commence any action or legal proceeding on account of such infringements, imitations or challenges, United agrees to provide all reasonable assistance requested by Contractor in preparing for and prosecuting the same; *provided* that Contractor agrees to reimburse United for any reasonable third party costs and expenses incurred by United.

5. Revocation of License. Contractor shall have the right to cancel the license provided herein in whole or in part at any time and for any reason, in which event all terminated rights to use the Contractor Marks provided United herein shall revert to Contractor and the Contractor Marks shall not be used by United in connection with any operations of United. United shall cease all use of the Contractor Marks in all respects upon the last Covered Aircraft being withdrawn from this Agreement. United shall not thereafter make use of any word, words, term, design, name or mark confusingly similar to the Contractor Marks or take actions that otherwise may infringe the Contractor Marks.

6. Assignment. The non-exclusive license granted by Contractor to United may be assigned, sub-licensed or transferred by United to its affiliates in any manner without the written consent of Contractor.

7. Contractor Marks. Contractor represents and warrants that the Contractor Marks consist exclusively of the following: "Operated by Mesa Airlines, Inc."

8. Survival. The provisions of this Exhibit F shall survive the termination of this Agreement for a period of six years.

EXHIBIT G

Catering Standards

INFLIGHT PRODUCT SALES PROGRAM

United will market a portfolio of inflight products for purchase on United Express flights which includes liquor, beer, wine, food, or other product offerings. Contractor will administer the program related to such in-flight sales (the "Inflight Product Sales Program") as United's representative following all policies and procedures of United. The initial policies and procedures established by United for the sale of products onboard Contractor's flights under the Agreement with United are set forth below. United reserves the right to change the product offerings, policies and procedures associated with the Inflight Product Sales Program at any time and in its sole discretion.

Station Services

- United, or United's catering agent, will provide catering services as directed by United.
- United or its catering agent will provide supplies, food, liquor, other beverage, and other product uplift as necessary and will remove, store and re-board perishable supply and beverage items on Remain Over Night (RON)/originating flights at airports designated by United as catering airports.
- In respect of all catering items (including the Inflight Product Sales Programs), Contractor will coordinate and communicate with United or United's catering agent regarding all flight activity, cancellations and irregular operations providing necessary information in a timely manner.

Onboard Services

- United has right to determine meal/beverage and other product offering service parameters and scheduling for Scheduled Flights.
- United has right to conduct onboard service audits on Scheduled Flights to ensure service standards are being met.
- Contractor shall ensure that all flight attendants providing Regional Airline Services are trained on meal and beverage service procedures, including liquor and duty-free sales and cash handling, and will collect all on-board revenue for food, liquor, duty-free sales and/or any other products for sale.
- With respect to the CRJ Covered Aircraft, Contractor will provide, at Contractor's cost and expense, (i) the initial galley service ship's equipment per aircraft to operate, such as food/beverage galley carts , trash carts, and carrier boxes (the "Galley Service Equipment"), and (ii) other galley shipset equipment such as trays, hot jugs, and coffee makers ("Other Equipment").(it being acknowledged that the CRJ Covered Aircraft was delivered to United

with two (2) half meal service carts and two (2) half trash carts and not the configuration for the Galley Service Equipment described above),. In conjunction with this Amendment, the cart configuration for the CRJ Covered Aircraft has changed to three (3) half size food/beverage galley carts, three (3) carrier boxes and one (1) half size trash cart . United shall provide, at United's cost and expense, the replacement of the Galley Service Equipment, in the newer configuration described in the foregoing sentence as needed; *provided* that if United shows that such replacement was needed due to damage caused by Contractor's negligence or willful misconduct, then Contractor, not United, shall pay for the costs of such replacement. Upon replacement, if the replacement is at United's cost and expense, then, without further act by either party, title to the replacement Galley Service Equipment shall vest in United free and clear of any liens attributable to Contractor. Contractor shall provide, at its cost and expense, the replacement of Other Equipment, as needed.

- With respect to the E175 Covered Aircraft, United will provide, at United's cost and expense, (i) the initial Galley Service Equipment, and (ii) Other Equipment. United shall provide, at United's cost and expense, the replacement of the Galley Service Equipment and Other Equipment as needed; *provided* that if United shows that such replacement was needed due to damage caused by Contractor's negligence or willful misconduct, then Contractor, not United, shall pay for the costs of such replacement. Upon replacement, if the replacement is at United's cost and expense, then, without further act by either party, title to the replacement Galley Service Equipment shall vest in United free and clear of any liens attributable to Contractor.

- With respect to both CRJ Covered Aircraft and the E175 Covered Aircraft, United shall provide, at United's cost and expense, any additional Galley Service Equipment and only,in the case of the E175 Covered Aircraft, any additional Other Equipment plus additional Galley Service Equipment, in each case as may be necessary for Contractor's inflight catering services if more than one shipset per aircraft of any item is required in United's reasonable discretion. Galley Service Equipment and Other Equipment where provided by United for the inflight catering services provided by Contractor as part of the Regional Airline Services shall hereinafter be referred to as the "United Supplemental Equipment". Contractor's initial shipset of Galley Service Equipment per CRJ Covered Aircraft is referred to herein below as the "Contractor Equipment", and when combined with the Galley Service Equipment provided by United, may be referred to herein below as the "Combined Equipment".

- In addition, the parties agree as follows:

    1. Contractor acknowledges that in accordance with United's galley cart exchange program, Contractor Equipment as well as the Galley Service Equipment provided by United, if any, will not be specifically assigned to or otherwise designated to the Contractor; rather, they will be rotated among United's mainline aircraft and the aircraft operated by the United Express carriers, as cart exchanges are scheduled by United.

    2. A shipset of Galley Service Equipment per regional jet shall consist of three (3) half size food/beverage galley carts, three (3) carrier boxes, and one (1) half size trash cart unless otherwise expressly provided herein.

3. The Combined Equipment will be maintained in accordance with United's galley cart maintenance program, as defined in United's Food Services Business Manual, Section 4. As such, Contractor's staff shall ensure that defective or damaged carts and carriers on the aircraft are tagged with the "Galley Equipment Needs Repair" tag.

4. Contractor shall use reasonable measures, including appropriate administrative, technical and physical safeguards, to secure the Combined Equipment and Other Equipment on each of the aircraft operated by Contractor in its Regional Airline Services and while the Combined Equipment and Other Equipment are in the care, control or custody of Contractor. Contractor agrees to notify United promptly whenever any Combined Equipment or Other Equipment has been, or Contractor reasonably believes or suspects that any such Combined Equipment or Other Equipment has been, lost, damaged or destroyed.

5. Any Combined Equipment and/or Other Equipment, where provided by United, which is lost will be replaced by United at United's cost and expense; provided, the cost of any Combined Equipment or Other Equipment (provided by United) procured to replace such lost Combined Equipment or Other Equipment will be borne by Contractor to the extent United shows that such Combined Equipment and/or Other Equipment was lost due to Contractor's negligence or willful misconduct. Any Combined Equipment and/or Other Equipment (provided by United) that is unaccounted for will be considered "lost". If the Combined Equipment and/or Other Equipment (provided by United) was last in the care, custody or control of Contractor and has been lost due to Contractor's negligence or willful misconduct, United reserves the right to set-off the cost to replace any such lost Combined Equipment and/or Other Equipment pursuant to Section 3.6(c)(ii) and Section 11.13 of the Agreement.

6. United will provide, at United's cost and expense, the replacement of any damaged or worn out Combined Equipment and/or Other Equipment (provided by United) as needed; provided, that any Combined Equipment and/or Other Equipment (provided by United) that is damaged will be replaced at Contractor's expense if United shows that such replacement was needed due to damage caused by Contractor's negligence or willful misconduct. Worn out Combined Equipment and/or Other Equipment (provided by United) will be considered "damaged" for purposes of the foregoing provision. United reserves the right to set-off the cost to repair or replace any such damaged equipment pursuant to Section 3.6(c)(ii) and Section 11.13 of the Agreement. Upon replacement, without further act by either party, title to the replacement Combined Equipment and Other Equipment shall vest in United free and clear of any liens attributable to Contractor.

7. Contractor acknowledges that the United Supplemental Equipment is owned solely by United. Subject to Section 9 below, United acknowledges that the Contractor Equipment is owned solely by Contractor. Contractor shall ensure that any and all United Supplemental Equipment and all other supplies and equipment of United or other United Express carriers that are provided by or on behalf of United in connection with United's Inflight Product Sales Program remain free and clear from any liens attributable to Contractor. United shall ensure that any and all Contractor Equipment

remains free and clear from any liens attributable to United. In the event that any liens not permitted hereunder arise, the responsible party will obtain a bond to fully satisfy such liens or otherwise remove such liens at its sole cost and expense within fourteen (14) days.

8. Upon the earlier to occur of (i) the termination of United's inflight catering service program for United Express flights, as determined by United, (ii) the termination of this Agreement, or (iii) the cessation of the use of the United Supplemental Equipment by the Contractor, as determined by United in its sole discretion (for the sole purposes of this paragraph, such date shall be referred to as the "Service End Date"), Contractor shall cooperate with United or its designated vendor for the collection and return of all United Supplemental Equipment to United at the address designated by United, with such reasonable shipment cost to be borne by United. Contractor shall return the United Supplemental Equipment in its care, custody or control within thirty (30) days of the Service End Date in the same condition as the condition of the equipment when Contractor received such United Supplemental Equipment, reasonable wear and tear excepted. United shall bear any reasonable out of pocket shipment cost to return such United Supplemental Equipment to United. United shall only ship United Supplemental Equipment from established United catering locations; in the event the United Supplemental Equipment is located at a non-catering location (such as, but not limited to, the Contractor's training facility) then Contractor shall bear the shipment cost to return the United Supplemental Equipment to a United catering location. United Supplemental Equipment which is damaged due to Contractor's negligence or willful misconduct when received back by United or its designee will be replaced by United at Contractor's expense. Worn out United Supplemental Equipment shall be considered "damaged" for the purposes of the foregoing sentence. United reserves the right to set-off the cost associated with the replacement of any such damaged or worn out United Supplemental Equipment pursuant to Section 3.6(c)(ii) and Section 11.13 of the Agreement. For the avoidance of doubt, in addition, as of the Service End Date, Contractor shall retain or have returned to it one used shipset of Galley Service Equipment equal to the number of Contractor Equipment shipsets provided by Contractor as contemplated herein, and in the same configuration as provided by Contractor, subject to reasonable wear and tear, which may or may not be the initial Contractor Equipment initially supplied (any such shipset of Galley Service Equipment, the "Contractor Returned Equipment"). United shall bear any reasonable out of pocket shipment cost to return such Contractor Returned Equipment to Contractor. United shall only ship Contractor Returned Equipment from established United catering locations; in the event the Contractor Returned Equipment is located at a non-catering location (such as, but not limited to, the Contractor's training facility) then Contractor shall bear the shipment cost to return the Contractor Returned Equipment to a United catering location.

9. As of the date of return following the Service End Date, title to any Contractor Returned Equipment returned to Contractor or retained by Contractor as contemplated herein shall, without further act by either party, vest in Contractor free and clear of any liens attributable to United. Title to any United Supplemental Equipment

returned to United or retained by United, or to any Contractor Equipment other than the Contractor Returned Equipment that is returned to United or retained by United, as contemplated herein shall, without further act by either party, vest in United free and clear of any liens attributable to Contractor.

- United will provide all liveried catering items, including cups, napkins, etc. as well as all products in the Inflight Product Sales Program.

TECHNOLOGY

The sale of product onboard Contractor's flights under the Agreement will involve non-cash transactions. United will provide a single hand held device (each such device, an "HHD" and collectively, the "HHD units") necessary to process credit and debit card transactions for each aircraft in Contractor's fleet operating as United Express. Contractor shall only swipe the customer's credit or debit card into the HHD unit for the purpose of processing the customer's transaction and shall not otherwise use or record the customer information. The HHD units provided by United shall only be used for United's business purposes.

The HHD units and the information contained therein shall be deemed the confidential and proprietary equipment and information of United and its licensors and shall be subject to the confidentiality terms and conditions set forth in the Agreement for other types of confidential information of United. Contractor shall not, and shall not permit others to, reverse engineer, decompile, disassemble or translate the HHD units, including any firmware or software that is loaded upon the units, or otherwise attempt to view, display or print the source code embedded in the HHD units, or any firmware or software loaded on the HHD units. Contractor shall ensure that any and all HHD units and all other supplies and equipment of United or its licensors that are provided by or on behalf of United in connection with United's Inflight Product Sales Program remain free and clear from any liens attributable to Contractor.

Upon the earlier to occur of (i) the termination of United's Inflight Product Sales Program, (ii) the termination of this Agreement, or (iii) the cessation of the use of the HHD units by Contractor, as determined by United in its sole discretion, Contractor shall cooperate with United or its designated vendor for the collection and return of all HHD units to United at the address designated by United, at United's cost. Contractor shall return the HHD units in as good a condition as reasonably possible, except for reasonable wear and tear thereof.

Contractor shall use commercially reasonable efforts to keep secure the HHD on each aircraft. Contractor agrees to notify United whenever any HHD unit has been, or Contractor reasonably believes or suspects that any HHD unit has been, lost, acquired, destroyed, modified, used, disclosed or accessed by any person in an unauthorized manner or for an unauthorized purpose (collectively, "Security Breach"). Contractor further agrees to provide all reasonable assistance requested by United or United's designated representatives, in the furtherance of any correction, remediation, investigation, enforcement or litigation with respect to a Security Breach, including but not limited to, any notification that United may determine appropriate to send to individuals impacted or potentially impacted by a Security Breach.

Lost equipment will be replaced by United. Replacement costs will be borne by Contractor. Any equipment that is unaccounted for and for which no transactions have been logged for 48 hours will be considered "lost" and, if United shows that such equipment is lost due to Contractor's negligence, United reserves the right to set-off the replacement cost of such lost equipment by taking a credit of such excess replacement cost pursuant to the procedures set forth in Section 11.13 of the Agreement.

Any HHD unit that is damaged beyond reasonable wear and tear which is shown by United to be due to Contractor's negligence, will be replaced at Contractor's expense. United reserves the right to set-off the replacement cost associated with such damaged HHD unit by taking a credit of such excess replacement cost pursuant to the procedures set forth in Section 11.13 of the Agreement.

United, at its cost, will provide or cause to be provided by a vendor of United's choice the maintenance and battery replacement for the HHD units. Such maintenance and battery replacement will be provided at predetermined intervals designed to maximize HHD and battery useful life, and Contractor will have the right to request maintenance at different times than the predetermined intervals or additional battery replacement at United's cost upon request. In the event Contractor's request for maintenance is related to a faulty or defective HHD unit, United shall pay the vendor directly for such non-routine service call.

United will provide at its sole cost and expense (including all out of pocket costs and reimbursement of Contractor's labor costs) for initial "train the trainer" training to a reasonable number of Contractor-designated "trainers" on the use of the HHD. Such cost will be negotiated and agreed upon by the parties. Contractor will be required to (i) retain the training skill beyond the initial "train the trainer" training provided by United and (ii) provide training to Contractor's crew personnel at Contractor's own expense.

PRODUCT LOSS AND PILFERAGE

United will establish procedures aimed at limiting product loss. At a minimum, it is required that Contractor's Flight Attendants record opening and closing inventories of each product to be sold onboard, accounting for all sales and complimentary items distributed.

Seals may be required to prevent tampering with product inventories and to deter pilferage. United will monitor all inventories and reserves the right to charge Contractor for identified loss (including breakage and other damage) and pilferage on a cost (non mark-up) basis determined monthly. Any discrepancies in inventories, seal numbers recorded, or excessive complimentary activity for any product sold must be reported at the hub for use in pilferage investigations by United. Contractor's failure to provide documentation as reasonably requested by United or its representatives will result in Contractor being charged for pilferage as reasonably determined by United on a cost basis. United reserves the right to set off the value of the loss and/or pilferage on a cost (non mark-up) basis, by taking a credit of such loss and/or pilferage pursuant to the procedures set forth in Section 11.13 of the Agreement. All reasonable product loss and pilferage procedures established by United must be adhered to by Contractor.

United may, at any time during normal operating hours inspect, monitor, or audit Contractor's administration of the Inflight Product Sales Program described in this Appendix or in other policies

and procedures, in order to verify that Contractor is in compliance, in all material respects, with United's requirements for the Inflight Product Sales Program. Contractor will work with United to ensure reasonably appropriate controls exist designed to comply with United's requirements and will ensure corrective actions are in place as necessary.

LIQUOR, BEER AND WINE PROGRAM

The Alcoholic Beverage Products offering will be determined by United and provided for by United in the liquor kit supplied to each aircraft. Except as prohibited by law or otherwise agreed by United and Contractor due to the various applicable liquor license laws and regulations, the Alcoholic Beverage Products will be purchased by United prior to being placed onboard Contractor's aircraft and sold onboard all United Express flights designated by United.

Once onboard Contractor's aircraft, liquor drawers, bags or other liquor containment mechanisms used by Contractor, as determined by Contractor, are considered a part of ship's equipment and will be used for the distribution of United's inflight products.

Contractor shall not serve any Alcoholic Beverage Product(s) on the ground without United's consent. Contractor will obtain and maintain liquor licenses in the states where they board and/or unload any Alcoholic Beverage Product. Unless otherwise agreed by the parties, Contractor will not board or unload any Alcoholic Beverage Products in Virginia but in the event it is agreed that Contractor will board or unload any Alcoholic Beverage Products in Virginia, the parties shall comply with the procedures for Virginia below.

Virginia Alcoholic Beverage Handling Procedures

Contractor will comply with Virginia's liquor purchase procedures. In Virginia, Contractor will board and/or unload only Alcoholic Beverage Products that Contractor owns. To that end, in the event it is agreed by the parties that Contractor will board and/or unload any Alcoholic Beverage Products in Virginia, Contractor will purchase such Alcoholic Beverage Products directly. Contractor will timely pay the supplier of such Alcoholic Beverage Products directly for such order(s). Once out of Virginia airspace, Contractor will transfer to United the title to the purchased Alcoholic Beverage Products. United will be responsible for any sales tax attributable to the foregoing title transfer.

FOOD AND OTHER PRODUCTS

United reserves the right to introduce other products for sale onboard including food offerings. Food offerings may come in a variety of packaging options and will be integrated into the entire portfolio with regards to specifications and procedures established by United.

Provisioning of product offering will follow United's procedures at distribution points.

EXHIBIT H

Fuel Efficiency Program

Contractor shall use commercially reasonable efforts to develop and maintain a comprehensive fuel efficiency program, acceptable to United, in a timely manner and with the overall objective of operating and maintaining the Covered Aircraft in a manner that maximizes fuel efficiency, with due consideration to other performance objectives. The program will include applicable data collection and trend analysis, and will set and track target metrics. United shall audit Contractor's program at its discretion, but at no less than annual intervals, and Contractor and United shall work together to revise and adjust such program from time to time so that such program remains acceptable to United. Such audits will be based on the IATA Fuel and Emissions Efficiency Checklist, supplemented by the IATA Guidance Material and Best Practices for Fuel and Environmental Management, any applicable manufacturer material, United's own fuel efficiency program applicable to its own fleet, and any other material standard in the industry.

Contractor's Fuel efficiency program shall emphasize at least the following (subject to revisions and adjustments as referenced above):

1. A "cost index" (CI) based flight planning system, or as an alternative a flight planning system that adequately balances the cost of fuel versus the cost of time on a segment specific basis to be optimized from United's perspective. If capable, dynamic cost indexing will be utilized. The ability to provide the system with current and accurate applicable costs is required. Cost Index values will be updated monthly and will include delay cost if provided by United.

2. Flight planning technology that accurately predicts fuel burn and optimizes lateral and vertical profiles for takeoff and landing runway, climb and descent, crossing restrictions, special use airspace, preferred routings, enroute altitude agreements, etc. United periodically evaluates city pair routings and provides optimized routes which shall be incorporated into the flight planning software to provide greater flexibility to determine the least cost routes. Carrier commits to work in good faith with United to establish an audit process to ensure that least cost routing option is selected, provided such actions do not impose any additional burden or cost on Contractor.

3. Development of a comprehensive fuel policy which is appropriate, well documented, implemented, and thoroughly trained for dispatchers, pilots, load planners, station agents, mechanics and management that maximize opportunities for fuel efficiency. Policy shall be reviewed with United annually.

4. An active interface with appropriate Air Traffic Control (ATC) facilities, management, and other personnel to minimize operational restrictions, and improve ATC handling of Contractor flights.

5. Well-defined and fully integrated flight planning Fuel policies, including ACARS-based statistical tracking of Fuel, efficient reserves, guidelines for efficient alternate selection, a “no-alternate” policy, and target “fuel on deck”.

6. Thorough and effective pilot and dispatcher training on aerodynamics, cruise performance and overall fuel efficient flying in initial, transition, upgrade, and recurrent programs, with an emphasis on operating the aircraft at the most efficient speeds and altitudes as well as correct descent and approach planning.

7. Maximized use of on-board Flight Management Systems (FMS) or performance management computers as an in-flight Fuel efficiency tool. Applicable thorough and effective training is required.

8. An effective fuel tankering program, including automated tankering suggestions and calculations, using validated methods and formulas. Tankered flights must be identified and supplied to United.

9. Thorough ACARS-based statistical tracking, analysis and measurement of Fuel efficiency using actual data, data from flight plans, and FOQA data with a comprehensive plan to identify and correct deficiencies. All such data will be provided to United.

10. A designated manager charged with overall responsibility for fuel efficiency either as a stand-alone position, or as a substantial element of an individual job description. Manager will audit carrier’s efficiency and provide fuel synopsis to United in a format provided by United. Manager will discuss audit results and fuel efficiency initiatives monthly with United.

11. The inclusion of Fuel efficiency issues and targets in appropriate job descriptions and performance objectives. Applicable work groups include, but are not limited to, pilots, dispatchers, SOCC managers, and gate and ramp personnel.

12. A weight management program that prevents the carriage of unnecessary galley supplies, spare parts and equipment, customer service items, etc. unless approved by United.

13. A center of gravity management system that considers the most efficient center of gravity in load distribution and aircraft loaded utilizing this data

14. Operational participation (including the provision of ACARS-based data to United) in APU reduction program by utilizing ground power and PC Air at stations when supplied. APU run data by station will be reported to United monthly.

15. An engine-out taxi program (which shall include the provision of ACARS-based data to United) both before takeoff and after landing.

16. Fuel- and operationally-efficient takeoff and landing flap selection priorities.

17. An engine maintenance program or maintenance contracts that track deterioration in Specific Fuel Consumption (SFC) and allow for cost effective early removal and repair/overhaul of high burn engines. Utilized an engine wash program to on a calendar or condition basis to optimize engine fuel efficiency.

18. An airframe maintenance program that measures airframe drag and corrects high drag airframes that exceed an agreed upon threshold as provided by Digital Performance Data or engine monitoring vendor engine fuel consumption data. An airframe maintenance program shall also include scheduled thorough aerodynamic conformity checks and corrective action.

19. Contractor, at its sole expense, will use United's designated service provider to provide and maintain all aircraft parameter information to efficiently manage the fuel efficiency program including but not limited to fuel flow, altitudes, landing gear extension, exhaust gas temperatures, etc.

20. Proof of the following:

    a. Fuel efficiency management structure

    b. Existing fuel efficiency programs

    c. Pilot/dispatcher fuel efficiency communications from prior 24 months

    d. Fuel efficiency training syllabi (stand-alone, recurrent, upgrade, initial)

    e. Monitor the fuel efficiency program to provide modifications to fuel efficiency training

In addition to the above, Contractor agrees to provide the following to United:

1. Copies of applicable OEM flight manuals and OEM dispatch manuals for study by United fuel team

2. FTWeb access to United fuel team (Flight Plan audit)

3. Information regarding the following fuel efficiency metrics, broken out by month

    a. Average planned and actual arrival endurance for flights without filed alternates

    b. Average planned and actual fuel burn by fleet and city pair

    c. Percentage of flights with filed alternates

    d. Percentage of flights utilizing single-engine taxi

    e. Average filed/flown altitude, by aircraft type

EXHIBIT I

IT Requirements

Contractor shall adhere to the IT system and data reporting standards described in this Exhibit I, as they may be changed or supplemented by United from time to time (the "IT Requirements").

Network Connectivity

United, at its sole expense, will provide and maintain or arrange for the provision of network connectivity with sufficient bandwidth to Contractor, including without limitation redundancy and firewall changes that may be required from time to time. This connectivity will include a minimum of one (1) dedicated circuit. If only one (1) dedicated circuit is used, then Contractor must also use a backup connection or virtual product network via the internet. United, at its sole discretion, shall have the right to determine the optimal number of network connections and to remove any network connections determined to be in excess.

Business Continuity Site

Contractor, at its sole expense, will provide and maintain a valid dispatch office site with network connectivity for business continuity purposes. Contractor will test the site annually to ensure that it is functional for its purposes. Contractor will be solely responsible for, and United will have no obligations or duties with respect to, the dispatch of Contractor's flights. For the purposes of this Exhibit I, the term "dispatch" shall include, but will not be limited to, all planning of aircraft itineraries and routings, fueling and flight release.

United ID Numbers

Contractor, at its sole expense, will participate in United's automated vendor identification number process. This process is a daily file in a specific format which manages the United vendor identification numbers. The identification numbers are used for system access and pass travel benefits.

Flight Information

Contractor, at its sole expense, will provide accurate real time flight and crew information to the designated United system (including without limitation updates of irregularities) via the designated transmission mechanism.

Data shall include, but not be limited to:

- Estimated Departure/Arrival Times;
- Brake Release;
- Wheel Movement (forward and backward, including first movement after Actual Out Time)

- Actual Out/Off/On and In Times;
- Aircraft assignments;
- Irregular Ops; and
    - Cancel, Re-instate, Diversion, No-Stop, Extra flying, Return to blocks or Field;
- Flight Plan Enroute Time;
- Operating/Deadheading Crew Names;
- Operating Crew Routings (connect from / to); and
- Operating crew time per applicable contract or legal parameters.

Partner Flight Ops System

Contractor, at its sole expense, will provide United's designated representatives web access to its Flight Operations System for Flight/Crew Departure Papers and other necessary data requested by United.

United Systems

United will provide access to the following:

- SHARES – Passenger Service System
    - United will provide SHARES set addresses and signs, however, the flying partner will need to provide the terminal emulation package (can be purchased via United).
- FLIFO Portal – For manual input in correction of FLIFO
- SSD – Real time performance data for flying partner

IT Support

Contacts

Contractor will provide a 24/7 technical support contact and contacts for United to escalate IT issues.

Change Management

Contractor will comply with United's change management processes and system freezes. The change freeze restricts IT system changes during specific periods (Example – 1 week prior to 1

week after a major holiday). Contractor will notify United at least three (3) days prior to any scheduled system or network outage.

IT System Automated Monitoring/Alerting

Contractor, at its sole expense, will provide and maintain or arrange for the provision of automated monitoring and alerting for IT system and network issues. This service must be programmed to page or call a valid on-call contact with any IT system or network issue being experienced by Contractor.

Notification

Contractor will notify United's designated Service desk (24/7) (accessible at [***] or [***] or any other phone number provided by United from time to time) with any outages or technical issues that impact flights operated by Contractor in the provision of Regional Airline Services.

EXHIBIT J

Aircraft Cleanliness and Refurbishment Standards

Aircraft Cleanliness Standards

United requires Contractor to adhere to certain aircraft interior deep clean standards provided by United to Contractor from time to time (the "Deep Clean Scope of Work"). With the exception of certain heavy cleaning events which will occur during heavy Maintenance and shall be incorporated into the C-Check schedule, the elements of the Deep Clean Scope of Work shall be performed by Contractor according to a work schedule set forth by United but no less than every [***] days. The Deep Clean Scope of Work is comprised of the minimum required interior deep clean work required of Contractor and identifies the items in scope for all interior aircraft cleaning work over and above routine Remain Over Night ("RON") cleaning standards, including, but not limited to, carpets, seats, cabin interior, lavatories etc. Contractor will audit the deep clean provider and provide monthly written results to United in a format determined by United. United retains the right to audit Contractor's compliance with United's deep clean standards and the performance of the deep clean provider, as well as any of the aircraft upon the completion of the Deep Clean Scope of Work. Items identified through United's audit will be corrected by Contractor within [***] days of United's written notification or any other mutually agreed upon date. United will charge Contractor [***] for each day that the Deep Clean Scope of Work standards are not corrected after the later of such [***] day correction period or such other mutually agreed upon date.
At the end of each flight, the flight attendants will ensure that the aircraft is left in a clean condition. If this is not accomplished by other personnel at the station, then the flight attendants are responsible for:

1. Removal of all trash, including all floors, galley trash and lavatory trash. Flight attendants will comply with all appropriate station protocol for garbage disposal and will assure garbage is not visible on the ramp or jetbridge prior to deplaning or boarding; and

2. Cleaning tray tables and galley.

United Express Deep Clean Minimum Specifications

The minimum standards outlined here serve as an auditable baseline standardizing this clean type. Contractor is responsible for the Deep Clean programs and cycle times and may choose to have standards above and beyond those listed in this section. Any audits performed on United Express Deep Clean missions will be based on these minimum standards.

Deep Cleans are the most intense and thorough clean missions, including complete provisioning change out of linens, headsets, etc., with new or refurbished product. Scheduled at approved intervals, Deep Clean events are performed in designated stations during the aircraft's overnight layover by authorized personnel that receive scheduled available aircraft.

Interior Cabin Security Search

1. Perform aircraft security check as contained in the AOSSP or published Security Directives.
2. Security searches are integrated with United's cleaning standard operating procedures for each clean mission, including but not limited to, Deep Cleans. As a result, security checks must be performed as outlined in the Aircraft Appearance Cabin Interior Search procedures during the course of accomplishing the cleaning tasks outlined hereinafter.

Flight Deck

1. While it is true all aspects of cleaning require safety awareness, cleaning personnel must give special attention to safety during the Flight Deck cleaning process, including but not limited to, the following:
    a. Notify Maintenance immediately should you accidentally move or trip a switch/circuit breaker.
    b. Do not spray liquids on instruments or dashboards.
    c. Do not dampen brush or cloth excessively as water may come in contact with electrical equipment and cause injury to personnel and damage to the aircraft.
    d. Dip sponge or cleaning rag into cleaning solution and scrub surfaces until soil loosens. Repeat procedure on stubborn stains.
    e. Avoid getting surfaces excessively wet.
    f. Dry all surfaces.
2. Remove trash and debris from flight deck
3. Remove and replace trash bag
4. Vacuum clean the following areas:
    a. Seats, seat pockets
    b. Creases around and between seat cushion areas
    c. Floor, seat tracks, seat assemblies and vent grills
5. Clean and remove soil from the following areas:
    a. Ceiling panels and vents
    b. Sidewall panels
    c. Floor, seat tracks, seat assemblies and vent grills
    d. Front, back and side of Flight Deck door
6. Damp wipe and dry the following areas assuring a streak free appearance:
    a. Glare-shield; sun-visors
    b. Windshield / side windows interior (Sani-Coms replacement)
7. Clean and dry the following areas:
    a. Recessed areas instrument panels; center console
    b. Control yokes and columns
    c. Base plate and nose gear steering wheel
    d. Captains and 1st Officers rudder pedals
    e. Captains, 1st Officers, 1st Observer
    f. Cup / drink holders
    g. Log compartments
    h. Engineers table
    i. Crew coatroom

Cabin

1. Remove all trash from seats, seat pockets, floor, overheads, shelves, closets and overhead bins.
2. Inspect seat covers. Report covers with any size stain or tear into local Maintenance for replacement.
3. Brush crumbs off seats. Seat Cushions to be left in the upright position, exposing the seat frame for pre-departure security inspection.
4. Pull up seat cushions; vacuum all sides to remove crumbs, lint, etc. Place in overhead bin.
5. Vacuum / brush seat pan free of crumbs and debris.
6. Scrub seat frames including all exterior surfaces of seat panels, armrests, luggage restraints, seat legs, connect points, seat control panels, seat shroud and gap between seats. Rinse, dry.
7. Return seat cushions to original position.
8. Place armrest in DOWN position and Cross seatbelts.
9. Vacuum and scrub seat tracks.
10. Scrub seat tracks covers. Rinse, dry and reinstall.
11. Spray cleaning solution on the cloth and clean Emergency Aisle path track lighting. Do not spray solution directly on the path lighting system. Follow by wiping the cover with a clean cloth dampened in clean rinse water and dry.
12. Vacuum and scrub stowage wells, including tray table wells.
13. Scrub tray tables including latch area on seatback, edging, hinges, mating surfaces, bridges and arms. Rinse and dry before stowing.
14. Scrub center seat console areas; side stowage coves. Rinse, dry.
15. Remove trash and seat back pocket materials. Vacuum seat pockets. Tuck any loose seat cover flaps into the seat shroud.
16. Scrub clean passenger service units, reading lights, call button, air vents and panel. Rinse, dry.
17. Scrub clean sidewalls and sidewall air vents. Rinse, dry.
18. Clean and dry windows, window shades, and window shade tracks with approved cleaner.
19. Scrub clean Flight Attendant jump seat area(s); including the call station, phone entry walls, ceiling, compartments and floors.
20. Provision and organize seat pockets with literature and supplies. Discard and replace worn or dog-eared literature and/or when missing. Replace Hemispheres/Play guides with new after the 10th day of the month.
    1 - SAFETY INFORMATION CARD – As required by Contractor
    2 - MAGAZINE(S) – As required by Contractor
    3 - AIR SICK BAG – As required by Contractor
    Replace soiled blankets with clean ones and place neatly on top as designated in the provisioning chart (**UF only on 2-cabin AC**).
21. Vacuum air vent covers.
22. Vacuum sidewall upper and lower air vents and section dividers.

23. Overhead Bins, Ceilings, Closets, Bassinets, Storage Areas
    a. Remove trash from overhead bins, storage areas, closets.
    b. Scrub clean inside of overhead bins, all exposed surfaces of overhead bin doors, latches, hinges and inner rim that runs perimeter of bin. Rinse, dry.
    c. Scrub ceilings, centerline ceiling vents, curtain class dividers. Rinse, dry.
    d. Vacuum storage areas, closets to remove dust, debris.
    e. Scrub clean inside of storage areas, closets, exterior doors and latches. Rinse, dry.
    f. Onboard wheelchair compartment, remove wheelchair, wipe clean and dry (when applicable).
    g. Vacuum inside onboard wheelchair compartment. Scrub interior/exterior door and latches. Rinse, dry (when applicable).

Galley

1. Remove and dispose of all trash.
2. Clean counters, storage doors and galley extension tables.
3. Spot wipe walls, ceiling and doors to remove fingerprints, scuff marks, spills, graffiti, etc.
4. Scrub interior and exterior of storage space. Pay particular attention to all protrusions, corners, cracks, crevices, sliding tracks, hinges, latches, control panel, etc. Rinse with clean water and dry with clean cloth.
5. If applicable, empty all ice and water drawers
6. Vacuum and damp mop the floor
7. Thoroughly scrub, wash, rinse and dry the following:
    a. Serving carts and folding meal carts.
    b. Interior and exterior of trash compartments and trash chutes.
    c. All light fixtures and cover lights and air vents.
8. Thoroughly scrub (Eraser Pad), wash, rinse and dry the following:
9. Wipe clean coffee makers, hot plates and spigots when applicable. (Coffee pots to be handled and cleaned by catering).
    a. Note: Interior of coffeepots is not to be cleaned by cleaning personnel, only by catering staff.
10. Cleaning personnel to clean interior and exterior of all compartments (pay particular attention to latches, corner hinges and locks).
    a. Interior and exterior of trash compartments and trash chute.
    b. All light fixtures, cove lights, and air vents.
    c. Clean exterior of coffee makers/hot jugs.
    d. Walls, ceiling, air vents, service door and floor.
    e. Polish stainless steel areas with approved Airline’s chemical (appendix 1).
    f. Thoroughly scrub walls, ceiling and floors. Rinse with clean water and dry with clean rag.
    g. Scrub the galley entry door, doorframe, sill and rubber seal on bottom of door.
    h. Ensure the drain holes on the sill are clear and free of debris.
    i. Replenish Galley paper towel dispensers (where applicable)

Lavatory

1. Remove trash and other debris from counters, bin and floor.
2. Scrub, wash and rinse all of the following:
    - Toilet bowl, shroud and chute.
    - Toilet seat cover and hinges.
    - Inside and outside of storage compartments.
    - Walls, ceiling, door and floor.
3. Clean all stainless steel or hard surface areas; basin, counter, sink, light fixtures and toilet chute.
4. Clean and dry mirror.
5. Clean all exposed surfaces of fold down diaper changing table (if applicable).
6. Restock supply dispenser and storage bins.
7. Deodorize with air freshener spray.
8. Replace deodorant disk.
9. All Paper Supplies, Soap and Hand Sanitizer, as applicable (if no certified potable water available please utilize waterless hand sanitizer)

Entrance Areas and Doors

1. Scrub aircraft door, hinge, handle area, sills, walls, ceilings and floor. Ensure weep holes on the sill are clean and free of debris.
2. Clean all exposed surfaces of entrance doors: remove all fingerprints, grease stains and graffiti.
3. Scrub entryway floor and doorsill. Rinse, dry or Vacuum if carpeted.
4. Damp wipe ceiling air vent.
5. Clean rubber seal on bottom of door.
6. Clean inside door windows.

Carpets and Curtains (When Applicable)

1. Remove gum spots on carpeting using approved chemical.
2. Clip any frayed or raveled carpet strings.
3. Vacuum all carpeted areas.
4. Vacuum top of all cabin curtains.

Aircraft Refurbishment Standards

United requires Contractor to adhere to certain aircraft interior cabin refurbishment standards described in this Exhibit J, which such standards are outlined in the table below (the "Refurbishment Scope of Work"). The elements of the Refurbishment Scope of Work shall be performed by Contractor according to a work schedule set forth by United. The Refurbishment Scope of Work is comprised of the minimum required interior cabin refurbishment work required of Contractor, itemized by type of aircraft service visit, e.g., Heavy Maintenance, RON (as such term is defined in this Exhibit J). The Refurbishment Scope of Work identifies the items in scope for all interior refurbishment work, e.g., carpets, seats, cabin decor/interior, lavatories etc., as specifically set forth in the table below, as well as the timing of when such refurbishment work shall be performed by Contractor.

Subject to the consent of Contractor (such consent not to be unreasonably withheld or delayed), United may change the Refurbishment Scope of Work. Upon such consent of Contractor, such change shall be made part of the Refurbishment Scope of Work.

All refurbishment work performed by Contractor with respect to the Refurbishment Scope of Work set forth below, whether replacement, repair, or reconditioning/cleaning, must result in like-new interior cabin condition of the refurbished aircraft. United may, from time-to-time, or at any time, monitor and audit the interior cabin refurbishment work undertaken by Contractor pursuant to the Refurbishment Scope of Work, in order to ensure that the interior cabins of the Contractor-refurbished aircraft are in like-new condition post-refurbishment. If United reasonably determines that any Contractor-refurbished interior cabins are not returned to like-new condition, then United will require Contractor to repeat the refurbishment work on that specific aircraft, whether such work requires replacement, repair, or reconditioning/cleaning, at Contractor's sole cost and expense, until such aircraft interior cabin is returned to like-new condition. Items identified through United's audit will be corrected by Contractor within [***] days of United's written notification or any other mutually agreed upon date. United will charge Contractor [***] for each day that the Refurbishment Scope of Work standards are not corrected after the later of such [***] day correction period or such other mutually agreed upon date.

Interval for refurbishment work by type of aircraft service visit:

- Heavy Maintenance category should be similar to the carrier "C Check" interval timeframe, which occurs at approximately every [***] hours of flight time.
- Intermediate category should be similar to half of the "C Check" interval timeframe, which occurs at approximately every [***] hours of flight time, or about every fifth [***] "A Check" interval.

  Note: These definitions/intervals are guidelines and are subject to change by United, with any such change subject to consent of the Contractor (such consent not to be unreasonably withheld or delayed).

Aircraft paint

In addition to aircraft interior refurbishment, Contractor is required to maintain aircraft paint in good condition. Aircraft will be painted in the aircraft livery as set forth in Section 8 of Exhibit E hereto, at an interval of [***] years or less. Aircraft with significant paint degradation will be identified and directed for immediate paint at Contractor's expense. Contractor, at its own expense, shall execute aircraft paint requirements without impact to Scheduled Flights and will be communicated to United for the planning of carrier's scheduled operations. Contractor may be required to substitute other aircraft into the scheduled line of flying at its own expense in order not to impact Scheduled Flights. In addition, Contractor, at its own expense, shall cause the CRJ Covered Aircraft to be painted in the United livery as set forth in Section 8 of Exhibit E hereto, no later than December 31, 2013 and failure to do so shall result in a fine of [***] per aircraft per day for each day thereafter that any such aircraft remains non-compliant.

Statement of Work			
	Heavy Maintenance	**Intermediate Visits**	**In-Service/Overnight**
Floor Coverings			
Carpet Galley Flooring Lav Flooring	Replace All Replace All Replace All	Replace Aisle/Heavy Traffic Areas or All on Condition Replace On Condition Replace On Condition	Cleaned/Replace On Condition Cleaned/Replace On Condition Cleaned/Replace On Condition
Seats			
Seat Covers (Fabric) Seat Covers (Leather) Seat Cushions Headrest Covers Headrest Cushions Tray Tables Literature Pockets (seat back) Armrests Recline Actuation Safety Belt Webbing Seat Overhaul	Replace All with new/cleaned Replace All with new/cleaned Replace All Replace All with new/cleaned Replace All Cleaned/Replace On Condition Replace All with new/cleaned Cleaned/Replace On Condition Repaired to function properly Replace All Completed	Dry Cleaned/Replace On Condition Cleaned/Replace On Condition Replace On Condition Cleaned/Replace On Condition Replace On Condition Replace On Condition Cleaned/Replace On Condition Cleaned/Replace On Condition Repaired to function properly Cleaned/Replace On Condition As needed	Cleaned/Replace On Condition Cleaned/Replace On Condition Replace On Condition Cleaned/Replace On Condition Replace On Condition Cleaned/Replace On Condition Cleaned/Replace On Condition Cleaned/Replace On Condition Repaired to function properly Cleaned/Replace On Condition As needed
Cabin Decor			
Bulkhead Decor Bulkhead Literature Pockets Seat/Row Placards Passenger Service Units Dado Panel Decor Weather Curtain Seat Track Covers Cabin Curtain Dividers	Replace On Condition Replace All Replace On Condition Repaired to function propetly Replace On Condition Replace On Condition Replace All Replace On Condition	Replace On Condition Replace On Condition Replace On Condition Repaired to function properly Replace On Condition Cleaned/Replace On Condition Replace if missing or damaged Replace On Condition	Replace On Condition Replace On Condition Replace On Condition Repaired to function properly Replace On Condition Cleaned/Replace On Condition Replace if missing or damaged Replace On Condition
Lavatories			
Flush Sink Drain Faucet Lighting Infant Changing Tables Door Lock Indicators Door Thresholds	Repaired to function properly Repaired to function properly Repaired to function properly Replace All Repaired to function properly Replace All Replace All	Repaired to function properly Repaired to function properly Repaired to function properly Repaired to function properly Replace On Condition Repaired to function properly Replace On Condition Replace On Condition	Repaired to function properly Repaired to function properly Repaired to function properly Replace On Condition Repaired to function properly Replace On Condition Replace On Condition
Cabin Interiors			
Cabin Lighting Sidewall Panels Placards Lighted Lavatory In-Use Indicators Overhead Bins Window Shades Stairs Windows	Replace All Cleaned/Replace On Condition Replace All Clean/Repair to proper functionality Cleaned/Paint/Repair to proper functionality Clean/Repair to proper functionality Clean/Repair to proper functionality Clean/Repair damage	Cleaned/Replace On Condition Replace On Condition Clean/Repair to proper functionality Cleaned/Paint/Repair to proper functionality Clean/Repair to proper functionality Clean/Repair to proper functionality Clean/Repair as needed	Cleaned/Replace On Condition Replace On Condition Clean/Repair to proper functionality Cleaned/Paint/Repair to proper functionality Repair to proper functionality Repair to proper functionality Cleaned/Repair as needed

On condition:

-worm , torn, ripped , soiled, scratched, pilled, flying, dented, gouged, soaked
-altered from original installations state
-not functioning for intended use

Assumption A separate cleaning program is in place for daily, intermediate and heavy cleaning at various levels.

EXHIBIT K

Form of Parent Guarantee

THIS GUARANTEE AGREEMENT (as may be amended from or supplemented from time to time, this "Guarantee"), effective as of November 26, 2019 (the "Effective Date") by Mesa Air Group, Inc., a Nevada corporation ("Guarantor"), for the benefit of UNITED AIRLINES, INC., a Delaware corporation ("United").

RECITALS

WHEREAS United, Guarantor and Mesa Airlines, Inc., a Nevada corporation ("Contractor") are prepared to enter into that certain Amended and Restated Capacity Purchase Agreement, dated as of November 26, 2019 (as amended from time to time, the "CPA");

WHEREAS, pursuant to the CPA, Contractor is obligated, among other things, to provide Contractor Services (as such term is defined in the CPA) to United and, in certain circumstances, to make certain reconciliation or indemnity payments to United;

WHEREAS, United, Guarantor and Contractor are prepared to enter into the Ancillary Agreements (as such term is defined in the CPA) pursuant which Contractor is obligated, among other things, to provide ground handling and other services to United and, in certain circumstances, to make certain payments to United;

WHEREAS, Contractor is the wholly-owned subsidiary of Guarantor; and

WHEREAS, it is a condition precedent to United's execution and delivery of the CPA and the Ancillary Agreements and Guarantor is fully informed, understands and acknowledges that it is a requisite inducement for United to enter into the CPA and the Ancillary Agreement that Guarantor execute and deliver this Guarantee;

NOW, THEREFORE, for and in consideration of the benefits, rights and interests to Contractor derived from the CPA and the Ancillary Agreements, for a necessary inducement to United to enter into the CPA and the Ancillary Agreements, and for other good and valuable consideration, the receipt and sufficiency of which Guarantor acknowledges, Guarantor, fully aware that United in relying hereupon, fully covenants and agrees for the benefit of United as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Certain Definitions. Any terms not defined herein shall have the definition given such term in the CPA. As used in this Guarantee, the following terms have the following meanings:

"Beneficiaries" has the meaning given to that term in Section 3.07.

"Contractor" has the meaning given to that term in the Recitals.

"CPA" has the meaning given to that term in the Recitals.

"Default Interest" has the meaning given to that term in Section 3.06.

"Documents" has the meaning given to that term in Section 2.02(a).

"Effective Date" has the meaning given to that term in the preamble.

"Enforcement Expenses" has the meaning given to that term in Section 3.06.

"Guarantee" has the meaning given to that term in the preamble.

"Guarantor" has the meaning given to that term in the preamble.

"United" has the meaning given to that term in the preamble.

Section 1.02 Other Definitions. Other terms defined in this Guarantee have the meanings so given them. Capitalized terms used but not defined herein shall the same meaning herein as in the CPA.

Section 1.03 Terminology. Unless the context of this Guarantee clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations, partnerships, limited liability companies and entities of every kind and character, (b) the singular shall include the plural wherever and as often as may be appropriate, (c) the word "includes" or "including" shall mean "including without limitation", and (d) the words "hereof", "herein", "hereunder", and similar terms in this Guarantee shall refer to this Guarantee as a whole and not any particular section or article in which such words appear. The section, article, and other headings in this Guarantee are for reference purposes and shall not control or affect the construction of this Guarantee or the interpretation hereof in any respect. Article, section, subsection, and exhibit references are to this Guarantee unless otherwise specified. All exhibits attached to this Guarantee constitute a part of this Guarantee and are incorporated herein. All references to a specific time of day in this Guarantee shall be based upon Central Standard Time or Central Daylight Time, whichever is applicable.

ARTICLE II
GUARANTEE

Section 2.01 Guarantee of Obligations. Guarantor unconditionally, absolutely and irrevocably guarantees unto the Beneficiaries the timely payment and performance by Contractor of all of its obligations under the CPA and the Ancillary Agreements, including without limitation the obligation to provide Regional Airlines Services, and to make all indemnification payments and reconciliation payments that Contractor is required to make pursuant to the CPA and the Ancillary Agreements.

Section 2.02 Guarantee Absolute. This Guarantee is absolute, continuing and independent of, and in addition to, any and all rights and remedies United may have under the CPA or any Ancillary Agreement and any other guaranties or documents now or hereafter given in connection therewith by Guarantor or others. Without limiting any of the provisions of this Guarantee or the CPA, including without limitation, Section 5.2 thereof, it is acknowledged that Guarantor is not currently a certificated airline and that therefore Guarantor may be required to cause its obligations hereunder to be performed rather than performing them directly. Except as otherwise expressly herein provided, the enforceability of Guarantor's obligations hereunder in accordance with the terms hereof shall not in any way be discharged, impaired or otherwise affected by:

(a) Any change in the time, manner or place of payment of amounts due under the CPA or any Ancillary Agreement, or any other change or modification in or of any terms, provisions, covenants or conditions of any or all of them;

(b) The entering into, or the modification or amendment in or of, any lease or sublease of any aircraft or engine, any contract or arrangement for the maintenance or refurbishment of any aircraft or engine, any contract or arrangement for the provision of ground handling services, any lease, sublease or other agreement relating to the use of any terminal or non-terminal airport facility, or any loan agreement, note, deed of trust, assignment, contract or other document or agreement entered into by Contractor or Guarantor relating to the provision of Contractor Services (together with the CPA and the Ancillary Agreements, the "Documents");

(c) Any lack of validity or enforceability of any of the Documents;

(d) Any release or amendment or waiver of or consent to the modification of any other guarantee of payment or performance of all or any obligations under the CPA or any Ancillary Agreement, or any sale or transfer by Contractor of any of its interest in the CPA or any Ancillary Agreement (without implying that Contractor has consented or will consent to any such sale or transfer);

(e) Any sale or transfer by Guarantor of any of its interest in Contractor (without implying that Guarantor has consented or will consent to any such sale or transfer);

(f) Any release or waiver of or delay in the enforcement of rights against Contractor, Guarantor or any other person or entity under any of the Documents or against any security thereunder;

(g) The exercise by United of any of its rights or remedies under any one or more of the Documents; or

(h) Any other circumstance which might otherwise constitute a defense available to, or discharge of, Guarantor.

Section 2.03 Guarantee of Payment. This Guarantee is a guarantee of payment and performance and not merely a guarantee of collection, and Guarantor's liabilities and obligations under this Guarantee are and shall at all times continue to be absolute, irrevocable and unconditional in all respects in accordance with the terms of this Guarantee, and shall at all times be valid and enforceable without set off, deduction or counterclaim irrespective of any other agreements or circumstances of any nature whatsoever which might otherwise constitute a defense to this Guarantee or the obligations of Guarantor under this Guarantee.

Section 2.04 Financial Statements. Not later than ninety (90) days following the end of each calendar year, Guarantor shall deliver to United a copy of Guarantor's audited consolidated financial statements for such calendar year, certified by Guarantor as being true, correct and complete, together with a report thereon of Guarantor's independent auditors; *provided*, that Guarantor shall not be required to deliver financial statements pursuant to this sentence if it is a reporting issuer pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, and such financial statements are timely filed with the Securities and Exchange Commission pursuant thereto.

Section 2.05 Representations. Guarantor represents, warrants and covenants that:

(a) All financial statements heretofore delivered to United with respect to Guarantor are, and all financial statements hereafter delivered to United by Guarantor will be, true and correct in all material respects and fair presentations of Guarantor as of the respective dates thereof;

(b) No material adverse change has occurred in the financial condition of Guarantor since December 31, 2018;

(c) Guarantor is a duly organized and validly existing corporation in good standing under the laws of the State of Nevada. Guarantor has the corporate power and authority

to enter into and perform its obligations under this Guarantee. Guarantor is duly qualified to do business as a foreign corporation under the laws of each jurisdiction that requires such qualification;

(d) This Guarantee has been duly executed and delivered by Guarantor and constitutes the legal, valid and binding obligation of Guarantor, fully enforceable against Guarantor in accordance with the terms hereof except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors and subject to the principles of equity;

(e) Neither the execution or delivery of this Agreement nor the performance by Guarantor of the transactions contemplated hereby will (i) violate, conflict with, or constitute a default under any of the terms of Guarantor's certificate of incorporation, by-laws, or any provision of, or result in the acceleration of any obligation under, any material contract, sales commitment, license, purchase order, security agreement, mortgage, note, deed, lien, lease or other agreement to which Guarantor is a party or by which any of them or any of their respective properties or assets may be bound, (ii) result in the creation or imposition of any lien, charge or encumbrance in favor of any third person or entity, (iii) violate any law, statute, judgment, decree, order, rule or regulation of any governmental authority or body, or (iv) constitute any event which, after notice or lapse of time or both, would result in such violation, conflict, default, acceleration or creation or imposition of liens, charges or encumbrances;

(f) No consent of any other person and no consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority, bureau or agency is required in connection with the execution, delivery or performance by Guarantor, the enforceability against Guarantor, or the validity, of this Guarantee;

(g) Guarantor has, independently and with advice of counsel of Guarantor's choice and without reliance upon United, and based upon such documents and information as Guarantor has deemed appropriate, made its own analysis and decision to enter into this Guarantee;

(h) The financial statements (including the related notes and supporting schedules) of Guarantor delivered (or, if filed with the Securities and Exchange Commission, made available) to United immediately prior to the date hereof fairly present in all material respects the consolidated financial position of Guarantor and its results of operations as of the dates and for the periods specified therein. Since the date of the latest of such financial statements, there has been no material adverse change nor any development or event involving a prospective material adverse change with respect to Guarantor. Such financial statements have been prepared in accordance with generally accepted accounting principles in the United States consistently applied throughout the periods involved, except to the extent disclosed therein;

(i) Guarantor is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts and with such deductibles as are customary in the businesses in which it is engaged, and Guarantor has not received notice of cancellation or non-renewal of such insurance. All such insurance is outstanding and duly in force on the date hereof. Guarantor has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a material adverse effect on Guarantor;

(j) No litigation, arbitration, investigation or administrative proceeding of or before any court, arbitrator or governmental authority, bureau or agency is currently pending or, to the knowledge of Guarantor, threatened: (i) with respect to this Guarantee or any of the transactions contemplated by this Guarantee; (ii) with respect to the CPA or any Ancillary Agreement or any of the transactions contemplated thereby; or (iii) against or affecting Guarantor, or any of its property or assets, which, if adversely determined, would have a material adverse effect on the ability of Guarantor to perform its obligations hereunder; and

(k) Guarantor has filed or caused to be filed all tax returns required to be filed, and has paid all taxes due on said returns or on any assessments made against Guarantor, which if not filed or not paid would have a material adverse effect on the business, operations, assets or condition, financial or otherwise, of Guarantor (other than those being contested in good faith by appropriate proceedings for which adequate reserves have been provided for in accordance with generally accepted accounting principles).

Without limiting the other remedies of the Beneficiaries as a result of a breach of any of the foregoing representations and warranties, Guarantor hereby agrees to indemnify the Beneficiaries, their Affiliates and their respective officers, directors, partners, members, employees and agents, and hold them harmless from and against any and all losses, claims, damages, liabilities, expenses (including without limitation reasonably legal fees and expenses), judgments, fines and settlements any of them may incur as a result of any material breach of any representation or warranty contained herein.

Section 2.06 Reinstatement. This Guarantee shall continue to be effective, or be reinstated (as the case may be) if at any time payment by Contractor or Guarantor of all or any part of any sum payable pursuant to the CPA or any Ancillary Agreement, this Guarantee or the other Documents is rescinded or otherwise must be returned by United upon Contractor's insolvency, bankruptcy or reorganization, all as though such payment had not been made. Until all of the obligations guaranteed hereunder shall have been paid or performed in full, Guarantor shall have no right of subrogation or any other right to enforce any remedy which any of the Beneficiaries now has or may hereafter have against Contractor.

Section 2.07 Self-Help Rights. If Guarantor fails or refuses to perform any or all monetary or non-monetary obligations that are guaranteed hereunder and, in the case of any non-monetary obligations, such failure or refusal continues for twenty (20) days following written notice thereof to Guarantor, then, in addition to any other rights and remedies which any Beneficiary may have hereunder or elsewhere, and not in limitation thereof, any Beneficiary shall have the right (but without any obligation so to do) to take action (including the payment of amounts due to any third party) to satisfy such obligation either before or after the exercise of any right or remedy of United against Contractor or Guarantor. The amounts of any and all expenditures so made by United in satisfaction of such obligation (**INCLUDING ANY SUCH EXPENDITURE ARISING FROM OR IN CONNECTION WITH UNITED'S NEGLIGENCE IN TAKING SUCH ACTION, BUT EXCEPTING ANY SUCH EXPENDITURES TO THE EXTENT PROVEN TO HAVE BEEN CAUSED BY OR ARISING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF UNITED**) shall be immediately due and payable to United by Guarantor.

ARTICLE III
MISCELLANEOUS

Section 3.01 Exhausting Recourse. United shall not be obligated to pursue or exhaust its recourse against Contractor or any other Person or guarantor, or any security it may have for satisfaction of the obligations guarantied hereunder, before being entitled to performance by Guarantor of each and every one of the obligations hereunder. No delay on the part of Beneficiaries in exercising any right or remedy under this Guarantee or failure to exercise the same shall operate as a waiver in whole or in part of any such right or remedy. No notice to or demand on Contractor or failure to give any such notice to or make any such demand on Contractor shall be deemed to be a waiver of the obligations of Guarantor hereunder or of the right of Beneficiaries to take further action without notice or demand as provided in this Guarantee. No course of dealing between Guarantor and Beneficiaries shall change, modify or discharge, in whole or in part, this Guarantee or any of the obligations of Guarantor hereunder.

Section 3.02 Guarantee Remains Effective. This Guarantee shall remain in full force and effect, notwithstanding any invalidity, irregularity, or unenforceability of any one or more of the CPA and the Ancillary Agreements. No release or discharge of Contractor in any receivership, bankruptcy, winding-up or other creditor proceedings shall affect, diminish or otherwise impair or otherwise be a defense to the enforcement of this Guarantee by the Beneficiaries. The liability of Guarantor shall not be affected by United causing work necessary for the provision of Contractor Services to be done, or by United's pursuing any other remedies provided for in the Documents.

Section 3.03 No Conditions. This Guarantee has been delivered free of any conditions and, except as otherwise expressly set forth herein, no representations have been made to Guarantor affecting or limiting the liability of Guarantor hereunder except as expressly provided herein.

Section 3.04 No Bar or Defense; Waiver of Defenses. No action or proceeding brought or instituted under this Guarantee and no recovery in pursuance thereof shall be a bar or defense to any further action or proceeding which may be brought under this Guarantee by reason of any further default or defaults hereunder or in the performance and observance of the terms, covenants, conditions, and provisions in the Documents.

Guarantor hereby waives all suretyship defenses and defenses in the nature thereof. Guarantor hereby further waives presentment, protest, notice, demand, or action or delinquency in respect to any obligation hereby guarantied except as expressly provided herein. Guarantor waives acceptance of this Guarantee. **Without limiting the generality of the foregoing, Guarantor specifically waives any requirements imposed by or to which Guarantor may otherwise be entitled by virtue of the suretyship laws of the State of Illinois or any other relevant state of the United States.**

Section 3.05 Liability Independent. The liability of Guarantor hereunder is independent of any other bonds or guaranties or other obligations at any time in effect with respect to the Documents and may be enforced regardless of the existence, validity, enforcement or non-enforcement of any such other guaranties or other obligations.

Section 3.06 Expenses. Guarantor shall pay all costs, fees and expenses (including reasonable attorneys' fees) incurred by United in enforcing this Guarantee, *provided* that United prevails in such enforcement (the "Enforcement Expenses"). Any and all amounts due and owing by Guarantor to United hereunder that are not paid in full to United within ten (10) days following the earlier of the due date or demand therefor shall bear interest from the date such amounts were due hereunder until paid in full at the highest contract rate of interest permitted by applicable law (the "Default Interest").

Section 3.07 Binding Effect. Neither this Guarantee nor any provisions hereof may be amended, modified, waived, discharged, or terminated orally, except by an instrument in writing duly signed by or on behalf of the party against whom enforcement of such amendment, modification, waiver, discharge or termination is sought. This Guarantee shall inure to the benefit of United and its successors and assigns (collectively, the "Beneficiaries"), and shall be binding upon Guarantor and its successors and assigns; *provided, however*, that Guarantor shall in no event have the right to assign or transfer Guarantor's obligations and liabilities under this Guarantee in whole or part and any such attempted assignment or transfer without the prior written consent of United shall be null and void and of no force or effect. This Guarantee is intended to be for the benefit of, and shall be enforceable by, only the Beneficiaries and not by any third parties (including creditors of the Beneficiaries).

Section 3.08 Entire Agreement. This Guarantee, together with the CPA and the Ancillary Agreements, to the extent references are made thereto in this Guarantee, contain the undersigned's sole and entire understanding and agreement with respect to its entire subject matter, and all prior negotiations, discussions, commitments, representations, agreements and understandings heretofore had between United and Guarantor with respect thereto are merged herein.

Section 3.09 Governing Law. This instrument shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 3.10 Reliance. Guarantor acknowledges that United will rely upon this Guarantee in entering into the CPA and the Ancillary Agreements.

Section 3.11 Notices. All notices made pursuant to this Guarantee shall be in writing and shall be deemed given upon (a) a transmitter's confirmation of a receipt of a facsimile transmission (but only if followed by confirmed delivery by a standard overnight courier the following business day or if delivered by hand the following business day), (b) confirmed delivery by a standard overnight courier or delivered by hand or (c) e-mail delivery, provided that, in the case of any such notice or communication transmitted by e-mail delivery, such notice or communication shall not be in compliance with this Section 3.11 unless such e-mail (i) includes in its subject line the following: "United Guarantee – Important Notice" and (ii) the sender of such email has received a reply which both has not been automatically generated and includes explicit acknowledgement of the e-mail received, to the parties at the following addresses:

If directed to Guarantor, addressed to:

Mesa Air Group, Inc.
410 N. 44th Street
Suite 700
Phoenix, AZ 85008
Attention: President (with a copy to General Counsel)
Facsimile No.: (602) 685-4350
E-mail:michael.lotz@mesa-air.com, brad.rich@mesa-air.com, brian.gillman@mesa-air.com

If directed to United, addressed to:

United Airlines, Inc.
[***]

with a copy to:

United Airlines, Inc.
[***]

or to such other address as last designated by a party by notice in writing to the other party hereto.

Section 3.12 Waiver of Jury Trial. Guarantor and United each hereby knowingly, voluntarily and intentionally waive the right to a trial by jury in respect of any litigation based hereon, arising out of, under or in connection with this Guarantee. This waiver is a material inducement for Guarantor to deliver and United to accept this Guarantee.

Section 3.13 Drafting of Guarantee. Guarantor represents and warrants that (i) it was represented by counsel of its choice, who has reviewed this Guarantee and advised it of the contents and meaning; (ii) it is signing this Guarantee voluntarily and with full understanding of its contents and meaning; (iii) it waives any claim or defense that this Guarantee should be construed more strictly against the other party as the drafter thereof.

Section 3.14 Severability. If any provision of this Guarantee or its application to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Guarantee and the application of that provision to other Persons or circumstances is not affected in that provision shall be enforced to the greatest extent permitted by law.

Section 3.15 Further Assurances. In connection with this Guarantee and the transactions contemplated by it, Guarantor shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Guarantee and those transactions.

Section 3.16 Multiple Counterparts. This Guarantee may be executed in any number of counterparts and with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

EXECUTED as of the Effective Date.

GUARANTOR:

Mesa Air Group, Inc.

By: _____
Name: _____
Title: _____

EXHIBIT L

Letter of Agreement

[***]

EXHIBIT M

Career Path Program for Pilots

United and Contract each agree to the following:

1. United and Contractor agree that it is mutually advantageous to establish a program for the recruitment and mentoring of qualified pilot candidates aimed at creating a pipeline of well-trained industry professionals to serve a continuing need for pilots at Contractor and United.

2. Contractor agrees to establish the United Career Path Program (also referred to herein below as, the "**Program**") at its own expense for pilots who have an interest in potentially pursuing a career with United following employment with Contractor. Contractor will place pilots into its Program who have successfully demonstrated or achieved eligibility criteria approved by United (each, a "**Program Participant**"), as follows:

    a. Pilot is employed by Contractor;

    b. High school diploma or GED equivalent;

    c. A pilot will be ineligible for hire at United until he/she has obtained a Bachelor's degree from an accredited institution, or otherwise has credentials established by United in its sole discretion and applicable to United new hires

    d. A training performance record acceptable to United in its sole discretion, as further described in the policy and procedures manual referenced in Section 7 hereof;

    e. A dependability record acceptable to United in its sole discretion, as further described in the policy and procedures manual referenced in Section 7 hereof;

    f. A disciplinary record acceptable to United in its sole discretion, as further described in the policy and procedures manual referenced in Section 7 hereof;

    g. Completion of at least twelve months active service as a pilot with Contractor flying in exclusive service for United;

    h. Hogan Personality Inventory (HPI) score acceptable to United in its sole discretion, as further described in the policy and procedures manual referenced in Section 7 hereof;

    i. Contractor shall ensure that all Program applicants have signed a release as described in the policy and procedures manual referenced in Section 7 hereof prior to acceptance into the Program permitting United access to all information requested by United (including work records) on file with Contractor that are relevant to criteria set forth in this paragraph;

j. A successful structured interview (as determined by United in its sole discretion) conducted by a representative of United Airlines or its designee; and

k. Pilot is appropriately certified and trained to operate the Contractor's aircraft;

For a new pilot at Contractor who may elect to participate in the Program, the structured interview and the HPI will be conducted as part of Contractor's recruiting process. For existing pilot employees of Contractor who seek to participate in the Program, the structured interview and HPI will be conducted at such time as such employees meet the other requirements set forth above. For the period beginning as of the Effective Date of this Agreement to and including the term of Contractor's Capacity Purchase Agreement (CPA) with United, Program Participants shall only fly aircraft in United Express service.

3. Participants will participate in any professional development activities mutually agreed between United and Contractor, At United's option, Program Participants may also interact with a United mentor pilot.

4. When United is actively hiring new pilots, and subject to the limitations set forth in this Section 4 and in Section 6 below, United will make an offer of employment with United to a Program Participant conditioned upon such Program Participant successfully meeting the following criteria:

Minimum flight hours in service to Contractor	Minimum flight training completed by Contractor
[***] hours Pilot-in-Command or [***] hours total time	One initial qualification evaluation and one continuing qualification evaluation

b. Continued compliance with the requirements included in the Program eligibility criteria described in Section 2a, 2c, 2d and 2e above;

c. Completion of required professional development activities identified in Section 3 above (if any);

d. Meets United new hire pilot minimum qualifications, and

e. Satisfactory completion of other customary United pre-employment screening requirements, including, but not limited to, background investigation and drug screening test, but not to include another structured interview with United.

5. Contractor shall provide United any information requested by United, including work records, associated with the service or work history of any Program applicant or Program Participant and Contractor will certify in writing that such information is accurate and complete.

6. Notwithstanding anything to the contrary in this agreement, pilot participation in the Program and the hiring of any Program Participants by United pursuant to the Program described herein, shall be subject to all of the following additional limitations:

    a. The number of pilots placed into the Program is at Contractor's discretion; *provided* that for the period beginning as of the Effective Date of this Agreement to and including the term of Contractor's CPA with United, unless otherwise approved by United, all of Contractor's pilots meeting the qualifications set forth herein shall be offered the option to be placed into the Program.

    b. It is expressly agreed and acknowledged that any hiring of Program Participants by United pursuant to the Program described herein is subject to the availability of slots in United's scheduled basic indoctrination classes for pilots that are allocated to Contractor's Program. The number of United pilot positions offered by United in any calendar year shall be determined by United but shall not be less than the Minimum Number of Positions for such year as set forth in the following subparagraph; *provided* that, notwithstanding anything herein to the contrary, during any period that any Labor Strike, labor slowdown or other similar action involving Contractor's pilots is occurring, then United shall not be required to make any offers of employment to any Program Participants.

    c. The number of United pilot positions offered by United in any calendar year shall not be less than the following:

        i. [***] positions in 2018,

        ii. [***] of the number of United positions available for such year in 2019 and each year thereafter in the Term (each such number of United pilot positions represented by the foregoing clauses (i) and (ii), a "**Minimum Number of Positions**");

    provided that if the number of candidates meeting all of the criteria in Section 4 above in a particular calendar year is less than the Minimum Number of Positions as set forth in the foregoing clause (i) or (ii), as applicable, then the Minimum Number of Positions for such year shall be reduced on a [***] basis to the extent of such shortfall.

    d. No more than [***] of Contractor's pilots will be eligible to be offered employment at United pursuant to the terms of the Program in any calendar year unless Contactor and United consent in writing to a greater percentage of pilots becoming eligible for employment at United during such year. United's hiring of any pilot of Contractor that applies for employment with United separately and

independent of such pilot's participation in the Program shall not count toward the satisfaction of, nor be subject to, the cap in the immediate preceding sentence.

e. United and Contractor agree that it is in both their respective interests that the hiring of Contractor's pilots by United under this program not adversely affect Contractor's operational needs and requirements. Thus, notwithstanding anything in subparagraphs (c) and (d) above, if after review of Contractor's operational performance with Contractor, United in its sole judgment may reduce the number of United pilot positions it offers to Contractor's pilots in a particular calendar year, and/or delay the offer(s) of employment United would otherwise make to Contractor's pilots.

f. Any Program Participant may irrevocably elect to withdraw from the Program at any time.

7. United and Contractor will work together cooperatively in the development of a policy and procedure manual detailing how the Program will be implemented in their respective operations in a manner that reflects the objectives outlined in this agreement,

8. United reserves the right at any time to (a) modify any of United's requirements for the Program, and/or (b) discontinue the Program, in each case upon thirty (30) days prior written notice to Contractor; provided further, that, if United requires Contractor to modify or discontinue the Program during the Term, the Program shall continue only for any then-enrolled Program Participants who have met the requirements set forth in Section 4 hereof; provided further, that, if during the Term, there occurs any Labor Strike, labor slowdown or other similar action involving Contractor's pilots, then United may at any time thereafter elect to require Contractor to discontinue the Program or to modify United's requirements for the Program, in each ease effective immediately upon written notice to Contractor and in such event, United shall have no further obligations under the Program and this agreement.

9. Nothing in this agreement or the development or implementation of the Program shall operate or be construed to create a joint employment relationship or excuse any of Contractor's obligations to its employees. Contractor shall remain solely responsible for the hiring, training, advancement, direction and control of its employees and solely liable for all compensation, benefits or other payments due such employees. Employees of Contractor who participate in the Program remain employees of Contractor for all purposes and under no circumstances will be deemed to be employees of United. Notwithstanding the fact that Contractor has agreed to follow certain requirements of United in the development and implementation of the Program, United will have no supervisory power or control over any employees of Contractor in connection with their participation in the Program or otherwise, nor will United have any responsibility or decision making authority with respect to Contractor's pilot hiring or training.

10. Notwithstanding anything in this agreement to the contrary, this agreement is made by and solely for the benefit of United and Contractor only. Accordingly, the parties do not intend to create any third-party beneficiaries hereby, and none of the rights hereunder may be assigned in whole or in part, and no person other than the Contractor under the Agreement shall have any right to enforce United's obligations under the Program.

11. Contractor shall defend, indemnify and hold harmless United, its directors, officers and employees from and against any and all (i) claims arising from or relating to Contractor's adoption or use of United's hiring procedures, instructions or standards in the hiring or provision of Contractor's crews necessary to operate the Scheduled Flights, (ii) claims alleging that United is the employer of any employees, agents or independent contractors engaged by Contractor in connection with the Regional Airline Services or any other claims of joint employer, (iii) claims arising from or relating to Contractor's employment of any Program Participant or the participation of any such individuals in the Program, and/or (iv) claims or charges of adverse employment brought by any employee of Contractor or Program Participant in the Program.

12. For so long as the Program is continuing, Contractor will not

    a. implement or sponsor its pilots' participation in any career path or development programs for any carrier with whom Contractor does not have a Major Regional Flying Agreement as of the date the other carrier's program commences, or

    b. place Program Participants in the Program into any career path or development programs of any other carrier unless such Program Participants irrevocably withdraw from the Program.

    For purposes of this paragraph, but without limiting any rights in favor of United under agreements related to Contractor's flying for United, a "Major Regional Flying Agreement" shall be defined as an agreement between Contractor and another carrier under which Contractor agrees to operate on behalf of such carrier on average no less than [***] aircraft per day in commercial scheduled passenger or cargo service.

    Notwithstanding the foregoing, but without limiting any rights in favor of United under agreements related to Contractor's flying for United, nothing contained herein shall limit Contractor's ability to place pilots employed by Contractor that do not participate in the Program into similar programs offered by carriers that do not have a major regional flying agreement with Contractor ("Other Programs") as long as the total number of pilots participating in the Other Programs, when aggregated, do not exceed [***] percent [***] annually of Contractor's pilots.

13. The Program shall continue in effect until the expiration or termination of the Agreement and in such event, United shall have no further obligations under the Program and this agreement.

EXHIBIT N

SAFETY STANDARDS FOR UNITED AND UNITED EXPRESS CARRIERS

Contractor agrees and, as applicable, represents and warrants, to each of the following:

1. Contractor is in compliance with, has obtained the applicable air carrier approvals with respect to, and shall remain in compliance throughout the Term of this Agreement, with the U.S. Department of Defense (DoD) Quality and Safety Requirements (including without limitation 32 CFR Part 861 and any other applicable governmental quality or safety requirement), and will maintain approval and continue to comply with all applicable Federal Aviation Regulations (F.A.R.). In the event any change to such compliance or status occurs at any time during the Term, Contractor shall notify United immediately of both (x) any such change and (y) the corrective actions taken by Contractor or a correction action plan.
2. Any non-compliance with any safety requirements or corrective action plans shall be grounds for partial or complete suspension or termination by United, without further liability, of this Agreement or any of the terms or conditions of this Agreement; but, with reservation of all other rights and remedies available to United.
3. Additional safety reviews and audits may be required at United's discretion and Contractor shall cooperate with all such reviews and audits.
4. Contractor shall perform all operations in accordance with United Airlines Policies and Procedures and Regional Ground Operations Manual (RGOM).
5. In all facets of United Express Carrier operations, SAFETY shall be Contractor's #1 priority. Contractor shall ensure all personnel maintain this same standard during the course of performing their duties.
6. In addition, Contractor agrees to implement or maintain, as applicable, the following:
    a. Mutual support of one another in implementing these standards by sharing safety data, information and expertise.
    b. Quality maintenance and operations training programs
    c. A carrier internal evaluation program to monitor all operational divisions to include, at a minimum, key safety issues, dangerous goods handling, and training records and qualifications for all personnel.
    d. Quality programs to manage outsourcing of services.
    e. A formalized maintenance quality assurance program to monitor all maintenance and maintenance support activities including but not limited to maintenance practices, required inspection items and technical document control.
    f. Implementation of a program to rectify FAA inspection findings.
    g. Presence of a voluntary self-disclosure reporting program.
    h. Formal process to routinely bring safety and compliance issues to the attention of carrier's senior management.

i. Anonymous and non-punitive safety hazard reporting system.

j. A Senior Management policy statement supporting open safety reporting by employees.

k. Director of Safety, reporting to the highest levels of management, overseeing the carrier's safety programs.

l. Process for managing corrective actions from FAA and internal audit program as well as employee disclosure.

m. Ongoing flight safety education/feedback program.

n. Ground safety program in airport operating areas.

o. Incident investigation process that includes accountability, recommendations and corrective actions taken.

p. Establishment and maintenance of emergency response procedures and manual.

q. Participation in UAL/industry safety information exchange forum.

r. Compliance with the safety standards set forth by the International Air Transport Authority (IATA) Operational Safety Audit (IOSA) and shall not be suspended from such IOSA registry.

s. Contractor will pay for any IOSA audit costs, which costs shall not be reimbursable by United.

EXHIBIT O

Form of Assignment Agreement

This Agreement (this "Agreement") is made and entered into, and is to be effective on, this the ____ day of _____ (the "Effective Date"), by _____, a _____ corporation ("Assignor") and _____, a _____ corporation ("Assignee"), [and the _____ ("Airport Lessor")].

W I T N E S S E T H:

WHEREAS, Assignor leases space], designated on Exhibit(s) _____ attached hereto and made a part hereof (together the "Premises"), at _____ at the _____ Airport, _____ (the "Airport") under a certain [Airport Use and Lease Agreement dated _____, (as amended, hereinafter referred to as the "Lease")] between Assignor and the Airport Lessor;

WHEREAS, a copy of the Lease has been provided to Assignee and is incorporated herein by reference;

WHEREAS, Assignee operates at the Airport and from portions of the Premises;

WHEREAS, Assignor desires to assign to Assignee [all] [a portion] of Assignor's remaining right, title and interest in the Lease [insofar (and only insofar) as the Lease pertains to certain leased premises and improvements described on the attached Annex 1], such space herein called the "Assigned Space" and the improvements located within the Assigned Space are herein called the "Assigned Space Improvements". The Assigned Space and Assigned Space Improvements are herein called the "Assigned Premises";

WHEREAS, Assignee desires to accept such assignment from Assignor;

[WHEREAS, such assignment requires the prior written consent of the Airport Lessor];

[WHEREAS, pursuant to the Lease, such assignment does not require the consent of the Airport Lessor (but written notice of such assignment is required to be given to the Airport Lessor)].

NOW, THEREFORE, in consideration of the assignment herein made and of the mutual agreements and covenants hereinafter set forth, the parties hereto agree as follows:

1. DEMISE AND USE

Effective on the Effective Date, Assignor hereby assigns to Assignee all of the interest of the lessee under the Lease [insofar (and only insofar) as the Lease pertains to the Assigned Premises].

2. ACCEPTANCE OF ASSIGNMENT

Assignee accepts the foregoing assignment of the Lease [insofar (and only insofar) as the Lease pertains to the Assigned Premises] and covenants with Assignor, from and after the Effective Date, to pay all rent and other charges provided for in the Lease, as amended and to perform and observe all of the other covenants, conditions and provisions in the Lease, as amended, to be performed or observed by or on the part of Assignor as tenant under the Lease [in respect of the Assigned Premises].

3. WARRANTIES

Assignor hereby warrants and covenants that (i) except for the rights and interests of the Airport Lessor under the Lease, Assignor is now the sole owner of all rights and interests in and to the Assigned Premises, (ii) the Lease[, as it relates to the Assigned Premises,] is in full force and effect, (iii) Assignor has complied with all terms and provisions of the Lease [as it relates to the Assigned Premises] and same is not currently in default and Assignor knows of no condition which with the passage of time or giving of notice might constitute a default under the Lease by any party, and (iv) the Assigned Premises and the Lease [, insofar as it relates to the Assigned Premises,] are free from all liens and encumbrances. A copy of the Lease (and all amendments thereto) are attached as Annex 2.

Subject to the foregoing, Assignee accepts the Assigned Premises and equipment thereon "AS IS" and acknowledges that there is, with respect to the Assigned Premises and equipment thereon, NO WARRANTY, REPRESENTATION, OR CONDITION OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE WARRANTY OF HABITABILITY, MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE, and that none shall be implied by law. Except as stated in this Agreement, Assignee acknowledges that Assignor has made no representations with respect to the Assigned Premises or equipment. Final determination of the suitability of the Assigned Premises or equipment for the use contemplated by Assignee is the sole responsibility of Assignee, and Assignor shall have no responsibility in connection with such suitability.

4. ASSIGNEE TO COMPLY WITH LEASE TERMS

Assignee agrees to perform and observe all of the covenants, conditions and terms of the Lease relating to the period of time from and after the Effective Date [(insofar, but only insofar, as the same related to the Assigned Premises)], and to protect, defend, indemnify and hold harmless Assignor from and against all claims, damages, and expenses of any kind asserted by any person or entity, including the Airport Lessor, arising out of the nonperformance, nonobservance or improper performance or observance of the covenants, conditions or terms of the Lease [(insofar, but only insofar, as the same relates to the Assigned Premises)]. Assignor shall comply with all remaining terms of the Lease, to the extent any non-compliance could adversely affect Assignee rights in or to the Assigned Premises. Assignor agrees to protect, defend, indemnify and hold harmless Assignee from and against all claims, damages, and expenses of any kind asserted by any person or entity, including the Airport Lessor, arising out of the nonperformance, nonobservance or improper performance or observance prior to the Effective Date of the covenants, conditions or terms of the Lease [(insofar, but only insofar as the same relates to or effects the Assigned Premises)]. Nothing herein shall be construed as to obligate Assignee to be responsible in any way for any hazardous material located in, or the environmental condition of, the Assigned Premises as of the Effective Date to the extent not caused by or arising from Assignee's operations.

5. APPROVALS

[This Agreement shall not become effective unless and until the consent of the Airport Lessor is given by execution of consents for the assignments herein made, which consents shall be requested on the standard form for such consents by the lessor as attached hereto as Annex 3. Assignor and Assignee hereby mutually agree to expeditiously take any and all actions, and to cooperate fully with each other, with respect to obtaining any approvals, authorizations, licenses or similar items that may be necessary or desirable in order to carry out the agreements set forth herein or contemplated hereby. The parties hereto agree to request the consent of the Lessor on the consent form attached hereto as Annex 3. The parties agree to make such reasonable changes to such form as may be required by Airport Lessor.]

[Consent by Airport Lessor. Airport Lessor, as evidenced by its execution below, does hereby consent to this Assignment, [releases Assignor from all of its responsibilities and obligations under the Lease that are attributable to the period of time after the Effective Date, and] agrees to look solely to Assignee for performance of all obligations thereafter under the Lease [as it relates to the Assigned Premises].]

[Acknowledgement. Assignor and Airport Lessor hereby represent to Assignee that the Lease is currently in full force and effect, and that they know of no events of default relating to the Lease or the Assigned Premises as of the date hereof.]

6. APPLICABLE LAW

[The laws of the State where the Assigned Premises are located shall be used in interpreting this Agreement and in determining the rights of the parties under it.]

7. SEVERABILITY

If any part of this Agreement is held to be invalid by final judgment of any court of competent jurisdiction, the part held invalid shall be modified to the extent necessary to make it valid or, if necessary, excised, and the remainder of the Agreement shall continue to remain effective.

8. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties with respect to its subject matter and may not be changed in any way, except by a written instrument executed by the parties and, if necessary, approved by the Airport Lessor.

9. SUCCESSORS AND ASSIGNS

The provisions of this Agreement shall be binding on the parties, their successors and assigns.

IN WITNESS WHEREOF, the parties have properly executed this Agreement effective the date first above written.

ATTEST:

_____

[**ASSIGNOR**]

BY: _____

TITLE: _____

DATE:

ATTEST:

_____

[**ASSIGNOR**]

BY: _____

TITLE: _____

DATE:

DATE:

[Consent of Airport Lessor

By: _____
Name:
Title:

Date: _____]

Exhibits to be Attached:

Annex 1 – Description of Assigned Space
Annex 2 – Copy of Lease
Annex 3 – Request for Consent

ANNEX 1
to the Form of Assignment

DESCRIPTION OF ASSIGNED SPACE

Exhibit O-5

ANNEX 2
to the Form of Assignment

COPY OF LEASE

Exhibit O-6

ANNEX 3
to the Form of Assignment

REQUEST FOR CONSENT TO ASSIGNMENT

_____, a _____ corporation ("Assignor") and _____, a _____ corporation ("Assignee") hereby apply to the [_____] (the "Airport Lessor") for its consent to an Assignment attached as Exhibit "A" and dated _____ (the "Effective Date"), for premises described therein (the "Assigned Premises") as required by the [_____ Use and Lease Agreement] (the "Agreement") with _____ for certain premises at _____ Airport. As consideration for the granting of the aforesaid consent and without limitation of any right or remedy of the Airport Lessor as set out in the Agreement, Assignor and Assignee agree with the Airport Lessor as follows:

1. Assignor represents to Assignee that to its knowledge as of the date hereof, the agreement dated _____, by and between the Airport Lessor, as Lessor, and Assignor, as Lessee, is in full force and effect and there are no rental fees in arrears and no notices of termination or default are outstanding.

2. The parties hereto recognize and agree that the cancellation, termination, or expiration of the Agreement shall serve to terminate Assignor's and Assignee's rights and obligations concerning the Assigned Premises.

3. All notices to Assignee (as Lessee) with respect to the Assigned Premises pursuant to the Agreement shall hereinafter be sent to Assignee at the following address:

_____
_____
_____

4. In addition, it is expressly understood and agreed as follows:

(a) That by the granting of this consent to Assignment, the Airport Lessor is not consenting in advance to any future subleases or assignments of the Assigned Premises or any other facilities by [either Assignor or] Assignee.

(b) That no future amendment, modification or alteration to the Assignment shall be or become effective without prior notice to and approval by the Airport Lessor if required by the provisions of the Agreement.

(c) That Airport Lessor, as evidenced by it execution of this consent below, [releases Assignor from all of its responsibilities and obligations under the Agreement that are attributable to the period of time after the Effective Date, and] agrees to look solely to Assignee for performance of all obligations thereafter under the Lease [as it relates to the Assigned Premises].

(d) [That Assignor and Airport Lessor hereby represent to Assignee that the Lease is currently in full force and effect, and that they know of no events of default relating to the Lease or the Assigned Premises as of the date hereof.]

The parties accept the foregoing acknowledgments and agreements and the Airport Lessor hereby consents to the Assignment attached as Exhibit "A". However, the terms of the Agreement and this Request for Consent shall prevail over any conflicting terms or provisions contained in Exhibit "A" hereto.

FOR THE AIRPORT LESSOR: FOR [ASSIGNOR]:
APPROVED APPROVED

_____ _____
Name: Name:

Title: Director, Department of Aviation Title:_____

Date:_____ Date:_____

FOR [ASSIGNEE]:
APPROVED

ATTEST/SEAL:

_____ _____
Name: Name:

Title: Corporate Secretary Title:_____

Date:_____ Date:_____

EXHIBIT P

Charter Flight Operations

Subject to the provisions of Section 2.1 establishing, without limitation, that United shall, in its sole discretion, establish all schedules for Charter Flights, including determining the city-pairs served, frequencies, utilization and timing of scheduled arrivals and departures, and shall, in its sole discretion, make all determinations regarding the establishment and scheduling of any Charter Flights, and that Contractor shall operate such Charter Flights pursuant to the terms of the Agreement, each of Contractor and United agrees to the following:

1. United agrees to schedule Charter Flights using only aircraft that are available to schedule, including Remain Over Night ("RON") aircraft that are not otherwise in maintenance.

2. Charter Flights shall be performed at the rates as set forth on Schedules 2A and 2B.

3. Contractor agrees to have its System Operations Control ("SOC") employees work directly with United to successfully operate Charter Flights.

4. Contractor's SOC will ensure Charter Briefings provided by Unitedare distributed to and reviewed by its crews before the operation of any Charter Flight.

5. Contractor agrees to provide United's Charter Operations Planner aircraft routing and assigned crew information (including contact information for the crew) seventy-two (72) hours before the start of any Charter Flight.

6. Contractor agrees to withhold Charter Flights from its normal monthly crew bid, in order to minimize re-crewing costs in the event that United should need to alter the schedule of a Charter Flight or cancel the Charter Flight altogether.

7. Contractor's SOC will remain in constant contact with United's Charter Operations Planners while conducting any Charter Flight on behalf of United, advising them of weather, maintenance issues, and other factors that could impact, delay, or cause the cancellation of any Charter Flight.

8. United personnel will be the sole contact with the charterer and will advise the customer of any delay or cancellation to a Charter Flight.

9. Contractor will provide Operations Engineering support capable of providing Charter Flight approval for new airports and routes within seventy-two (72) hours of the initial request from United.

10. Contractor agrees to provide, to the extent allowed by its existing labor agreements, a charter-trained subset of flight attendants at each base to be used on Charter Flights operated on behalf of United.

11. United agrees to train the above described charter-trained subset of flight attendants—at its own expense—on the special requirements of working a Charter Flight.

12. To the extent allowed by its existing labor agreements, Contractor agrees to allow United, based upon Customer Satisfaction scores, to select specific flight attendants to fly specific Charter Flights. Nothing in this provision shall operate or be construed to limit Contractor's responsibility for the acts or omissions of Contractor's employees, independent contractors or agents, or be construed as joint employment, or excuse any of Contractor's obligations under Section 4.1(a) herein or under any other provision of this Agreement.

EXHIBIT Q

Ground Handler Indemnity

Unless superseded by another agreement between a United Ground Handler (as defined below) and Contractor, the following provisions shall apply with respect to the actions of United or any of United's affiliates, in each case only to the extent that such person is acting directly in the capacity as a ground handler (a "United Ground Handler") for Contractor pursuant to this Agreement.

1. *Indemnification*. The United Ground Handler (the "Indemnitor"), on the one hand, shall indemnify, defend and hold harmless Contractor and its directors, officers and employees, on the other hand, (the "Indemnitees"), from and against any and all liabilities incurred by Indemnitee arising out of physical loss of or damage to the Covered Aircraft (hereinafter, a "Claim") resulting from the negligence of the Indemnitor in providing ground handling services to Indemnitees, except to the extent caused by the negligence or willful misconduct of any Indemnitee; *provided* that the Indemnitor's liability pursuant to this Exhibit Q with respect to any such Claim shall not exceed [***] in the aggregate; *provided further*, that the Indemnitor shall not indemnify Indemnitee for any individual Claim in an amount less than [***].

2. *Exclusion of Consequential Damages*. THE INDEMNITOR SHALL NOT BE LIABLE TO ANY PERSON PURSUANT TO THIS EXHIBIT Q FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF REVENUE OR LOST PROFITS, EVEN IF THE INDEMNITOR HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND EACH INDEMNITEE HEREBY RELEASES AND WAIVES ANY CLAIMS AGAINST THE INDEMNITOR REGARDING SUCH DAMAGES.

3. *Prompt Notification*. Any Indemnitee seeking indemnification hereunder shall give prompt and timely notification to the Indemnitor of any such claim, fine, penalty, action or proceeding, and allow the Indemnitor the right to compromise or participate in the defense of same.

*Certain confidential information contained in this agreement has been omitted because it (i) is not material and (ii) would be competitively harmful if publicly disclosed.

EXHIBIT R

CRJ Lease Return Conditions

Attachment A
to Schedule I

RETURN OF THE AIRCRAFT

(a) General. At the time of such return, (i) the Aircraft shall be registered under the laws of the United States with the FAA in the name of Lessor or its designee unless such registration is prohibited by reason of the failure of Lessor, the Owner Participant or Lessor's designee to be eligible on such date to own an' aircraft registered with the FAA and (ii) the Airframe will be fully equipped with the Engines installed thereon.

At the lime of such return, such Airframe and Engines:

(A) shall have a valid certificate of airworthiness issued by the FAA and be eligible for operation under Part 121 or any successor regulation;

(B) shall be free and clear of all Liens (other than Lessor Liens (including for this purpose Liens that would be Lessor Liens but for the proviso to the definition of Lessor Liens));

(C) shall be in a regular passenger configuration used by Lessee and in as good condition as when originally delivered to Lessee, ordinary wear and tear excepted, and otherwise in the condition required to be maintained under Lessee's FAA-approved maintenance program;

(D) shall have all of Lessee's exterior insignia painted over or removed in a good and workmanlike manner (and any repainted or stripped down areas shall match the existing exterior colors) and all of

Lessee's interior markings removed in accordance with industry standards;

(E) shall be in a state of cleanliness suitable under Lessee's normal standards for use in its fleet operations and by U.S. commercial airline standards;

(F) shall be maintained by cleaning and treating all mild and moderate corrosion and correcting all severe or exfoliate corrosion in accordance with Lessee's FAA-approved maintenance program. or Manufacturer’s structural repair manual; and

(G) shall be cleared through all applicable customs;

and in all such cases the Aircraft shall not have been discriminated against in its maintenance, use or operation by reason of its leased status,

(b) Airworthiness Directives. All FAA Airworthiness Directives and amendments or charges to the Federal Aviation Regulations applicable to the Airframe, Engines (or Acceptable Alternate Engines) or Parts, as well as all mandatory service bulletins applicable to any of the foregoing, shall have been accomplished by terminating action in compliance with the issuing agency's or the manufacturer's specific instructions, regardless of any waivers that the Lessee may have negotiated with the FAA, as the case may be, to the extent that any such directives, regulations or bulletins have an effective date for terminating compliance (i) prior to the date of return, or (ii) after the date of return but only if Lessee has begun termination action in regard thereto on. other aircraft its Lessee's fleet, and such termination action is accomplished by Lessee concurrently with a particular type of maintenance procedure, and the Aircraft is scheduled (or in the normal course would be scheduled) for such maintenance procedure prior to the date of return and, in all cases, without discrimination against the Aircraft by reason of its leased status,

(c) Scheduled Maintenance. Airframe. At the time of return, the Airframe shall be fresh from a block "C'' check in accordance with the Lessee's then applicable FAA-approved maintenance program.

As used herein, and notwithstanding the then applicable nomenclature, the term "C'' check'' shall be deemed at all times to refer to maintenance procedures of the same type and scope as constitute a "C" check" under the Lessee's FAA-approved maintenance program as in effect on the date hereof.

(d) Engines. At the time of return, the Engines shall meet the following requirements:

(i) each Engine shall have remaining no less than flight hours, until the next on-condition and next scheduled removal for life limited parts (based on Lessee's experience for engine refurbishment during the three (3) immediately preceding years before the date of return):

(ii) the Lessor (or its designated representative) shall perform a complete external visual inspection and internal boroscope of the Engines. The Lessee shall promptly correct, or procure the correction of, any discrepancies found which are beyond the engine manufacturer's maintenance manual in-service limits or which are subject to reduced

interval and/or special inspection in accordance with the engine manufacturer's maintenance manual;

(iii) each Engine shall have a video boroscope inspection performed in accordance with the applicable engine manufacturer's maintenance manual. Boroscope inspection findings shall be within the engine manufacturer's manual limitations. Any component or part found during the boroscope inspection that has a published limitation specified in the applicable engine manufacturer's maintenance manual of less than hours remaining life due to its condition shall be repaired or replaced by the Lessee in accordance with the applicable engine manufacturer's maintenance manual. A ground performance run will be conducted in accordance with the applicable engine manufacturer's maintenance manual to ensure that the Engine has a 20 degree Celsius margin remaining m accordance with paragraph (v). Engine operating parameters, i.e., EGT, oil pressure, oil consumption and vibration, shall be within the engine manufacturer’s maintenance manual limits:

(iv) the Aircraft shall be capable of certificated, full rated performance without limitations throughout the entire operating envelope as defined in the Airplane Flight Manual Performance compliance will be demonstrated at the time of the acceptance flight test by on-wing static inspection and testing of the Engines (including nacelles and accessories) in accordance with the engine manufacturer’s maintenance manual;

(v) each Engine shall have a positive EGT margin at a 20 degrees Celsius outside air temperature at sea level and standard atmospheric pressure condition of no less than 20 degrees Celsius, as calculated per the engine manufacturer’s recommendation at full rated thrust take-off and the Lessor and Lessee agree that the 20 degree positive EGT margin shall be adjusted at the date of the return based on an average of the engine manufacturer’s and lessee’s then Engine Trend Monitoring data to support a remaining on-wing life of flight hours for an assumed operation of 1 hour to 1 cycle; and

(vi) each installed Engine shall have no single life limited part with less than cycles life remaining in accordance with the engine manufacturer's maintenance manual, Chapter 5 total approved lives.

In respect of Engines, for each life limited part, the Lessor and Lessee shall agree as follows:

At the date of return, for each life limited part with cycles since new in excess of of the manufacturer's total approved life, Lessee shall pay an amount to Lessor calculated as follows:

(A/B) x C where

A = part cycles since new minus of manufacturer's total approved life

B = of manufacturer's total approved life

C = the then current manufacturer's price to Mesa for a new replacement of that part

In respect of installed Engines, for Engine refurbishment, the Lessor and Lessee shall agree as follows, assuming Lessee's hour to cycle ratio is 1 to 1:

At the date of return, for each Engine with. flight hours since last core performance restoration in excess of of the Lessee's 12 month rolling average shop visit rate x hours), the Lessee shall pay an amount to the Lessor calculated as follows;

(E-F) x G where

E = Engine flight hours since last core performance restoration

P = of the Lessee's 12 month rolling average shop visit rate x hours

G = $X, the core performance restoration supplemental rent per Engine flight hour based on Lessee's cost for engine refurbishment during the three (3) immediately preceding years before the date of return.

(e) Return of the Engines. In the event that an Acceptable Alternate Engine shall be delivered with the returned Airframe, Lessee, concurrently with such delivery, will, at no cost to Lessor, furnish, or cause to be furnished, to Lessor a full warranty (as to title) bill of sale with respect to each such Acceptable Alternate Engine, in form and substance reasonably satisfactory to Lessor (together with an opinion of counsel (which may be an employee of Lessee or Guarantor)) to the effect that such full warranty bill of sale has been duly authorized and delivered, and is enforceable in accordance with its terms and that such Acceptable Alternative Engines are free and clear of all Liens other than Lessor Liens (including for this purpose Liens that would be Lessor Liens but for the proviso to the definition of Lessor Liens), against receipt from Lessor of a bill of sale evidencing the transfer, without recourse or warranty (except as to the absence of Lessor Liens (including for this purpose Liens that would be Lessor Liens but for the proviso to the definition of Lessor Liens)) by Lessor to Lessee or its designee of all of Lessor's right, title and interest in and to any Engine not installed on the Airframe at the time of the return of the Airframe.

(f) Structural Inspection Tasks. Along with the "C" check the Airframe shall have accomplished all structural tasks due through the next scheduled "C" check thereafter.

(g) Landing Gear Life. The main gear and the nose landing gear shall have at least of the landings remaining or landings, whichever is less, since its last removal and overhaul or original installation for the main gear and the nose landing gear in the Lessee's FAA-approved maintenance program.

(h) Tires and Brakes. 'The tires and brakes shall have remaining or more of the full service life.

(i) Condition of .Controlled Components. Aircraft and engine hour and/or cycle controlled components at time of return to Lessor shall have remaining, as a minimum one half life and/or of the manufacturer's recommended overhaul interval in hours or cycles, whichever is applicable, before any scheduled removals for overhaul, test or disassembly. All components controlled on a calendar basis shall have remaining at least half-time before scheduled removal for testing or overhaul, Such hour/cycle or calendar controlled components are defined as those components controlled under Lessee's FAA-approved maintenance program.

(j) Deferred Maintenance. There shall be no open, outstanding or deferred maintenance items, scheduled or unscheduled, against the Aircraft.

(k) Manuals. Upon the return of the Aircraft upon any termination of this Lease in accordance with paragraph (a) of Section 5 of the Lease, Lessee shall deliver or cause to be delivered to Lessor all current logs, manuals and data and maintenance, inspection, modification and overhaul records and similar records and similar records incorporating the latest revisions required to he maintained with respect to the Aircraft and Parts under FAA rules under Part 121, the Lessee's FAA - approved maintenance program and all other applicable laws and applicable rules and regulations of each country under the laws of which the Aircraft has been registered during the period of operation thereof, which logs, manuals, records and other data shall be in the English language or accompanied by an English translation thereof. If any such logs, manuals, .records or other data are missing, incomplete or otherwise not in accordance with PAA standards applicable to Lessee, Lessee shall reaccomplish the maintenance tasks under Part 121 necessary to produce such records in accordance with its FAA-approved maintenance program prior to return of the Aircraft or otherwise perform all necessary acts (without regard to any applicable waivers or deferrals) to obtain such records in a manner satisfactory to the FAA.

(l) Storage Upon Return. If, at least 15 days prior to expiration of the Lease at the end of the Basic Term or any Renewal Term) or prior to a termination pursuant to Section 9(b) or Section 15 of the lease, Lessee receives from Lessor a written request for storage of the Aircraft upon its return hereunder, Lessee will provide Lessor, or cause Lessor to be provided, with storage facilities for the Aircraft (x) at Lessee's risk and expense for a period not exceeding 30 days, and (y) thereafter at Lessor's risk and at Lessor's cost for insurance, maintenance and Lessee's out-of-pocket expenses plus a reasonable parking fee for such storage for a period not exceeding 60 days commencing on the date of such expiration or termination; in the case of each of (x) and (y), at Lessee's facility at Phoenix, Arizona or at any other location in the continental United States selected by Lessee and used by Lessee as a location for the long-term parking or storage of aircraft; provided that the period set forth in clause (y) may, at Lessor's option, be extended for an additional 60 day period if such storage facilities are available.

(m) Severable Parts. At any time after Lessee has advised Lessor that it has determined not to renew this Lease or purchase the Aircraft, or the Aircraft is otherwise to be returned to Lessor, Lessee shall, at. Lessor's request, advise Lessor of the nature and condition of all severable nonproprietary Parts (other than Parts otherwise required by Section 7 or 8 of the Lease to be maintained on the Aircraft) owned by Lessee which have been used by Lessee during the prior six months and which Lessee has or intends to remove from the Aircraft in accordance with Section 8 of the Leese. lessor may, at its option, upon 30 days notice to Lessee, purchase any or all of such nonproprietary Parts from Lessee upon the expiration of the Term at their fair market value.

(n) Acceptance Flights. Lessee shall provide for acceptance test flights, each not to exceed one (I) hour in duration, as necessary to demonstrate the airworthiness of the Aircraft (including for this purpose Acceptable Alternate Engines to be returned) and the proper functioning. of all systems and components in accordance with the Manufacturer's flight functional procedures. The Lessee shall pay for any costs associated with the first such flight and any subsequent flights to the extent that such initial flight demonstrated material discrepancies, including, but not limited to, costs for fuel, oil, airport fees, insurance, takeoff/landing fees, customs duties and any other costs incurred by the Lessor. Lessee shall permit not more than two (2) Lessor's representatives onboard during any flight tests as direct observers of" the functional tests.

(o) Appraisal. Procedure. Following expiration of the 60-day one period provided for in Section. 14(d) of the Lease, if there remains any dispose between Lessee and Lessor as to compliance with the provisions of Section 5 of the Lease and the parties are unable to agree on the cost necessary to remedy such disputed items, Lessee and Lessor shall submit such dispute to the Appraisal Procedure I (as defined in the Residual Agreement) and Lessee shall pay to Lessor any Adjustment Amount (as defined in the Residual Agreement) determined to be due as a result of such deficiency, if any, as determined by Appraisal Procedure I, without duplication of any amounts otherwise payable under the preceding provisions of this Attachment A.

Attachment A
to Schedule I

RETURN OF THE AIRCRAFT

(a) General. At the time of such return, (i) the Aircraft shall be registered under the laws of the United States with the FAA in the name of Lessor or its designee unless such registration is prohibited by reason of the failure of Lessor, the Owner Participant or Lessor's designee to be eligible on such date to own an aircraft registered with the FAA and (ii) the Airframe will be fully equipped with the Engines installed thereon.

At the time of such return, such Airframe and Engines:

(A) shall have a valid certificate of airworthiness issued by the FAA and be eligible for operation under Part 121 or any successor regulation;

(B) shall be free and clear of all Liens (other than Lessor Liens (including for tins purpose Liens that would be Lessor Liens but for the proviso to the definition of Lessor Liens));

(C) shall be in a regular passenger configuration used by Lessee and in as good condition as when originally delivered to Lessee, ordinary wear and tear excepted, and otherwise in the condition required to be maintained under Lessee's FAA-approved maintenance program;

(D) shall have all of Lessee's exterior insignia painted over or removed in a good and workmanlike manner (and any repainted or stripped down areas shall match the existing exterior colors) and all of Lessee's interior markings removed in accordance with industry standards;

(E) shall be in a state of cleanliness suitable under Lessee's normal standards for use in its fleet operations and by U.S. commercial airline standards;

(F) shall be maintained by cleaning and treating all mild and moderate corrosion and correcting all severe or exfoliate corrosion in accordance with Lessee's FAA-approved maintenance program. or Manufacture's structural repair manual; and

(G) shall he cleared through all applicable customs;

and In all such cases the Aircraft shall not have been discriminated against in its maintenance, use or operation by reason of its leased status.

EXHIBIT S
United Wi-Fi

1. General Installation

United has contracted with Gogo, Inc. ("Gogo") to provide air-to-ground internet service inflight ("United's Wi-Fi Agreement"). Pursuant to United's Wi-Fi Agreement, Gogo or one of its subcontractors will install the Gogo Wi-Fi and inflight entertainment equipment, including associated software ("Wi-Fi Equipment") on the CRJ700 and E175 Aircraft. For purposes of this Amendment, Wi-Fi and inflight entertainment services will be defined as "Wi-Fi Services". As of the date of this Amendment, Gogo has subcontracted with STS Line Maintenance ("STS") to perform the actual installation of the Wi-Fi Equipment. Contractor and United agree that the Wi-Fi Equipment will be installed on selected Contractor aircraft that provide United Express regional airline services as such aircraft are determined by United from time to time; such initially selected aircraft are defined by tail number and identified in Attachment 1 attached and may be referred to throughout this Amendment as "Equipped Aircraft". United has purchased, or will purchase, all Wi-Fi Equipment installed. Contractor agrees that United shall remain the sole owner of the Wi-Fi Equipment installed on Contractor aircraft and Contractor agrees not to assert any claim of ownership or a lien on such Wi-Fi Equipment. United will purchase all Wi-Fi Equipment from Gogo. Contractor agrees to use its commercially reasonable efforts to make its selected aircraft available to Gogo and/or STS (or other installation vendor as applicable) to enable the installation of the Wi-Fi Equipment to occur as expeditiously as possible without interfering with Contractor's operations (and United agrees to reasonably cooperate with Contractor in this regard with respect to scheduling of the aircraft to facilitate such installation).

2. Revenues from the Sale of Wi-Fi service

Contractor acknowledges and agrees that all revenues generated from or in connection with the sale of Wi-Fi Services onboard Equipped Aircraft are the sole property of and shall be retained by United (or, if received by Contractor, shall be promptly remitted without set-off to United, free and clear of any claims or liens created by Contractor or any third party arising by, through or under Contractor or its affiliates). Contractor agrees that it shall reasonably cooperate with United so as to permit United to receive all revenues of the type described above.

3. Purchase Order Details

Contractor shall issue a no-cost Wi-Fi purchase order to Gogo in accordance with, and subject to, the provisions of United's Wi-Fi Agreement as such provisions have been provided by United to Contractor for (i) the quantity of shipsets ordered; (ii) requested delivery dates; (iii) point of delivery; (iv) a listing of the aircraft (by tail number) onto which the Wi-Fi Equipment is to be installed; (v) any special requirements relating to the order; and (vi) a purchase order number and date. Each such purchase order shall be at no stated cost to Contractor, and Gogo will issue invoices related to such purchase order(s) issued by Contractor directly to United pursuant to and in accordance with the terms and conditions of United's Wi-Fi Agreement. If there is any information missing from the

purchase order at the time of issuance, Contractor understands that it may affect Gogo's ability to process and accept the purchase order.

4. Compliance with Laws and Certification

Contractor will comply with all laws and regulations applicable to Contractor in performing Contractor's obligations under this Agreement and will cooperate, to the extent reasonably necessary, with Gogo, at no cost or charge to Gogo or United, for Gogo and Gogo subcontractors to comply with all laws and regulations applicable to Gogo and its subcontractors. Contractor will also provide Gogo or its subcontractors, at no cost or charge to Gogo or United, with access to the Equipped Aircraft and provide such assistance as Gogo reasonably requests to obtain and maintain any legally required certification of the Wi-Fi Equipment and Gogo Services at all times during the Term.

5. Warranty Conditions

Contractor shall notify United and Gogo promptly when it becomes aware of any failure in performance, malfunction, defect, loss of or damage to the Wi-Fi Equipment with reasonable details (it being acknowledged that United may be precluded from claiming a breach of the warranty included in the United Wi-Fi Agreement without such information). Contractor shall not take any action that would (i) cause a failure or defect of the Wi-Fi Equipment by combining it with equipment, software, or services not supplied, authorized or specified by Gogo, (ii) cause Wi-Fi Equipment to be subjected to any misuse, neglect, accident or improper maintenance by Contractor or subcontractors, or (iii) cause an infringement or misappropriation of a third party's intellectual property by combining the Wi-Fi Equipment with any content, materials, equipment or software provided by or on behalf of Contractor that is not authorized or approved by Gogo. Contractor shall not itself, nor knowingly permit any other party to, modify or tamper with the Wi-Fi Equipment, other than Gogo or its subcontractors.

6. Defective Equipment and Software

In the event of a defect in the Wi-Fi Equipment covered by the warranty, Contractor agrees to use its commercially reasonable efforts to ship such Wi-Fi Equipment to Gogo within forty-eight (48) hours if requested by Gogo to do so (and the reasonable shipping costs shall be reimbursed to Contractor by United).

7. Maintenance and Support

For a period of time under the United Wi-Fi Agreement, Gogo or its subcontractor will provide touch labor to correct any malfunctioning or defective Wi-Fi Equipment, including any associated software. Following the expiration of this initial warranty period, United may either (i) continue to have Gogo or its subcontractor provide touch labor or (ii) elect to provide touch labor for maintenance of Wi-Fi Equipment on Equipped Aircraft. Gogo may dispatch Gogo personnel or its subcontractors to the Contractor's designated Wi-Fi Equipment maintenance location to troubleshoot maintenance issues with such Wi-Fi Equipment; the cost of such maintenance services shall be mutually agreed upon between United and Gogo and will be at United expense.

8. Contractor Responsibilities For Maintenance Support

A. After installation occurs, Contractor will promptly notify Gogo when it becomes aware that Wi-Fi Equipment is malfunctioning, inoperative or defective. Contractor shall make such Equipped Aircraft available for maintenance services as required, in a timely manner as operationally practical, but shall not exceed forty-eight (48) hours (it being acknowledged that maintenance touch labor by Gogo or its subcontractors will require a minimum of sixty (60) minutes of maintenance touch time in most cases to avoid an exclusion for such Equipped Aircraft under the service level agreement included in United's Wi-Fi Agreement).

B. Contractor shall use its commercially reasonable efforts to make the Equipped Aircraft available to Gogo from time to time at Contractor's facilities for purposes of refreshing the onboard streaming video content.

C. Contractor shall provide to Gogo, or its subcontractors, electronic access to all specific and customized technical manuals and documents in order to perform installation, maintenance and repairs including but not limited to its Aircraft Maintenance Manual (AMM), Illustrated Parts Catalog (IPC) and Wiring Diagram Manual (WDM) and any other documents requested which are essential for Gogo or its designated subcontractor to provide maintenance and repair services on the Wi-Fi Equipment.

D. Contractor shall use commercially reasonable efforts to provide day-to-day communication to United and Gogo as to any non-performance of Gogo Services and the system (e.g., the system is inoperative, the system is restored) as necessary.

E. Contractor shall provide Gogo with the applicable manual reference and procedures for any Service Bulletins relevant to the Gogo Services outlining the appropriate handling procedures.

F. Contractor will be responsible for ensuring that all applicable Contractor requirements for repair and maintenance stations (such as any FAA required certifications) per Contractor's maintenance manual are met.

G. Contractor shall complete all required work for Service Bulletins and associated engineering authorizations (EA) applicable to Contractor related to the Wi-Fi Equipment in a timely manner but in no case longer that two (2) weeks.

H. Contractor shall store spare parts to repair and maintain the Wi-Fi Equipment in a secure, environmentally stable location. Contractor shall maintain adequate levels of insurance against loss or damage while such spare parts are in Contractor's custody and control.

I. Contractor will provide a program contact and such other human resources with respect to the Wi-Fi Services, including resources onsite at certain locations at certain times, as may reasonably be required to work cooperatively with Gogo and its subcontractors in support of the program plan and schedule.

9. Contractor Responsibilities- Other

A. Contractor's inflight crews shall not knowingly interfere with the operation of the Wi-Fi Equipment.

B. Contractor shall use reasonable efforts to inform its inflight crews such that the crews are reasonably knowledgeable of the Wi-Fi Services and are able to answer general customer questions regarding such services.

C. Contractor's inflight crews shall make timely announcements to passengers on Equipped Aircraft regarding the availability of Wi-Fi Services

D. Contractor shall keep the seatbacks on the Equipped Aircraft stocked with seatback cards containing information about Wi- Fi Services.

10. Release of Leased Aircraft

With respect to any Equipped Aircraft (leased by Contractor from third parties or owned by Contractor) that ceases operating as United Express service, unless otherwise agreed by United and Contractor at such time, Contractor acknowledges that United or its subcontractors may elect to de-install the Wi-Fi Equipment from such aircraft, at United's expense. Contractor shall make the Equipped Aircraft available for such deinstallation services as and where reasonably required by United or Gogo, in a timely manner.

11. Confidentiality

Contractor and United agree that in the course of performing this Amendment, each party will be bound by the non-disclosure agreement dated August 1, 2014 among United, Gogo and Contractor. Any confidential information of Gogo provided to Contractor by either United and/or Gogo shall be deemed Confidential Information of United for purposes of Article 11.7 of the Agreement.

12. Liability/Risk of Loss

Contractor shall promptly notify United and Gogo of any damage (except normal wear and tear), destruction, loss (including after any event of default under a Contractor financing agreement that results in the loss of such Wi-Fi Equipment, including as a result of the foreclosure of any lien or the exercise of remedies by any financing party), theft, or governmental taking of any Wi-Fi Equipment or spare parts in Contractor's custody upon Contractor's becoming aware thereof and, whether or not covered by Contractor's insurance ("**Event of Loss**"). If an Event of Loss occurs, Contractor shall be responsible for the cost of any necessary repair or replacement of such Wi-Fi Equipment or spare parts unless such Event of Loss was caused by a defect or malfunction of such Wi-Fi Equipment. When an Event of Loss is caused by Contractor, such repair or replacement shall not be considered part of Gogo's maintenance obligations, but Gogo or United may coordinate and oversee repair or replacement performed by a third-party on a "Pass-Through Expenses" basis from United to Contractor as a set-off per the Agreement, or have such repair or replacement performed by Gogo at Gogo's agreed-upon prices, in each case at Contractor's expense.

A. As between United and Contractor, United agrees to be responsible to Contractor for any damage to a Contractor aircraft that might occur during the installation or maintenance of the Wi-Fi Equipment, in each case caused by or resulting from any negligent acts or omissions of United, Gogo and/or STS (or the applicable Gogo installation or maintenance subcontractor) or their respective directors, officers, employees or agents, excluding damage to a Contractor aircraft that is caused by or results from the negligence or willful misconduct of Contractor or its contractors, or their respective officers, directors, employees or agents whether Contractor is acting on its own behalf or as a subcontractor of Gogo. If any such damage occurs during such installation or maintenance, upon receipt from Contractor of a claim for the repair of any such damage to a Contractor aircraft or for reimbursement for the cost for repairing any such damage, together with reasonably detailed substantiating details for the amount of any such claim, United agrees to cause such damage to be repaired or to reimburse Contractor for the cost of repairing such damage.

B. Without limiting any of Contractor's obligations contained herein, Contractor shall have risk of loss for any Wi-Fi Equipment and related equipment, spares and/or supplies while stored at Contractor's facilities. In addition, Contractor shall be liable to United for any and all damage or loss of Wi-Fi Equipment installed on Contractor aircraft caused by or resulting from Contractor's negligence or willful misconduct, or an event of default under a Contractor financing agreement which results in the loss of such Wi-Fi Equipment, including as a result of the foreclosure of any lien or the exercise of remedies by any financing party.

13. Installation Schedule and Support for Revenue Launch

A. Fleet Availability. Contractor shall make its aircraft available to install the Wi-Fi Equipment, and for testing and certification of the Wi-Fi Equipment in accordance with the schedule set forth in this Attachment 2. If Gogo requests an Equipped Aircraft inspection, then Gogo will provide Contractor with at least fourteen (14) days' notice prior to requesting Contractor to perform such aircraft inspection. If at least fourteen (14) days prior notice is not practical under the circumstances, Contractor will use commercially reasonable efforts to conduct such inspection.

B. Contractor Resources. Contractor will (i) make engineering resources reasonably available to Gogo on an agreed-upon schedule to assist with technical aircraft and cabin surveys, and (ii) provide information on existing aircraft systems and design-for-maintenance knowledge.

14. Marketing Plan

A. Initiatives. Contractor shall inform and direct their employees to keep the Wi-Fi Equipment turned on at all times. Contractor shall inform and direct their employees to: (a) make timely announcements to passengers on Equipped Aircraft regarding the availability of Wi-Fi Services for customers to use; and (b) keep the

seatbacks on the Equipped Aircraft stocked with seatback cards containing information about Wi- Fi Services at all times.

B. Marketing and Publicity. Contractor will not use Gogo's or United's logotypes, trade names, trademarks, service marks, or other proprietary marks or words, in any public statements, press releases, advertising or promotional materials with respect to the Wi-Fi Services or this Amendment without the respective party's consent, except where a specific use has been approved in advance and in writing (e-mail will constitute a writing for this purpose).

15. Wi-Fi Installation Costs

United agrees to timely purchase and pay for all materials, consumables, equipment, shipping and reasonable labor costs for the installation project, including all engineering and certification services, necessary or appropriate to complete the installation of the Wi-Fi Equipment as quickly as possible. United will reimburse Contractor for those reasonable costs incurred by Contractor related to the items in this Section 15, provided that they have been approved by United in advance and in writing.

16. Removal of Wi-Fi Equipment

At United's cost and expense, United may remove the Wi-Fi Equipment at any time, and upon any such removal, United shall repair any damage to the Contractor aircraft caused by such removal, except to the extent any such cost or expense is caused by or is resulting from the negligence or willful misconduct of Contractor or its agents, which shall be borne by Contractor.

17. Ownership of Wi-Fi Equipment and Related Covenants.

A. United will own, at all times, the Wi-Fi Equipment; provided, that, with respect to any Aircraft Used in United Express Services leased by Contractor from third parties or owned by Contractor, unless otherwise agreed between United and Contractor at such time, at the termination of the lease United may elect to remove such equipment upon notice from Contractor at United's cost and expense and will repair any damage caused by such removal, except to the extent any such cost or expense is caused by or is resulting from any negligence or willful misconduct of Contractor or its agents, which shall be borne by Contractor. If United elects not to remove such equipment, United shall assign to Contractor all ownership rights in the Wi-Fi Equipment free and clear of all liens and encumbrances. United shall notify Contractor at least ninety (90) days prior to the end of its election under this Section.

B. The Wi-Fi Equipment will be free from all liens or other encumbrances created by Contractor or any third party arising by, through or under Contractor or its affiliates, including, but not limited to, with respect to Contractor aircraft subject to debt financing. Any new financing lien on an aircraft shall not apply to the Wi-Fi Equipment at the time such Wi-Fi Equipment is added to the aircraft. In the event a lien or other encumbrance is created on the Wi-Fi Equipment, which causes United loss of such Wi-Fi Equipment, Mesa agrees to pay United the fair market value of the Wi-Fi Equipment at the time of loss.

C. United agrees, on United's behalf and on behalf of Gogo, its subcontractors, or any other party claiming an interest in the Wi-Fi Equipment, that none of such parties shall acquire or claim, as against the owners of the Contractor aircraft or any third party providing financing with respect to the Contractor aircraft, any right, title or interest in the Contractor aircraft or any portion thereof (other than the Wi-Fi Equipment and related parts and supplies) by reason of the installation of such Wi-Fi Equipment on Contractor aircraft.

Attachment 1

Mesa (UA Regional) E175 Gogo Tails		
#	Nose#	Reg #
1	301	N88301
2	302	N87302
3	303	N87303
4	304	N89304
5	305	N93305
6	306	N87306
7	307	N84307
8	308	N89308
9	309	N86309
10	310	N88310
11	311	N86311
12	312	N86312
13	313	N89313
14	314	N82314
15	315	N89315
16	316	N86316
17	317	N89317
18	318	N87318
19	319	N87319
20	320	N85320
21	321	N89321
22	322	N86322
23	323	N85323
24	324	N86324
25	325	N88325
26	326	N88326
27	327	N88327
28	328	N88328
29	329	N83329
30	330	N88330

Mesa (UA Regional) CRJ700 Gogo Tails		
#	Nose#	Reg #
1	501	N501MJ
2	502	N502MJ
3	503	N503MJ
4	504	N504MJ
5	505	N505MJ
6	506	N506MJ
7	507	N507MJ
8	508	N508MJ
9	509	N509MJ
10	510	N510MJ
11	511	N511MJ
12	512	N512MJ
13	513	N513MJ
14	514	N514MJ
15	515	N515MJ
16	516	N516LR
17	518	N518LR
18	519	N519LR
19	521	N521LR
20	522	N522LR

Attachment 2

Mesa (UA Regional) E175 Gogo installations							
#	Reg #	Install Loc	Install ATG		Install Loc	Install ATG4	
			Start	Cmplt		Start	Cmplt
1	N88301	DFW	2/9/2015	2/10/15	IAH	TBD	
2	N87302	DFW	1/31/15	2/1/2015	IAH	TBD	
3	N87303	DFW	2/2/15	2/4/2015	IAH	TBD	
4	N89304	DFW	21/2/12015	02/13/15	IAH	TBD	
5	N93305	DFW	2/6/2015	02/08/15	IAH	TBD	
6	N87306	DFW	1/26/2015	01/29/15	IAH	TBD	
7	N84307	DFW	3/13/15	3/13/15	IAH	TBD	
8	N89308	DFW	2/22/2015	2/25/15	IAH	TBD	
9	N86309	DFW	2/27/15	2/27/15	IAH	TBD	
10	N88310	DFW	2/26/15	2/26/15	IAH	TBD	
11	N86311	DFW	3/9/15	3/10/15	IAH	TBD	
12	N86312	DFW	3/4/15	3/5/15	IAH	TBD	
13	N89313	DFW	2/14/15	2/18/15	IAH	TBD	
14	N82314	DFW	3/6/15	3/7/15	IAH	TBD	
15	N89315	DFW	3/715	3/8/2015	IAH	TBD	
16	N86316	DFW	3/11/15	03/12/15	IAH	TBD	
17	N89317	DFW	31/5/15	3/16/15	IAH	TBD	
18	N87318	DFW	1/8/15	1/21/15	IAH	TBD	
19	N87319	DFW	1/17/15	1/23/15	IAH	TBD	
20	N85320	DFW	TBD		IAH	TBD	
21	N89321	DFW	TBD		IAH	TBD	
22	N86322	DFW	TBD		IAH	TBD	
23	N85323	DFW	TBD		IAH	TBD	

Mesa (UA Regional) CRJ700 Gogo installations				
#	Reg #	Install Loc	Install ATG4	
			Start	Cmplt
1	N501MJ	DFW	TBD	
2	N502MJ	DFW	TBD	
3	N503MJ	DFW	TBD	
4	N504MJ	DFW	TBD	
5	N505MJ	DFW	TBD	
6	N506MJ	DFW	TBD	
7	N507MJ	DFW	TBD	
8	N508MJ	DFW	TBD	
9	N509MJ	DFW	TBD	
10	N510MJ	DFW	TBD	
11	N511MJ	DFW	TBD	
12	N512MJ	DFW	TBD	
13	N513MJ	DFW	TBD	
14	N514MJ	DFW	TBD	
15	N515MJ	DFW	TBD	
16	N516LR	DFW	TBD	
17	N518LR	DFW	TBD	
18	N519LR	DFW	TBD	
19	N521LR	DFW	TBD	
20	N522LR	DFW	TBD	

24	N86324	DFW	TBD		IAH	TBD	
25	N88325	DFW	TBD		IAH	TBD	
26	N88326	DFW	TBD		IAH	TBD	
27	N88327	DFW	TBD		IAH	TBD	
28	N88328	DFW	TBD		IAH	TBD	
29	N83329	DFW	TBD		IAH	TBD	
30	N88330	DFW	TBD		IAH	TBD	

Exhibit T

Operational Improvement Plan

	Operational Improvement Metric	Operational Improvement Objective	Target Completion Date
1.	[***]		[***][***]
2.	[***]		[***][***]
3.	[***]		[***][***]
4.	[***]		[***][***]
5.	[***]		[***][***]
6.	[***]		[***][***]
	[***]		[***][***]
7.	[***]		[***][***]
8.	[***]		[***][***]
9.	[***]		[***][***]

Note – CRJ700 Covered Aircraft initiatives dependent on delivery of a CRJ550 Conversion Notice from United pursuant to Section 2.5.

Exhibit U

PREPAYMENT AGREEMENT

This Prepayment Agreement (this "Agreement"), dated as of November 4, 2020 (the "Effective Date"), is among United Airlines, Inc., a Delaware corporation ("United"), Mesa Airlines, Inc., a Nevada corporation ("Contractor"), and Mesa Air Group, Inc., a Nevada corporation ("Parent" and, collectively with United and Contractor, the "parties").

WHEREAS, concurrently with the execution and delivery of this Agreement, the parties are entering into a Second Amended and Restated Capacity Purchase Agreement dated as of the date hereof (the "CPA");

WHEREAS, pursuant to the terms and conditions set forth in this Agreement, United may make a prepayment of its future payment obligations in respect of Contractor Services to be performed from and after the Effective Date under the CPA in an aggregate amount not to exceed [***] (the "Maximum Prepayment Amount");

WHEREAS, the United States Department of the Treasury (the "Treasury") has funded and is willing to further fund a financing to Contractor pursuant to the Coronavirus Aid, Relief, and Economic Security Act in accordance with the Loan and Guarantee Agreement, dated as of October 30, 2020, by and among Contractor, Parent, certain other guarantors party thereto from time to time, the Treasury, and the Bank of New York Mellon, as administration agent and collateral agent (the "CARES Act Loan"), subject to Contractor repaying certain secured indebtedness using the proceeds from the prepayment to be made hereunder; and

WHEREAS, it is the intent of the parties that this Agreement and the subject matter addressed herein is integral to the entirety of the CPA, is not severable therefrom, and that the execution and delivery of this Agreement is a material inducement to the parties' execution and delivery of the amendment and restatement to the CPA referenced above and a material inducement for United to make prepayment of the Payment Amount.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and obligations hereinafter contained, the parties agree to:

ARTICLE XII
DEFINITIONS

Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the CPA.

ARTICLE XIII
PREPAYMENT OF CONTRACTOR SERVICES

13.1 Prepayment of Contractor Services.

(a) Request for Prepayment. During the period commencing on the Effective Date and ending on the earliest of (i) [***] (ii) the date that an event listed in Section 2.4(c) occurs, and (iii) the date United either funds the prepayment pursuant to Section 2.1(c) or delivers a written notice to Contractor declining to fund any prepayment under this Agreement (such period, the "Availability Period"), Contractor may request that United prepay its future payment obligations in respect of Contractor Services to be performed under the CPA in a single funding and in an aggregate amount not to exceed the Maximum Prepayment Amount. Such request shall be made by Contractor delivering written notice to United (the "Prepayment Request") no less than three Business Days and no more than five Business Day prior to the funding date of all remaining portions of the CARES Act Loan, which closing date shall be specified in the Prepayment Request (the "Specified Closing Date").

(b) Additional Prepayment Request Deliverables. Simultaneous with the delivery of the Prepayment Request, Contractor shall also deliver the following to United:

(i) one or more payoff letters in form and substance acceptable to United (each, a "Payoff Letter") with respect to Contractor's indebtedness secured by the aircraft, including the airframes and engines, listed on Exhibit B attached hereto (collectively, the "Specified Assets"), which shall include or have attached thereto lien releases in form and substance acceptable to United with respect to the Specified Assets;

(ii) subject to Section 2.1(d), a security agreement in favor of United with respect to the Specified Assets, in form and substance acceptable to United, and duly executed by Contractor, together with all other financing statements and lien filings necessary to perfect a security interest and lien in the Specified Assets (collectively, the "Security Documents");

(iii) a certificate duly executed by a responsible officer of Contractor certifying that Contractor has cash and cash equivalents (determined on a consolidated basis in accordance with United States generally accepted accounting principles consistently applied ("GAAP")) in an aggregate amount of not less than [***];

(iv) a certificate duly executed by a responsible officer of Contractor certifying that Contractor is not in material breach of the CPA, this Agreement or any other Ancillary Agreement; and

(v) a certificate duly executed by a responsible officer of Contractor certifying that each of the representations and warranties contained in Section 3.1 are true and correct in all material respects (other than Section 3.1(g), which is true and correct in all respects) as if made on and as of the date of such

certificate, except to the extent that any thereof expressly relate to an earlier date.

(c) United Determination to Fund the Actual Prepayment Amount. United shall have no obligation to fund any prepayment of its future payment obligations in respect of Contractor Services to be performed under the CPA. To the extent, following receipt of the Prepayment Request and the other deliverables set forth in Section 2.1(b), United determines (in its sole and absolute discretion) to fund a prepayment hereunder, United shall fund such prepayment in an aggregate amount not to exceed the Maximum Prepayment Amount by paying the payoff amounts set forth in each Payoff Letter no later than the Business Day immediately prior to the Specified Closing Date. The aggregate amount paid by United pursuant to this Section 2.1(c) (if any) is the "Actual Prepayment Amount". Notwithstanding anything to the contrary herein, from and after the Effective Date until this Agreement is terminated pursuant to Section 2.6, United shall have a credit against its future payment obligations under Section 2.5(d) and 3.6 of the CPA in an amount equal to the Prepayment Balance Amount (as defined below), as such amount may be adjusted in accordance with Article II of this Agreement.

(d) Security Documents. The Security Documents shall be held by United or their legal counsel in escrow in accordance with this Section 2.1(d). In the event that the aggregate principal amount of all fundings under the CARES Act Loan does not equal or exceed [***] by 5:00 p.m. (prevailing central time) on the Specified Closing Date and Contractor has not delivered to United a certificate duly executed by a responsible officer of Contractor by 6:00 p.m. (prevailing central time) on the Specified Closing Date that certifies that the aggregate principal amount of all fundings under the CARES Act Loan equals or exceeds [***] on the Specified Closing Date, the Security Documents shall be automatically released from escrow and be in full force and effect. In the event that (i) the Availability Period expires without United having funded the prepayment pursuant to Section 2.1(c) or (ii) the aggregate principal amount of all fundings under the CARES Act Loan equals or exceeds [***] by 5:00 p.m. (prevailing central time) on the Specified Closing Date and Contractor has delivered to United a certificate duly executed by a responsible officer of Contractor by 6:00 p.m. (prevailing central time) on the Specified Closing Date that certifies that the aggregate principal amount of all fundings under the CARES Act Loan equals or exceeds [***] on the Specified Closing Date, United shall (or shall cause its legal counsel to), promptly thereafter, return the Security Documents to Contractor, and the Security Documents shall be null and void.

13.2 Application of the Actual Prepayment Amount for Contractor Services.

(a) Discounts. The parties acknowledge and agree that, as provided in the CPA, as consideration for agreeing to prepay the Contractor Services pursuant to this Agreement, subject to Sections 2.2(b) and 2.4(d), all amounts payable by United pursuant to Sections 2.5(d) and 3.6 of the CPA shall be reduced by an amount equal to the Discounted Amount.

(b) Timing of Discounts. The parties acknowledge and agree that, as provided in the CPA, the discounts provided pursuant to Section 2.2(a) shall commence on the Effective Date and continue to apply to all amounts payable by United under Sections 2.5(d) and 3.6 of the CPA until the date that the Prepayment Balance Amount has been reduced to [***] pursuant to this Article II; [***]

(c) Prepayment Balance Amount. The parties acknowledge and agree that, as provided in the CPA, United shall not have any obligation to make any payment to Contractor or Parent whatsoever pursuant to the CPA until the Prepayment Balance Amount has been reduced to [***] pursuant to this Article II. As used herein, the "Prepayment Balance Amount" means, as of any date of determination, an amount (which may never be less than [***]) equal to the sum of (i) the amount of any unsatisfied payment obligations of Contractor or Parent under the CPA as of such date, *plus* (ii) an amount equal to the excess (if any) of the Maximum Prepayment Amount over the sum of (x) the aggregate credits against the Prepayment Balance Amount elected by United or deemed to have been elected by United (as provided in Section 2.2(e)) as of such date, *plus* (y) the aggregate refunds of the Prepayment Balance Amount actually paid to United by Contractor or Parent as of such date pursuant to this Article II, *plus* (z) the portion of the Funding Difference Amount applied against the Prepayment Balance Amount pursuant to Section 2.2(d)(i).

(d) Expiration of Availability Period. Upon expiration of the Availability Period, if the Maximum Prepayment Amount exceeds the Actual Prepayment Amount, then (i) the Funding Difference Amount (as defined below) shall be applied against and reduce the Prepayment Balance Amount (but not below [***]) pursuant to clause (z) of the definition of Prepayment Balance Amount and (ii) to the extent any portion of the Funding Difference Amount remains after its application against the Prepayment Balance Amount pursuant to the foregoing clause (i), United shall pay to Contractor an amount equal to such remaining portion of the Funding Difference Amount by electronic transfer of funds to a bank account designated by Contractor in four equal installments payable concurrently with four consecutive payments to be made pursuant to Section 3.6(c)(i) of the CPA (commencing with the first payment that occurs at least five Business Days following the expiration of the Availability Period). As used herein, the "Funding Difference Amount" means an amount equal to the excess (if any) of the Maximum Prepayment Amount over the Actual Prepayment Amount. It is the intent of the parties that, if Section 2.2(d)(ii) is applicable following the expiration of the Availability Period, the result should be an effective unwinding of the transactions under this Agreement to put the parties in the same position they would have been under the CPA had this Agreement never been put in place, including with respect to the Discounted Amounts.

(e) Credit Memorandums. At any time from time to time with respect to any payment obligation of United under Sections 2.5(d) or Section 3.6 the CPA, and at United's sole discretion, United shall have the right, but not the obligation, to deliver to Contractor a credit memorandum substantially in the form attached hereto as Exhibit A (each, a "Credit Memorandum") on or before the due date of such

payment obligation under the CPA; *provided*, *however*, that, if United has not delivered a Credit Memorandum with respect to any payment obligation under Section 2.5(d) or Section 3.6 of the CPA prior to the due date of such payment obligation under the CPA and United does not pay such obligation in cash on or prior to the due date of such payment obligation under the CPA, then United shall be deemed to have elected to credit the full amount of such payment obligation against the Prepayment Balance Amount. Each Credit Memorandum shall indicate the portion of the applicable payment to be credited against the Prepayment Balance Amount, the remaining amount of the Prepayment Balance Amount and, to the extent United has made an election pursuant to Section 2.2(f) or to the extent the Prepayment Balance Amount is not sufficient to cover such payment in full, the portion of such payment to be paid in cash. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement is intended to, or shall be interpreted or construed to, limit United's right to dispute invoiced Prepayments, and, if any invoiced Prepayment that was credited against the Prepayment Balance Amount is subsequently reduced in connection with a dispute under the CPA, then such credit to the Prepayment Balance Amount shall be reversed to the extent of such reduction without any further action by the parties.

(f) United Cash Payment Option. Notwithstanding anything to the contrary in this Agreement, United shall have the right (in its sole discretion) to pay in cash any amounts payable by United under the CPA, and United may indicate the amount to be paid in cash in the applicable Credit Memorandum. Any amounts so paid by United shall not reduce the Prepayment Balance Amount hereunder.

13.3 Audits. The transactions contemplated by this Agreement shall be subject to United's audit right pursuant to Section 3.5 of the CPA.

13.4 Mandatory Refunds of the Prepayment Balance Amount.

(a) Mandatory Refund After [***] Months. If the Prepayment Balance Amount has not been reduced to [***] on or before [***], then Contractor shall refund the remaining portion of the Prepayment Balance Amount to United prior to [***] by electronic transfer of funds to a bank account designated by United.

(b) Mandatory Refund Using Excess Liquidity. If the Prepayment Balance Amount has not been reduced to [***] on or before [***], commencing on [***] and on the fifth Business Day after the end of each calendar week thereafter until the Prepayment Balance Amount has been reduced to [***], Contractor shall deliver a certificate to United duly executed by the chief financial officer of Contractor setting forth and certifying the amount of Excess Liquidity (if any) of Contractor as of the last day of the previous calendar week. To the extent that Contractor has Excess Liquidity, within three Business Days following delivery of such certificate, Contractor shall refund an amount of the Prepayment Balance Amount equal to such Excess Liquidity to United by electronic transfer of funds to a bank account designated by United. For purposes of this Agreement, "Excess Liquidity" shall

mean the amount of cash and cash equivalents of Contractor determined on a consolidated basis in accordance with GAAP in excess of [***].

(c) Mandatory Refund Following Certain Events. In addition to and without limiting the foregoing, but without duplication, United may, at its sole election, require Contractor to refund all or any portion of the Prepayment Balance Amount on demand, by electronic transfer of funds to a bank account designated by United, by delivering written notice to Contractor (but no advance notice shall be required) if any of the following events occur: (i) the CPA is terminated for any reason or there is any circumstance giving rise to United's right to terminate the CPA under Section 8.2(b) therein; (ii) Contractor defaults in any material respect in its performance of any covenant hereunder and such default continues after notice or actual knowledge of the Company for a period of ten calendar days thereafter; (iii) Contractor fails to pay when due any of its indebtedness which exceeds an aggregate amount of [***] or any interest or premium thereon when due (whether by scheduled maturity, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to such indebtedness; (iv) final judgments which exceed an aggregate amount of [***] (to the extent not covered by responsible third party insurance companies) shall be rendered against Contractor and have not been paid, discharged or vacated or had execution thereof stayed pending appeal within ten days after entry or filing of such judgments; (v) Contractor loses its U.S. Air Carrier Authority; (vi) [***]; (vii) Parent shall: (A) for any reason cease to own at least [***] of the aggregate shares of capital stock of Contractor, (B) enter into any agreement to transfer or encumber shares of capital stock in Contractor the performance of which would result Parent ceasing to own at least [***] of the aggregate shares of capital stock of Contractor, (C) challenge the enforceability of the Parent Guarantee (as defined below), transfer or attempt to transfer its rights and obligations thereunder or (D) otherwise fail to comply with the Parent Guarantee; or (viii) any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) shall have acquired (A) beneficial ownership of [***] or more on a fully diluted basis of the voting interest in the capital stock of Parent or (B) a voting interest permitting such Person or group to appoint a majority of the members of the board of directors of Parent. [***]

(d) Failure to Pay a Mandatory Refund. If Contractor fails to refund the Prepayment Balance Amount as required pursuant to this Section 2.4, then United may elect (in its sole discretion, by the delivery of written notice to Contractor) to either (i) increase the Applicable Discount Rate to [***] *divided* [***] or (ii) have the Prepayment Balance Amount accrue interest at a rate equal to the lesser of [***] per annum and the maximum rate permitted by applicable law. Any interest accrued pursuant to this Section 2.4(d) shall be required to be paid by Contractor on demand by electronic transfer of funds to a bank account designated by United.

13.5 Voluntary Refunds of Prepayment Balance Amount.

Notwithstanding anything to the contrary herein, Contractor may voluntarily refund all or any portion of the Prepayment Balance Amount at any time in cash by electronic transfer of funds to a bank account designated by United.

13.6 Termination; Reinstatement.

Except for Sections 2.2(a), 2.2(b), 2.2(c) and 2.2(d), this Section 2.6, and Article IV and any obligations to be performed following the point in time when the Prepayment Balance Amount has been reduced to [***], the terms and provisions of this Agreement shall automatically terminate upon the Prepayment Balance Amount being reduced to [***]; *provided*, *however*, that to the extent that any credits against or refunds of the Prepayment Balance Amount are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver or other Person under any bankruptcy law, common law or equitable cause, then to such extent, the Prepayment Balance Amount shall be revived and continue as if such credit or payment had not been made or received and United's rights, powers and remedies under this Agreement shall continue in full force and effect. In such event, this Agreement shall be automatically reinstated and Contractor and Parent shall take such action as may be reasonably requested by United to effect such reinstatement.

13.7 Release of Liens.

To the extent the Security Documents are released from escrow in accordance with Section 2.1(d), United shall release its liens on the Specified Assets upon a termination of this Agreement pursuant to Section 2.6; *provided*, *however*, that if this Agreement is reinstated pursuant to Section 2.6, then the liens previously granted to United shall be automatically reinstated and Contractor and Parent shall take such action as may be reasonably requested by United to effect such reinstatement.

ARTICLE XIV
REPRESENTATIONS, WARRANTIES AND COVENANTS

14.1 Representations and Warranties of Contractor.

Contractor represents and warrants to United as follows:

(a) Organization and Qualification. Contractor is a duly organized and validly existing corporation under the laws of its state of incorporation. Contractor has the corporate power and authority to own, operate and use its assets and to provide the Contractor Services. Contractor is duly qualified to do business as a foreign corporation under the laws of each jurisdiction that requires such qualification.

(b) Authority Relative to this Agreement. Contractor has the corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby in accordance with the terms hereof. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Contractor. This Agreement has been duly and validly executed and delivered by Contractor and is, assuming due execution and delivery thereof by United and that

United has legal power and right to enter into this Agreement, a valid and binding obligation of Contractor, enforceable against Contractor in accordance with its terms, except as enforcement hereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and legal principles of general applicability governing the availability of equitable remedies (whether considered in a proceeding in equity or at law or otherwise under applicable law).

(c) Conflicts; Defaults. Neither the execution or delivery of this Agreement nor the performance by Contractor of the transactions contemplated hereby will (i) violate, conflict with, or constitute a default under any of the terms of Contractor's certificate of incorporation, by-laws, or any provision of, or result in the acceleration of any obligation under, any material contract, sales commitment, license, purchase order, security agreement, mortgage, note, deed, lien, lease or other agreement to which Contractor is a party or by which it or any of its properties or assets may be bound, (ii) result in the creation or imposition of any lien, charge or encumbrance in favor of any third person or entity, (iii) violate any law, statute, judgment, decree, order, rule or regulation of any governmental authority or body, or (iv) constitute any event which, after notice or lapse of time or both, would result in such violation, conflict, default, acceleration or creation or imposition of liens, charges or encumbrances. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any governmental authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, Contractor or Parent of this Agreement.

(d) No Existing Default. Contractor is not (i) in violation of its charter or by-laws, (ii) in breach or default in any material respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a breach or default, in the due performance or observance of any term, covenant or condition contained in the CPA or any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) in violation of any law, ordinance, governmental rule, regulation or court decree to which it or its property or assets may be subject or has failed to obtain any material license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business, in each case of clauses (i), (ii) or (iii) where such violation, breach, default or failure would have a material adverse effect on Contractor or on its ability to provide Regional Airline Services and otherwise perform its obligations under the CPA. To the knowledge of Contractor, no third party to any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument that is material to Contractor to which Contractor is a party or by which any of them are bound or to which any of their properties are subject, is in default in any material respect under any such agreement.

(e) Broker. Contractor has not retained or agreed to pay any broker or finder with respect to this Agreement and the transactions contemplated hereby.

(f) Solvency. Immediately following the funding of the Actual Prepayment Amount pursuant to this Agreement and the application of proceeds thereof: (i) Contractor will be able to pay its liabilities as they become due in the usual course of its business; (ii) Contractor will not have unreasonably small capital with which to conduct its present or proposed business, (iii) Contractor will have assets (calculated at fair market value) that exceed its liabilities and (iv) taking into account all pending and threatened litigation, final judgments against Contractor in actions for money damages are not reasonably anticipated to be rendered at a time when, or in amounts such that, Contractor will be unable to satisfy any such judgments promptly in accordance with their terms (taking into account the maximum probable amount of such judgments in any such actions and the earliest reasonable time at which such judgments might be rendered) as well as all other obligations of Contractor.

(g) No Proceedings. There are no legal or governmental proceedings pending, or investigations commenced of which Contractor has received written notice, in each case to which Contractor is a party or of which any property or assets of Contractor is the subject which, if determined adversely to Contractor, would individually or in the aggregate have a material adverse effect on Contractor or on Contractor's ability to provide Regional Airlines Services or otherwise perform its obligations under the CPA; and to the knowledge of Contractor, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

(h) Material Adverse Effect. Since September 30, 2019, there has been no event or circumstance that has had or could reasonably be expected to have a Material Adverse Effect. For purposes of this Agreement, "Material Adverse Effect" means a material adverse effect on (i) the business, assets, liabilities (actual or contingent), operations or financial condition of Contractor, (ii) the rights and remedies of United under this Agreement, (iii) the ability of Contractor to perform its obligations under the CPA, this Agreement or any other Ancillary Agreement or (iv) the legality, validity, binding effect or enforceability against the Contractor of the CPA, this Agreement or any other Ancillary Agreement; provided, however, that the impacts of the COVID-19 disease outbreak will be disregarded for purposes of clause (i) of this definition to the extent publicly disclosed in any Securities and Exchange Commission filing of the Parent prior to the Effective Date.

(i) Financial Statements. The financial statements (including the related notes and supporting schedules) of Contractor delivered (or, if filed with the Securities and Exchange Commission, made available) to United immediately prior to the date hereof fairly present in all material respects the consolidated financial position of Contractor, as the case may be, and their respective results of operations as of the dates and for the periods specified therein. Since the date of the latest of such financial statements, there has been no change nor any development or event that could reasonably be expected to result in a Material Adverse Effect. Such financial statements have been prepared in accordance with GAAP consistently applied throughout the periods involved, except to the extent disclosed therein.

(j) Taxes. Contractor and its Subsidiaries have filed all federal, state and other material tax returns and reports required to be filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those that are the subject to a bona fide dispute that is being properly contested in good faith by appropriate proceedings with appropriate reserves being established in accordance with GAAP. As of the Effective Date, there is no material proposed tax assessment against any Contractor or any of its Subsidiary.

(k) Compliance with Laws. Contractor and each Subsidiary has operated at all times in compliance with, and has not received any written notice of any violation of, the requirements of all laws and all orders, writs, conditions of participation, contracts, standards, policies, injunctions, decrees, and permits applicable to it, its properties, except in such instances in which (i) such law or order, writ, condition of participation, contract, standard, policy, injunction, decree or permit that is the subject to a bona fide dispute that is being properly contested in good faith by appropriate proceedings with appropriate reserves being established in accordance with GAAP or (ii) the failure to comply therewith where noncompliance individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect.

(l) American Airlines CPA. The American Airlines CPA is in full force and effect and no material breaches, defaults or events of default currently exist thereunder.

(m) Disclosure. No financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of Contractor or Parent to United in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided that, with respect to any projected financial information, Contractor only represents that such information was prepared in good faith based upon assumptions believed to be reasonable at the time and at the time made available to United.

(n) CARES Act Loan. Contractor is working in good faith to close any remaining portions of the CARES Act Loan, and Contractor is not aware of any fact or circumstance that would result in a failure of the conditions to close any remaining portions of the CARES Act Loan to be satisfied.

14.2 Covenants of Contractor.

For so long as the Prepayment Balance Amount is greater than [***], Contractor covenants as follows:

(a) Fundamental Changes. Contractor will not, nor will it permit any of its Subsidiaries to, (i) merge or consolidate with or into any Person, and/or (ii) take any action to

dissolve, terminate, merge or consolidate, including any action to sell or dispose of all or substantially all of the property of such Person.

(b) Acquisitions. Contractor will not, nor shall it permit any of its Subsidiaries to, make or commit to make any acquisition or series of acquisitions of (i) all or substantially all of the equity interests in another Person, including by way of merger or consolidation, (ii) all or substantially all of the business, assets or operations of another Person or (iii) a portion of the business, assets or operations of another Person constituting one or more divisions, business units or business lines of such other Person.

(c) Material Capital Expenditures. [***], Contractor will not, nor will it permit any of its Subsidiaries to, make or commit to make any capital expenditure in excess of [***] in any single transaction or series of related transaction or in excess of [***] in the aggregate without the prior written consent of United.

(d) Liens. Contractor will not, nor will it permit any of its Subsidiaries to, create, incur, assume or suffer to exist any lien upon its assets, whether now owned or hereafter acquired, other than the following:

(i) liens required to by granted pursuant to obligations in existence on the Effective Date;

(ii) liens for taxes, assessments or governmental charges or levies not yet due or which are subject to a bona fide dispute that is being properly contested in good faith by appropriate proceedings with appropriate reserves being established in accordance with GAAP;

(iii) statutory liens of landlords and liens of carriers, warehousemen, mechanics, materialmen and suppliers and other liens imposed by law or pursuant to customary reservations or retentions of title arising in the ordinary course of business, provided that such liens secure only amounts not yet due and payable or, if due and payable, (i) are unfiled and no other action has been taken to enforce the same or (ii) are subject to a bona fide dispute that is being properly contested in good faith by appropriate proceedings with appropriate reserves being established in accordance with GAAP;

(iv) 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;

(v) liens consisting of judgment, appeal bonds, judicial attachment liens or other similar liens arising in connection with court proceedings, provided that the enforcement of such liens is effectively stayed and all such liens secure judgments the existence of which do not require a refund of the Prepayment Balance Amount pursuant to Section 2.4(c)(vi);

(vi) liens incurred in connection with the Cares Act Loan; and

(vii) liens securing indebtedness the proceeds of which are used to finance the purchase of new equipment in the ordinary course of Contractor's business.

(e) Transactions with Affiliates and Insiders. Contractor will not, nor will it permit any of its Subsidiaries to, enter into or permit to exist any transaction or series of transactions with any officer, director or Affiliate of such Person other than (i) transactions between Contractor and any of its Subsidiaries or among any of its Subsidiaries and (b) except as otherwise specifically limited in this Agreement, other transactions which are entered into in the ordinary course of such Person's business on terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arm's length transaction with a Person other than an officer, director or Affiliate.

(f) Ownership of Subsidiaries. Notwithstanding any other provision of this Agreement to the contrary, Contractor will not, nor will it permit any of its Subsidiaries to, (i) permit any Person (other than Contractor or any wholly-owned Subsidiary of Contractor) to own any equity interest of any Subsidiary, except to qualify directors where required by applicable law or to satisfy other requirements of applicable law with respect to the ownership of equity interests of any Subsidiary that is not organized under the laws of any political subdivision of the United States, or (ii) create, incur, assume or suffer to exist any lien on any equity interests of any Subsidiary except for any lien in existence on the Effective Date.

ARTICLE XV
MISCELLANEOUS

15.1 Notices.

All notices made pursuant to this Agreement shall be made in accordance with Section 11.1 of the CPA.

15.2 Binding Effect; Assignment.

This Agreement and all of the provisions hereof shall be binding upon the parties hereto and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties.

15.3 Amendment and Modification.

This Agreement may not be amended or modified in any respect except by a written agreement signed by the parties hereto that specifically states that it is intended to amend or modify this Agreement.

15.4 Waiver.

The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term, but such waiver shall be effective only if it is in writing signed by the party against which such waiver is to be asserted that specifically states that it is intended to waive such term. Unless otherwise expressly provided in this Agreement, no delay or omission on the part of any party in exercising any right or privilege under this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right or privilege under this Agreement operate as a waiver of any other right or privilege under this Agreement nor shall any single or partial exercise of any right or privilege preclude any other or further exercise thereof or the exercise of any other right or privilege under this Agreement. No failure by any party to take any action or assert any right or privilege hereunder shall be deemed to be a waiver of such right or privilege in the event of the continuation or repetition of the circumstances giving rise to such right unless expressly waived in writing by each party against whom the existence of such waiver is asserted.

15.5 Interpretation.

The section and other headings and subheadings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties hereto, and shall not in any way affect the meaning or interpretation of this Agreement or any exhibit or schedule hereto. All references to days or months shall be deemed references to calendar days or months. All references to "$" shall be deemed references to United States dollars. Unless the context otherwise requires, any reference to an "Article," a "Section" or an "Exhibit" shall be deemed to refer to an article or section of this Agreement or an exhibit to this Agreement. The words "hereof," "herein" and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, unless otherwise specifically provided, they shall be deemed to be followed by the words "without limitation." This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing the document to be drafted. Accounting terms used but not defined herein shall have the respective meanings given such terms under GAAP.

15.6 Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Agreement may be executed by facsimile signature.

15.7 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective (unless and until reformed automatically or replaced via good faith negotiations of the parties) to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

15.8 Relationship of Parties.

Nothing in this Agreement shall be interpreted or construed as establishing between the parties a partnership, joint venture, joint employment, agency or other similar arrangement.

15.9 Entire Agreement; No Third Party Beneficiaries.

This Agreement shall be an Ancillary Agreement under the CPA. The CPA (including the exhibits and schedules hereto) and the Ancillary Agreements, including this Agreement, are intended by the parties as a complete statement of the entire agreement and understanding of the parties with respect to the subject matter hereof and all matters between the parties related to the subject matter herein or therein set forth. This Agreement is made among, and for the benefit of, the parties hereto, and the parties do not intend to create any third-party beneficiaries hereby, and no other Person shall have any rights arising under, or interests in or to, this Agreement.

15.10 Governing Law; Jurisdiction; Waiver of Jury Trial; Equitable Remedies; Certain Expenses.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois (excluding Illinois choice of law principles that might call for the application of the law of another jurisdiction) as to all matters, including matters of validity, construction, effect, performance and remedies.

(b) Each of Contractor and Parent irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against United in any way relating to this Agreement or the transactions relating hereto, in any forum other than the state or federal courts located in the United States District Court for the Northern District of Illinois or the County of Cook, Illinois, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such courts. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that United may otherwise have to bring any action or proceeding relating to this Agreement against Contractor or Parent or its properties in the courts of any jurisdiction. Each of Contractor and Parent hereby irrevocably waives, to the fullest extent not prohibited by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

(c) EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS

OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT THIS AGREEMENT, OR THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CON TRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(d) Each of Contractor and Parent acknowledges and agrees that any breach by Contractor or Parent of a term or provision of this Agreement will materially and irreparably harm United, that money damages will accordingly not be an adequate remedy for such breach and that United, in its sole discretion and in addition to its other rights under this Agreement and any other remedies it may have at law or in equity, may apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit and without provision of any notice) for specific performance and/or other injunctive relief in order to enforce or prevent any breach of the provisions of this Agreement. Each of Contractor and Parent hereby waives (i) any defenses in any action for specific performance that a remedy at law would be adequate, and (ii) any requirement under any law to post a bond or other security as a prerequisite to obtaining equitable relief.

(e) Contractor shall pay all out-of-pocket expenses incurred by United, including the fees, charges and disbursements of any counsel for United, in connection with the enforcement or protection of its rights in connection with this Agreement.

15.11 Parent Guarantee.

Parent has previously executed a guarantee in favor of United in form of Exhibit K attached to the CPA (the "Parent Guarantee"). Parent hereby agrees that Contractor's obligations hereunder are guaranteed obligations under the Parent Guarantee.

15.12 Expenses.

Contractor shall bear its own expenses and legal fees incurred on its behalf with respect to this Agreement. Further, promptly following receipt of an invoice from [***]

[*Intentionally Left Blank; Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Prepayment Agreement to be duly executed and delivered as of the date and year first written above.

UNITED AIRLINES, INC.

By:
Name:
Title:

MESA AIR GROUP, INC.

By:
Name:
Title:

MESA AIRLINES, INC.

By:
Name:
Title:

Exhibit T-1

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.
[***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Packey Velleca
Sales Director, GE Aviation
One Neumann Way
Cincinnati, OH 45215

LETTER
AGREEMENT
NO. 12 TO GTA
No. CF34-0801-055

October 22, 2019

WHEREAS, **General Electric Company,** acting through its GE-Aviation business unit (hereinafter individually referred to as "GE"), and **Mesa Air Group, Inc.** (hereinafter individually referred to as "Airline") (GE and Airline being hereinafter collectively referred to as the "Parties") have entered into General Terms Agreement CF34-0801-055 dated November 15, 2002, and all of its subsequent amendments (hereinafter collectively referred to as "GTA"); and

WHEREAS, Airline desires to purchase and GE desires to sell spare engines in accordance with this Letter Agreement No. 12 ("Agreement").

NOW THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree to all of the following:

1. The Effective Date of this Agreement is October 9, 2019.

2. Sale and Delivery. Airline agrees to purchase and take delivery of (2) new spare CF34-8C5 engines ("New Engine") from GE according to the delivery schedule set forth in Attachment A hereto (the "Delivery Schedule").

3. Special Discount. GE agrees to provide Airline with a special price for the New Engines, equal to [***] the price listed in Attachment C, and subject to escalation in accordance with Attachment D. GE and Airline agree this selling price, compared to the list price in calculated in accordance with Attachments C & D, shall be considered a Special Allowance for the purposes of the terms and conditions contained in Attachment B.

4. Special Payment Terms for Spare Engines. GE and Customer agree to modify the payment terms in Exhibit C of the GTA for these New Engines as follows:

    a. Purchase Order. Customer shall provide a Purchase Order to GE in accordance with the "PO Date" in Attachment A.

b. Deposit. Customer shall pay a pre-delivery deposit of [***] of the New Engine base price listed in Attachment C in accordance with the "POP Payment Date" in Attachment A, paid by wire transfer, and payable upon issuance of invoice.

c. Final Invoice. Customer shall pay the balance due at time of Delivery, paid by wire transfer.

5. [***]

6. If between the Effective Date and [***] Airline sells, transfers title or subleases a New Engine, Airline agrees to provide GE with the first right to each of the (2) New Engines.

7. [***]

The obligations set forth in this Agreement are in addition to the obligations set forth in the GTA In the event of conflict between the terms of this Agreement and the terms of the GTA, the terms of this Agreement shall take precedence. Terms which are capitalized but not otherwise defined herein shall have the meaning given to them in Article I of the GTA

Confidentiality of Information. This Agreement contains information specifically for Airline and GE, and nothing herein contained shall be divulged by Airline or GE to any third person, firm or corporation, without the prior written consent of the other Parties, which consent shall not be unreasonably withheld; except (i) that Airline's consent shall not be required for disclosure by GE of this Agreements, to an Engine program participant, joint venture participant, engineering service provider or consultant to GE so as to enable GE to perform its obligations under this Agreement or to provide informational data; (ii) to the extent required by Government agencies, by law, or to enforce this Letter Agreement; and (iii) to the extent necessary for disclosure to the Parties' respective insurers, accountants or other professional advisors who must likewise agree to be bound by the provisions of this paragraph. In the event (i) or {iii) occur, suitable restrictive legends limiting further disclosure shall be applied. In the event this Letter Agreement, or other GE information or data is required to be disclosed or filed by government agencies by law, or by court order, Airline shall notify GE at least thirty (30) days in advance of such disclosure or filing and shall cooperate fully with GE in seeking confidential treatment of sensitive terms of this Agreement.

MESA AIR GROUP, INC. **ELECTRIC, CO.**		**GENERAL**	
Signatures:	/s/ Jonathan Ornstein	Signatures:	/s/ Vivek Kuppsamy
Name:	Jonathan_Ornstein	Name:	Vivek Kuppusamy
Title:	Chairman & CEO	Title:	GM, Restructuring
Date:	October 22, 2019	Date:	October 23, 2019

ATTACHMENT A

Spare Engine Delivery Schedule

Spare Engine Ref No.	Engine Type	PO Date	PDP Payment Date	Delivery Date
1	CF34-8C5	[***]	[***]	Apr 2020
2	CF34-8C5	[***]	[***]	May 2020

ATTACHMENT B

CONDITIONS FOR SPECIAL ALLOWANCES/DELAY/CANCELLATION

1. Termination of Special Allowances

For the avoidance of doubt. it is understood that GE shall have no further obligation beyond the Expiration Date to provide any of such Special Allowances which were not provided to Airline, through no fault of GE.

2. Adjustment of Allowances

[***]

3. Assignability of Allowance

Any allowance described herein is exclusively for the benefit of Airline and is not assignable without GE's written consent.

4. Set Off for Outstanding Balance

GE shall be entitled, with five (5) days prior written notice, to set off any outstanding obligation and amounts that are due and owing from Airline to GE (and not subject to a good faith dispute) for goods or services (whether or not in connection with this Letter Agreement and/or GTA), against any amount payable by GE to Airline in connection with this Letter Agreement and/or GTA.

5. Cancellation Spare Engines

Airline recognizes that harm or damage will be sustained by GE if Airline fails to accept delivery of the Spare Engines when duly tendered. Within thirty (30) days of any such cancellation or failure to accept delivery occurs, Airline shall remit to GE a minimum cancellation charge equal to [***] of the Engine price, determined as of the date of scheduled Engine delivery to Airline. Further GE reserves the right to terminate this agreement, in part or in whole, if the PDP Payment is not paid in accordance with the schedule in Exhibit A.

The parties acknowledge such minimum cancellation charge to be a reasonable estimate of the minimum harm or damage to GE in such circumstances. If any such cancellation or failure occurs with less than such twelve (12) months prior written notice, GE shall also retain all remedies in law and equity available to GE for damages in excess of such minimum cancellation charge.

GE shall retain any progress payments or other deposits made to GE for any such Engine. Such progress payments will be applied first to the minimum cancellation charge for such Engine and, in circumstances described in the last sentence of the preceding paragraph, then to any further damages sustained by GE as a result of such cancellation or failure to accept delivery. Progress payments held by GE in respect of any such Engine which are in excess of such amounts will be refunded to Airline, provided Airline is not then in arrears

on other amounts owed to GE.

6. Delay Charge for Spare Engines

In the event Airline delays the scheduled delivery date of a Spare Engine for a period, or cumulative period, of more than [***], such delay shall be considered a cancellation and the applicable provisions hereof regarding the effect of cancellation shall apply.

7. Offset Requirements

Any allowance described herein is predicated on the assumption that no offset or countertrade requirement will be imposed on GE. If such requirement is imposed, then GE reserves the right to reduce the allowance commensurate with the cost to GE of performing such offset or countertrade obligation(s).

ATTACHMENT C

BASE PRICES FOR SPARE ENGINES

Item	List Base Price 2019 US Dollars
1. Spare CF34-8C5 engine, bare	[***]

A. Base prices are effective for basic Spare Engines delivered to Airline by GE on or before December 31, 2021. The base prices are for delivery Ex Works, Evendale, Ohio, or point of manufacture, subject to adjustment for escalation, and Airline shall be responsible, upon delivery, for the payment of all taxes, duties, fees or other similar charges.

B. The selling price of basic Spare Engines delivered after December 31, 2021 above shall be the base price then in effect, which base price shall be subject to adjustment for escalation in accordance with GE's then-current escalation provisions.

C. The selling price of Engine Build Up hardware, if any such hardware is ordered, will be based on GE's then-current price and is not subject to the escalation provisions set forth herein.

ATTACHMENT D ESCALATION

I. The base value for the guarantees and other prices expressed in applicable U.S. base year dollars are subject to escalation and shall be adjusted effective January 1st of the year following the applicable base year and January 1st of each calendar year thereafter pursuant to the provisions of this Attachment D.

II. The following three average indices as published in December of the year prior to the applicable guarantee or price year shall be used to determine the amount of adjustment upward or downward:

A. The four quarter average discussed below of the" **"ECI 336411W" or "NAICS Code 336411" (BLS code: CIU20232110000001),"** as published by the U.S. Department of Labor, Bureau of Labor Statistics, to the second decimal place.

B. The twelve month average discussed below of the wholesale price index for "Industrial Commodities," Codes 03 through 15 **(BLS code: wpu03thru15),** as published by the Bureau of Labor Statistics, to the second decimal place.

C. The twelve month average discussed below of the wholesale price index for "Metals and Metal Products," Code 10 **(BLS code: wpu10),** as published by the Bureau of Labor Statistics, to the second decimal place.

II I. The index described in Paragraph II.A above is published on a quarterly basis and the indices described in Paragraphs 11.B and 11. C above are published on a monthly basis. The four quarter average for the index described in Paragraph II.A above and the twelve month average for each index described in Paragraphs 11.B and 11.C above shall be determined for the base and current years. The base year shall be the twelve months ended September for the year preceding the base year as defined in the relevant section of this Agreement. The current year shall be the twelve months ended September of the year preceding the year in which the guarantee, rate, or price applies. Following is the methodology which shall be used to calculate the average indices described in Paragraphs II.A, 11.B, and 11.C for a particular twelve-month period with respect to the base year or relevant current year (the "Calculation Twelve Month Period"):

A. The "four quarter average" described in Paragraph II.A above shall be determined by averaging the index for each of the four quarters contained within the Calculation Twelve Month Period.

B. The "twelve month average" described in Paragraphs 11.B and 11.C above shall be determined by averaging the index for each of the twelve months contained within the Calculation Twelve Month Period.

IV. Values for guarantees and prices in any calendar year subject to this clause shall be adjusted by the average of the percentage change in each average index described above for the current over the base year.

Example - determine base price or guarantee rate for 2007 with a base year of 2006:

Escalation Indices	Weighting	Base Indices	Current Indices	Percent Changes	Weighted
1. Labor	33.3%	97.95	101.80	3.93%	1.31%
2. Metals	33.3%	159.18	165.81	4.17%	1.39%
3. Industrial Commodities	33.3%	156.18	169.25	8.37%	2.79%
Total Escalation					5.5%

Assume a base price or guarantee rate in 2006 $ of 100.
Calculate 2007 price or guarantee rate= $100 X [1.055) = $105.50.

V. The guarantee rate or price shall be final and will not be subject to further adjustments in the indices. In no event shall the invoice price be lower than the base price.

VI. In determining the adjustment to be added to the guarantee rate or price, the total escalation percent increase shall be calculated to the nearest one-tenth of one percent. If the next succeeding decimal place is five or more, the preceding decimal figure shall be raised to the next higher figure. If the next succeeding decimal place is four or less, the preceding decimal figure shall be kept at its then current figure.

VII. In the event that the indices specified herein are discontinued, or the basis of their calculation is modified, equivalent indices shall be substituted by GE to reflect increases in labor and material costs up to the September of the year prior to scheduled delivery of the Products.

VIIf. In the event the U.S. Bureau of Labor Statistics publishes indexes using a new base year, then the escalation shall be computed using such new indices.

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Packey Velleca
Sales Director, GE Aviation
One Neumann Way
Cincinnati, OH 45215

LETTER AGREEMENT NO. 13
TO GTA No. CF34-0801-055

December 11, 2019

WHEREAS, **General Electric Company,** acting through its GE-Aviation business unit (hereinafter individually referred to as "GE"), and **Mesa Air Group, Inc.** (hereinafter individually referred to as "Airline") (GE and Airline being hereinafter collectively referred to as the "Parties") have entered into General Terms Agreement CF34-0801-055 dated November 15, 2002, and all of its subsequent amendments (hereinafter collectively referred to as "GTA"); and

WHEREAS, Airline desires to purchase and GE desires to sell spare engines in accordance with this Letter Agreement No. 13 ("Agreement").

NOW THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree to all of the following:

1. The Effective Date of this Agreement is the date this Agreement is executed by both Parties.

2. Sale and Delivery. Airline agrees to purchase and take delivery of (20) new spare CF34-8C5 engines ("New Engine") from GE according to the delivery schedule set forth in Attachment A hereto (the "Delivery Schedule").

3. Special Discount. GE agrees to provide Airline with a special price for the New Engines, equal to [***] off the price listed in Attachment C, and subject to escalation in accordance with Attachment D. GE and Airline agree this selling price, compared to the list price in calculated in accordance with Attachments C & D, shall be considered a Special Allowance for the purposes of the terms and conditions contained in Attachment B.

4. Special Payment Terms for Spare Engines. GE and Customer agree to modify the payment terms in Exhibit C of the GTA for these New Engines as follows:

   a. Purchase Order. Customer shall provide a Purchase Order to GE in accordance with the "PO Date" in Attachment A.

   b. Deposit. Customer shall pay a pre-delivery deposit of [***] of the New Engine base price listed in Attachment C in accordance with the "PDP

      Payment Date" in Attachment A, paid by wire transfer, and payable upon issuance of invoice.

   c. Final Invoice. Customer shall pay the balance due at time of Delivery, paid by wire transfer.

5. [***]

6. If between the Effective Date and [***] Airline sells, transfers title or subleases a New Engine, Airline agrees to provide GE with the first right to each of the (20) New Engines.

7. [***]

The obligations set forth in this Agreement are in addition to the obligations set forth in the GTA. In the event of conflict between the terms of this Agreement and the terms of the GTA, the terms of this Agreement shall take precedence. Terms which are capitalized but not otherwise defined herein shall have the meaning given to them in Article I of the GTA.

Confidentiality of Information. This Agreement contains information specifically for Airline and GE, and nothing herein contained shall be divulged by Airline or GE to any third person, firm or corporation, without the prior written consent of the other Parties, which consent shall not be unreasonably withheld; except (i) that Airline's consent shall not be required for disclosure by GE of this Agreements, to an Engine program participant, joint venture participant, engineering service provider or consultant to GE so as to enable GE to perform its obligations under this Agreement or to provide informational data; (ii) to the extent required by Government agencies, by law, or to enforce this Letter Agreement; and (iii) to the extent necessary for disclosure to the Parties' respective insurers, accountants or other professional advisors who must likewise agree to be bound by the provisions of this paragraph. In the event (i) or (iii) occur, suitable restrictive legends limiting further disclosure shall be applied. In the event this Letter Agreement, or other GE information or data is required to be disclosed or filed by government agencies by law, or by court order, Airline shall notify GE at least thirty (30) days in advance of such disclosure or filing and shall cooperate fully with GE in seeking confidential treatment of sensitive terms of this Agreement.

MESA AIR GROUP, INC.		**GENERAL ELECTRIC, CO.**	
Signatures:	/s/ Michael Lotz	Signatures:	/s/ Michael P. Munz
Name:	Michael Lotz	Name:	Michael P. Munz
Title:	President & CFO	Title:	GM – N. American Sales
Date:	December 13, 2019	Date:	December 17, 2019

ATTACHMENT A

Spare Engine Delivery Schedule

Spare Engine Ref No.	Engine Type	PO Date	PDP Payment Date	Delivery Date
1	CF34-8C5	[***]	[***]	Aug 2020
2	CF34-8C5	[***]	[***]	Sep 2020
3	CF34-8C5	[***]	[***]	Oct 2020
4	CF34-8C5	[***]	[***]	Oct 2020
5	CF34-8C5	[***]	[***]	Nov 2020
6	CF34-8C5	[***]	[***]	Nov 2020
7	CF34-8C5	[***]	[***]	Jan 2021
8	CF34-8C5	[***]	[***]	Jan 2021
9	CF34-8C5	[***]	[***]	Feb 2021
10	CF34-8C5	[***]	[***]	Mar 2021
11	CF34-8C5	[***]	[***]	Apr 2021
12	CF34-8C5	[***]	[***]	Apr 2021
13	CF34-8C5	[***]	[***]	May 2021
14	CF34-8C5	[***]	[***]	Jun 2021
15	CF34-8C5	[***]	[***]	Jul 2021
16	CF34-8C5	[***]	[***]	Aug 2021
17	CF34-8C5	[***]	[***]	Sep 2021
18	CF34-8C5	[***]	[***]	Oct 2021
19	CF34 -8C5	[***]	[***]	Nov 2021
20	CF34-8C5	[***]	[***]	Dec 2021

ATTACHMENT B

CONDITIONS FOR SPECIAL ALLOWANCES/DELAY/CANCELLATION

1. Termination of Special Allowances

For the avoidance of doubt, it is understood that GE shall have no further obligation beyond the Expiration Date to provide any of such Special Allowances which were not provided to Airline, through no fault of GE.

2. Adjustment of Allowances

[***]

3. Assignability of Allowance

Any allowance described herein is exclusively for the benefit of Airline and is not assignable without GE's written consent.

4. Set Off for Outstanding Balance

GE shall be entitled, with five (5) days prior written notice, to set off any outstanding obligation and amounts that are due and owing from Airline to GE (and not subject to a good faith dispute) for goods or services (whether or not in connection with this Letter Agreement and/or GTA), against any amount payable by GE to Airline in connection with this Letter Agreement and/or GTA

5. Cancellation Spare Engines

Airline recognizes that harm or damage will be sustained by GE if Airline fails to accept delivery of the Spare Engines when duly tendered. Within thirty (30) days of any such cancellation or failure to accept delivery occurs, Airline shall remit to GE a minimum cancellation charge equal *to* [***] of the Engine price, determined as of the date of scheduled Engine delivery to Airline. Further GE reserves the right to terminate this agreement, in part or in whole, if the PDP Payment is not paid in accordance with the schedule in Exhibit A

The parties acknowledge such minimum cancellation charge to be a reasonable estimate of the minimum harm or damage to GE in such circumstances. If any such cancellation or failure occurs with less than such twelve (12) months prior written notice, GE shall also retain all remedies in law and equity available to GE for damages in excess of such minimum cancellation charge.

GE shall retain any progress payments or other deposits made to GE for

any such Engine. Such progress payments will be applied first to the minimum cancellation charge for such Engine and, in circumstances described in the last sentence of the preceding paragraph, then to any further damages sustained by GE as a result of such cancellation or failure to accept delivery. Progress payments held by GE in respect of any such Engine which are in excess of such amounts will be refunded to Airline, provided Airline is not then in arrears on other amounts owed to GE.

6. Delay Charge for Spare Engines

In the event Airline delays the scheduled delivery date of a Spare Engine for a period, or cumulative period, of more than [***], such delay shall be considered a cancellation and the applicable provisions hereof regarding the effect of cancellation shall apply.

7. Offset Requirements

Any allowance described herein is predicated on the assumption that no offset or countertrade requirement will be imposed on GE. If such requirement is imposed, then GE reserves the right to reduce the allowance commensurate with the cost to GE of performing such offset or countertrade obligation(s).

ATTACHMENT C

BASE PRICES FOR SPARE ENGINES

Item	List Base Price 2019 US Dollars
1. Spare CF34-8C5 engine, bare	[***]

A. Base prices are effective for basic Spare Engines delivered to Airline by GE on or before December 31, 2021. The base prices are for delivery Ex Works, Evendale, Ohio, or point of manufacture, subject to adjustment for escalation, and Airline shall be responsible, upon delivery, for the payment of all taxes, duties , fees or other similar charges.

8. The selling price of basic Spare Engines delivered after December 31, 2021 above shall be the base price then in effect, which base price shall be subject to adjustment for escalation in accordance with GE's then-current escalation provisions.

C. The selling price of Engine Build Up hardware, if any such hardware is ordered, will be based on GE's then-current price and is not subject to the escalation provisions set forth herein

.

ATTACHMENT D ESCALATION

I. The base value for the guarantees and other prices expressed in applicable U.S. base year dollars are subject to escalation and shall be adjusted effective January 1st of the year following the applicable base year and January 1st of each calendar year thereafter pursuant to the provisions of this Attachment D.

II. The following three average indices as published in December of the year prior to the applicable guarantee or price year shall be used to determine the amount of adjustment upward or downward:

A. The four quarter average discussed below of the" **"ECI 336411W" or "NAICS Code 336411" (BLS code: CIU2023211000000I),"** as published by the U.S. Department of Labor, Bureau of Labor Statistics, to the second decimal place.

8 The twelve month average discussed below of the wholesale price index for "Industrial Commodities," Codes 03 through 15 **(BLS code: wpu03thru15),** as published by the Bureau of Labor Statistics, to the second decimal place.

C. The twelve month average discussed below of the wholesale price index for "Metals and Metal Products," Code 10 **(BLS code: wpu10),** as published by the Bureau of Labor Statistics, to the second decimal place.

III. The index described in Paragraph II.A above is published on a quarterly basis and the indices described in Paragraphs 11.8 and 11.C above are published on a monthly basis. The four quarter average for the index described in Paragraph II.A above and the twelve month average for each index described in Paragraphs 11.8 and 11.C above shall be determined for the base and current years. The base year shall be the twelve months ended September for the year preceding the base year as defined in the relevant section of this Agreement. The current year shall be the twelve months ended September of the year preceding the year in which the guarantee, rate, or price applies. Following is the methodology which shall be used to calculate the average indices described in Paragraphs II.A, 11.8, and 11.C for a particular twelve-month period with respect to the base year or relevant current year (the "Calculation Twelve Month Period"):

A. The "four quarter average" described in Paragraph II.A above shall be determined by averaging the index for each of the four quarters contained within the Calculation Twelve Month Period.

8. The "twelve month average" described in Paragraphs 11.B and 11.C above shall be determined by averaging the index for each of the twelve months contained within the Calculation Twelve Month Period.

IV. Values for guarantees and prices in any calendar year subject to this clause shall be adjusted by the average of the percentage change in each average index described above for the current over the base year.

Example - determine base price or guarantee rate for 2007 with a base year of 2006:

Escalation Indices	Weighting	Base Indices	Current Indices	Percent Changes	Weighted
1. Labor	33.3%	97.95	101.80	3.93%	1.31%
2. Metals	33.3%	159.18	165.81	4.17%	1.39%
3. Industrial Commodities	33.3%	156.18	169.25	8.37%	2.79%
Total Escalation					5.5%

Assume a base price or guarantee rate in 2006 $ of 100 .
Calculate 2007 price or guarantee rate= $100 X [1.055] = $105.50.

V. The guarantee rate or price shall be final and will not be subject to further adjustments in the indices. In no event shall the invoice price be lower than the base price.

VI. In determining the adjustment to be added to the guarantee rate or price, the total escalation percent increase shall be calculated to the nearest one-tenth of one percent. If the next succeeding decimal place is five or more, the preceding decimal figure shall be raised to the next higher figure. If the next succeeding decimal place is four or less, the preceding decimal figure shall be kept at its then current figure.

VII. In the event that the indices specified herein are discontinued, or the basis of their calculation is modified, equivalent indices shall be substituted by GE to reflect increases in labor and material costs up to the September of the year prior to scheduled delivery of the Products.

VIII. In the event the U.S. Bureau of Labor Statistics publishes indexes using a new base year, then the escalation shall be computed using such new indices.

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Packey Velleca
Sales Director, GE Aviation
One Neumann Way
Cincinnati, OH 45215

AMENDED AND RESTATED LA13-2
September 30, 2020

LETTER AGREEMENT NO. 13 TO
GTA No. Cf 34-0801-055

WHEREAS, **General Electric Company,** acting through its GE-Aviation business unit (hereinafter individually referred to as "GE"), and **Mesa Air Group,** Inc. (hereinafter individually referred to as "Air1ine") (GE and Airline being hereinafter collectively referred to as the "Parties") have entered into General Terms Agreement CF34-0801-055 dated November 15, 2002, and all of its subsequent amendments (hereinafter collectively referred to as "QIA"); and

WHEREAS Air1ine and GE have entered into Letter Agreement No. 13 to the GTA, dated December 11, 2019, ("LA13"); and

WHEREAS Airline and GE amended and restated LA13 on March 13, 2020 and refer to that as "LA No. 13-1"; and

WHEREAS Airline and GE desire to amend and restate LA13-1, and refer it as this "LA No. 13-2" ("Agreement"); and

NOW THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree to all of the following:

1. The Effective Date of this Agreement is the date this Agreement is executed by both Parties.

2. Sale and Delivery. Airline agrees to purchase and take delivery of [***] new spare CF34-8C5 engines ("New Engine") from GE according to the delivery schedule set forth in Attachment A hereto (the "Delivery Schedule").

3. Special Discount. GE agrees to provide Airline with a special price for the New Engines, equal to [***] off the price listed in Attachment C, and subject to escalation in accordance with Attachment D. GE and Airline agree this selling price, compared to the list price in calculated in accordance with Attachments C & D, shall be considered a Special Allowance for the purposes of the terms and conditions contained in Attachment B.

4. Special Payment Terms for Spare Engines. GE and Customer agree to modify the payment terms in Exhibit C of the GTA for these New Engines as follows:

    a. Purchase Order. Customer shall provide a Purchase Order to GE in accordance with the "PO Date" in Attachment A.

b. Deposit. Customer shall pay a pre-delivery deposit of [***] of the New Engine base price listed in Attachment C in accordance with the "PDP Payment Date" in Attachment A, paid by wire transfer, and payable upon issuance of invoice.

GE and Customer agree that as of the Effective Date, Customer has not made any progress payments or payments of any kind for New Engines purchased under this LA13-2. For the avoidance of doubt, GE and Customer agree that any and all progress payments previously made under LA13 and LA13-1 shall be retained by GE and used toward the purchase of engine in LA12-1 in accordance with the terms and conditions in LA12-1, and such payments shall not be considered as progress payment or payment of any kind for any of the New Engines in this LA13-2.

c. Final Invoice. Customer shall pay the balance due at time ofDelivery, paid by wire transfer.

5. [***]

6. If between the Effective Date and [***] Air1ine sells, transfers title or subleases a New Engine, Airline agrees to provide GE with the first right to each of the (20) New Engines.

7. [***]

The obligations set forth in this Agreement are in addition to the obligations set forth in the GTA. In the event of conflict between the terms of this Agreement and the terms of the GTA, the terms of this Agreement shall take precedence. Terms which are capitalized but not otherwise defined herein shall have the meaning given to them in Article I of the GTA.

Confidentiality of Information. This Agreement contains information specifically for Airline and GE, and nothing herein contained shall be divulged by Airline or GE to any third person, firm or corporation, without the prior written consent of the other Parties, which consent shall not be unreasonably withheld; except (i) that Airline's consent shall not be required for disclosure by GE of this Agreements, to an Engine program participant, joint venture participant, engineering service provider or consultant to GE so as to enable GE to perform its obligations under this Agreement or to provide informational data; (ii) to the extent required by Government agencies, by law, or to enforce this Letter Agreement; and (iii) to the extent necessary for disclosure to the Parties' respective insurers, accountants or other professional advisors who must likewise agree to be bound by the provisions of this paragraph. In the event (i} or (iii) occur, suitable restrictive legends limiting further disclosure shall be applied. In the event this Letter Agreement, or other GE information or data is required to be disclosed or filed by government agencies by law, or by court order, Airline shall notify GE at least thirty (30) days in advance of such disclosure or filing and shall cooperate fully with GE in seeking confidential treatment of sensitive terms of this Agreement.

MESA AIR GROUP, INC.	**GENERAL ELECTRIC, CO.**
Signatures:/s/ Michael Lotz	Signatures:/s/ Michael P. Munz
Name: Michael Lotz	Name: Michael P. Munz
Title: President & CFO	Title: GM – N. American Sales
Date: September 30, 2020	Date: October 8, 2020

ATTACHMENT A

Spare Engine Delivery Schedule

1	CF34-8C5	Effective date	[***]	1-May-21
2	CF34-8C5	Effective date	[***]	1-Mav-21
3	CF34-8C5	Effective date	[***]	1-Mav-21
4	CF34-8C5	Effective date	[***]	1-Mav-21
5	CF34-8C5	Effective date	[***]	1-May-21
6	CF34-8C5	Effective date	[***]	1-Aua-21
7	CF34-8C5	Effective date	[***]	1-Aua-21
8	CF34-8C5	Effective date	[***]	1-Aua-21
9	CF34-8C5	Effective date	[***]	1-Aug-21
10	CF34-8C5	Effective date	[***]	1-Aua-21
11	CF34-8C5	Effective date	[***]	1-Oct-21
12	CF34-8C5	Effective date	[***]	1-Oct-21
13	CF34-8C5	Effective date	[***]	1-Oct-21
14	CF34-8C5	Effective date	[***]	1-Nov-21
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16	CF34-8C5	Effective date	[***]	1-Nov-21
17	CF34-8C5	Effective date	[***]	1-Nov-21
18	CF34-8C5	Effective date	[***]	1-Dec-21
19	CF34-8C5	Effective date	[***]	1-Dec-21
20	CF34-8C5	Effective date	[***]	1-Dec-21
1	CF34-8C5	Effective date	[***]	1-May-21

ATTACHMENT B

CONDITIONS FOR SPECIAL ALLOWANCES/DELAY/CANCELLATION

1. Tenninatlon of Special Allowances

For the avoidance of doubt, it is understood that GE shall have no further obligation beyond the Expiration Date to provide any of such Special Allowances which were not provided to Airline, through no fault of GE.

2. [***]

3. Assignablllity of Allowance

Any allowance described herein is exclusively for the benefit of Airline and is not assignable without GE's written consent.

4. Set Off for Outstanding Balance

GE shall be entitled, with five (5) days prior written notice, to set off any outstanding obligation and amounts that are due and owing from Airline to GE (and not subject to a good faith dispute) for goods or services (whether or not in connection with this Letter Agreement and/or GTA), against any amount payable by GE to Airline in connection with this Letter Agreement and/or GTA.

5. Cancellation Spare Engines

Airtine recognizes that harm or damage will be sustained by GE if Airline fails to accept delivery of the Spare Engines when duly tendered. Within thirty (30) days of any such cancellation or failure to accept delivery occurs, Airline shall remit to GE a minimum cancellation charge equal to [***] of the Engine price, determined as of the date of scheduled Engine delivery to Airline. Further GE reserves the right to terminate this agreement, in part or in whole, if the PDP Payment is not paid in accordance with the schedule in Exhibit A.

The parties acknowledge such minimum cancellation charge to be a reasonable estimate of the minimum harm or damage to GE in such circumstances. If any such cancellation or failure occurs with less than such twelve (12) months prior written notice, GE shall also retain all remedies in law and equity avallable to GE for damages in excess of such minimum cancellation charge.

GE shall retain any progress payments or other deposits made to GE for any such Engine. Such progress payments will be applied first to the minimum cancellation charge for such Engine and,

in circumstances described in the last sentence of the preceding paragraph, then to any further damages sustained by GE as a result of such cancellation or failure to accept delivery. Progress payments held by GE in respect of any such Engine which are in excess of such amounts will be refunded to Airline, provided Airline is not then in arrears on other amounts owed to GE.

6. Delay Charge for Spare Engines

In the event Airline delays the scheduled delivery date of a Spare Engine for a period, or cumulative period, of more than [***] month, such delay shall be considered a cancellation and the applicable provisions hereof regarding the effect of cancellation shall apply.

7. Offset Requirements

Any allowance described herein is predicated on the assumption that no offset or countertrade requirement will be imposed on GE. If such requirement is imposed, then GE reserves the right to reduce the allowance commensurate with the cost to GE of performing such offset or countertrade obligation(s).

ATTACHMENT C

BASE PRICES FOR SPARE ENGINES

	Item	List Base Price 2019 US Dollars
1.	SpareCF34-8C5 engine, bare	[***]

A. Base prices are effective for basic Spare Engines delivered to Airline by GE on or before December 31, 2021. The base prices are for delivery Ex Works, Evendale, Ohio, or point of manufacture, subject to adjustment for escalation, and Airline shall be responsible, upon delivery, for the payment of all taxes, duties, fees or other similar charges.

B. The selling price of basic Spare Engines delivered after December 31, 2021 above shall be the base price then in effect, which base price shall be subject to adjustment for escalation in accordance with GE's then-current escalation provisions.

C. The selling price of Engine Butld Up hardware, if any such hardware is ordered, will be based on GE's then-current price and is not subject to the escalation provisions set forth herein.

ATTACHMENT D ESCALATION

I. The base value for the guarantees and other prices expressed in applicable U.S. base year dollars are subject to escalation and shall be adjusted effective January 1st of the year following the applicable base year and January 1st of each calendar year thereafter pursuant to the provisions of this Attachment D.

II. The following three average indices as published in December of the year prior to the applicable guarantee or price year shall be used to determine the amount of adjustment upward or downward:

A. The four quarter average discussed below of the" **"ECI 336411W' or "NAICS Code 336411" (BLS code: CIU2023211000000I),"** as published by the U.S. Department of labor, Bureau of labor Statistics, to the second decimal place.

B. The twelve-month average discussed below of the wholesale price index for "**Industrial** Commodities," Codes 03 through 15 **(BLS code: wpu03thru15),** as published by the Bureau of labor Statistics, to the second decimal place.

C. The **twelve**-month average discussed below of the wholesale price index for "Metals and Metal Products," Code 10 **(BLS code: wpu10},** as published by the Bureau of Labor Statistics, to the second decimal place.

III. The index described In Paragraph II.A above is published on a quarterly basis and the indices described in Paragraphs **11.B** and 11.C above are published on a monthly basis. The four quarter average for the index described in Paragraph II.A above and the [***] average for each index described in Paragraphs 11.B and 11.C above shall be determined for the base and current years. The base year shall be the twelve months ended September for the year preceding the base year as defined In the relevant section of this Agreement. The current year shall be the twelve months ended September of the year preceding the year in which the guarantee, rate, or price applies. Following is the methodology which shall be used to calculate the average indices describe in Paragraphs **II.A,** 11.B, and 11.C for a particular twelve-month period with respect to the base year or relevant current year (the "Calculation Twelve Month Period"):

A. The “four quarter average” described in Paragraph II.A above shall be determined by averaging the index for each of the four quarters contained within the Calculation Twelve Month Period.

B. The “twelve-month average” described in Paragraphs U.B and 11.C above shall be determined by averaging the index for each of the Twelve months contained within the Calculation Twelve Month Period.

IV. Values for guarantees and prices in any calendar year subject to this clause shall be adjusted by the average of the percentage change in each average Index described above for the current over the base year.

Example - determine base price or guarantee rate for 2007 with a base year of 2006:

Escalation Indices Weighting	Weighting	Base Indices	Current Indices	Percent Changes	Weighted
1. Labor	33.3%	97.95	101.80	3.93%	1.31%
2. Metals	33.3%	159.18	165.81	4.17%	1.39%
3. Industrial Commodities	33.3%	156.18	169.25	8.37%	2.79%
Total Escalation				5.5%	

Assume a base price or guarantee rate In 2006 $ of 100.
Calculate 2007 price or guarantee rate== $100 X (1.055] = $105.50

V. The guarantee rate or price shall be final and will not be subject to further adjustments in the indices. In no event shall the invoice price be lower than the base price.

VI. In determining the adjustment to be added to the guarantee rate or price, the total escalation percent increase shall be calculated to the nearest one-tenth of one percent. If the next succeeding decimal place is five or more, the preceding decimal figure shall be raised to the next higher figure. If the next succeeding decimal place is four or less, the preceding decimal figure shall be kept at its then current figure.

VII. In the event that the indices specified herein are discontinued, or the basis of their calculation is modified, equivalent indices shall be substituted by GE to reflect increases in labor and material costs up to the September of the year prior to scheduled delivery of the Products.

VIII. In the event the U.S. Bureau of Labor Statistics publishes indexes using a new base year, then the escalation shall be computed using such new Indices.

Exhibit 10.22.1

LOAN AND GUARANTEE AGREEMENT

dated as of

October 30, 2020

among

MESA AIRLINES, INC., as Borrower,

the Guarantors party hereto from time to time,

THE UNITED STATES DEPARTMENT OF THE TREASURY,

and

THE BANK OF NEW YORK MELLON,

as Administrative Agent and Collateral Agent

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ARTICLE IV

CONDITIONS

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LOAN AND GUARANTEE AGREEMENT dated as of October 30, 2020 (this "Agreement"), among MESA AIRLINES, INC., a corporation organized under the laws of Nevada (the "Borrower"), MESA AIR GROUP, INC., a corporation organized under the laws of Nevada (the "Parent"), the Guarantors party hereto from time to time, the UNITED STATES DEPARTMENT OF THE TREASURY ("Treasury") and THE BANK OF NEW YORK MELLON as Administrative Agent and Collateral Agent.

WHEREAS, the Borrower has requested that the Initial Lender (as defined below) extend credit as is permissible under the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. 116-136 (Mar. 27, 2020), as the same may be amended form time to time (the "CARES Act") to the Borrower, and the Initial Lender is willing to do so on the terms and conditions set forth herein; and

WHEREAS, pursuant to Section 4003(h)(1) of the CARES Act, for purposes of the Code (as defined below) the Loans (as defined below) shall be treated as indebtedness and as having been issued for their aggregate stated principal amount, and the interest payable pursuant to Section 2.09(a) shall be treated as qualified stated interest.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Additional Collateral" shall mean, to the extent identified in the Pledge and Security Agreement, (a) cash and Cash Equivalents pledged to the Collateral Agent for the benefit of the Secured Parties under the Security Documents (and subject to an account control agreement in form and substance satisfactory to the Appropriate Party), (b) airframes, aircraft, engines and Spare Parts, registered, habitually located, or located in a designated location, respectively, in the United States and that are eligible for the benefits of Section 1110 of the Bankruptcy Code, 11 U.S.C. § 1110 or otherwise acceptable to the Required Lenders (provided that any airframe must be less than 20 years old at the time of its designation as Additional Collateral unless otherwise approved by the Appropriate Party), (c) Route Authorities for routes with at least one end point located in the United States and all Slots and Gate Leaseholds related from time to time thereto or otherwise acceptable to the Required Lenders, (d) Qualified Receivables (as defined in the Pledge and Security Agreement) acceptable to the Required Lenders, (e) flight simulators, (f) ground support equipment, (g) real property, (h) Qualified Tooling Inventory (as defined in the Pledge and Security Agreement) and (i) any other assets acceptable to the Required Lenders, and all of which assets shall (i) (other than Additional Collateral of the type described in clause (a)) be valued by a new Appraisal (or, in the case of clause (d), be certified by a Responsible Officer of the Parent pursuant to a new Valuation Certificate) at the time the Parent designates such assets as Additional Collateral, (ii) as of any date of addition of such assets as Collateral, be subject, to the extent purported to be created by the applicable Security Document, to a perfected first priority Lien and/or mortgage (or comparable Lien), in favor of the Collateral Agent for the benefit of the Secured Parties and otherwise subject only to Permitted Liens (excluding those referred to in clause (d) of the definition of "Permitted Lien"), (iii) pledged to the Collateral Agent for the benefit of the Secured Parties pursuant to security agreement(s) or mortgage(s), as applicable, in a form satisfactory to the Appropriate Party and (iv) at the time of their designation as Additional Collateral, be accompanied by a legal opinion in form satisfactory to the Appropriate Party; provided that, in accordance with Section 8.06, the

Collateral Agent may designate a sub-agent to accept the security interest in any Additional Collateral for the benefit of the Secured Parties; provided further that, with respect to Additional Collateral of the type described in clauses (c), (g) and (i), the Borrower agrees to notify the Collateral Agent as promptly as practicable of any new categories of assets which are expected to be designated as Additional Collateral or any new jurisdictions in which any asset is to be secured or located; provided further that, with respect to Additional Collateral of the type described in clause (e), (f), (g) or (h), (i) such assets are acceptable to the Required Lenders, (ii) the Borrower shall have delivered Appraisals acceptable in form and substance to the Required Lenders with respect to such assets, (iii) such assets are subject to a loan to value framework acceptable to the Required Lenders, (iv) such assets are pledged pursuant to documentation acceptable in form and substance to the Required Lenders and (v) the benefits of pledging such assets outweigh the associated cost, burden, difficulty or other consequences, as determined by the Required Lenders in their sole discretion.

"Additional Commitment Amount" means the lesser of (i) $157 million and (ii) an aggregate amount equal to 50% of the value of the Supplemental Collateral constituting Eligible Collateral set forth in an Appraisal delivered to the Administrative Agent and Initial Lender pursuant to Section 4.02.

"Adjusted LIBO Rate" means, as to any Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period divided by (b) one minus the Eurodollar Reserve Percentage.

"Administrative Account" means the account opened with the Administrative Agent in the name of the Initial Lender as notified to the Borrower and the Initial Lender, or such other account as the Administrative Agent shall advise the Borrower and each Lender from time to time.

"Administrative Agency Fee Letter" means any fee letter entered into between the Borrower, the Administrative Agent and the Collateral Agent, or with any successor administrative agent or collateral agent, in its capacity as administrative agent and in its capacity as collateral agent under any of the Loan Documents.

"Administrative Agent" means The Bank of New York Mellon, in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by or otherwise acceptable to the Administrative Agent.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means any Person that directly or indirectly controls, is controlled by, or is under common control with, any other Person. For purposes of this definition, "control" of a Person shall mean having the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by ownership of voting equity, by contract, or otherwise.

"Agent Parties" has the meaning specified in Section 11.01(d)(ii).

"Agent Responsible Officer" means, when used with respect to an Agent, any vice president, assistant vice president, assistant treasurer or trust officer in the corporate trust and agency administration of the Agent or any other officer of the Agent customarily performing functions similar to those performed by any of the above-designated officers, and, in each case, who shall have direct

responsibility for the administration of this Agreement and also means, with respect to a particular agency matter, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Agents" means any of the Administrative Agent and the Collateral Agent.

"Agreement" has the meaning specified in introductory paragraph hereof.

"Alternate Base Rate" means, for any day, a rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 0.50% and (c) the Adjusted LIBO Rate for a one-month term in effect on such day (taking into account any LIBO Rate floor under the definition of "Adjusted LIBO Rate") plus 1.00%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or such Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or such Adjusted LIBO Rate, respectively.

"AML Laws" means (a) the USA Patriot Act of 2001 (Pub. L. No. 107-56), (b) the U.S. Money Laundering Control Act of 1986, as amended, (c) the Bank Secrecy Act, 31 U.S.C. sections 5301 et seq., (d) Laundering of Monetary Instruments, 18 U.S.C. section 1956, (e) Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity, 18 U.S.C. section 1957, (f) the Financial Recordkeeping and Reporting of Currency and Foreign Transactions Regulations (Title 31 Part 103 of the US Code of Federal Regulations), or (g) any other applicable money laundering or financial recordkeeping Laws.

"Applicable Law" means, as to any Person, all applicable Laws binding upon such Person or to which such a Person is subject.

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Outstanding Amount of Loans of all Lenders represented by the aggregate Outstanding Amount of Loans of such Lender at such time.

"Applicable Rate" means 3.50%.

"Appraisal" means any appraisal specifying a value in Dollars (and not a range of values), dated as of the delivery thereof, prepared by an Eligible Appraiser that certifies, at the time of determination, in reasonable detail the appraised value of Eligible Collateral; provided that any methodology, form of presentation and all assumptions must be acceptable to the Appropriate Party; provided, further, that the methodology, form of presentation and assumptions in the Appraisal delivered on the Closing Date pursuant to Section 4.01(i), shall be satisfactory for any subsequent Appraisal with respect to the same category and specific type of Eligible Collateral.

"Appraised Value" means, as of any date, (a) the specific value in Dollars (and not a range of values) of any property constituting Eligible Collateral (other than cash and Cash Equivalents) as reflected in the most recent Appraisal or Valuation Certificate, as applicable, (b) with respect to any cash pledged or being pledged at such time as Collateral, 160% of the face amount, (c) with respect to any Cash Equivalents pledged or being pledged at such time as Collateral, 100% of the fair market value thereof as determined by the Parent in accordance with customary financial market practices determined no earlier than 45 days prior to such date and (d) with respect to any Qualified Receivables pledged or being pledged at such time as Collateral, 170% of the net book value thereof as certified by a Responsible Officer of the Parent in the most recent Valuation Certificate; provided that (i) if no Appraisal or Valuation Certificate, as applicable, relating to such Eligible Collateral has been delivered to the

Collateral Agent prior to such date, the Appraised Value of such Eligible Collateral shall be deemed to be zero, (ii) in the case of any such property consisting of ground support equipment, the Appraised Value shall be deemed to be 50% of the value set forth in the most recent Appraisal or Valuation Certificate, as applicable, and (iii) in the case of any such property consisting of aircraft or airframes that are 20 years old or older as of the date of this Agreement (or, in the case of Additional Collateral, as of the date upon which such Additional Collateral is pledged as Collateral to the Collateral Agent for the benefit of the Secured Parties to secure the Obligations), the Appraised Value shall be deemed to be 70% of the value set forth in the most recent Appraisal or Valuation Certificate, as applicable.

"Appropriate Party" means (i) while the Initial Lender holds any Commitment or Loan, the Initial Lender and (ii) if the Initial Lender is no longer a Lender, the Administrative Agent (acting at the direction of the Required Lenders).

"Approved Fund" means any Fund that is administered or managed by (a) a Lender,
(b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by
Section 11.04), and accepted by the Administrative Agent, in substantially the form of Exhibit A or any other form approved by the Administrative Agent.

"ASU" means the Accounting Standards Update 2016-02, Leases (Topic 842) by the Financial Accounting Standards Board issued on February 25, 2016.

"Attributable Indebtedness" means, as of any date of determination, (a) in respect of any Capitalized Lease Obligations of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

"Available Tenor" means, as of any date of determination and with respect to the then- current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 2.10(d).

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by an applicable Resolution Authority in respect of any liability of any Affected Financial Institution.

"Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing Law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Benchmark" means, initially, USD LIBO Rate; provided that if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to USD LIBO Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.10(a).

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Required Lenders for the applicable Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate benchmark rate that has been selected by (y) so long as the Initial Lender is a Lender, the Initial Lender and (z) otherwise, the Required Lenders and the Borrower, in each case, as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Required Lenders in their reasonable discretion and such screen is administratively acceptable as determined by the Administrative Agent in its reasonable discretion. If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents; provided further that any such Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its reasonable discretion.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then- current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of "Benchmark Replacement," the first alternative set forth in the order below that can be determined by the Required Lenders:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest

Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of "Benchmark Replacement," the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by (y) so long as the Initial Lender is a Lender, the Initial Lender and (z) otherwise, the Required Lenders and the Borrower, in each case, for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar- denominated syndicated credit facilities;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Required Lenders in their reasonable discretion and such screen is administratively acceptable as determined by the Administrative Agent in its reasonable discretion; provided that, any such Benchmark Replacement Adjustment shall be administratively feasible as determined by the Administrative Agent in its reasonable discretion.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent (after consultation with the Required Lenders) decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent (after consultation with the Required Lenders) decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent (after consultation with the Required Lenders) determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent (after consultation with the Required Lenders) decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents). The Required Lenders shall cooperate in good faith with the Administrative Agent so that the Administrative Agent may determine such Benchmark Replacement Conforming Changes.

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely

ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein; or

(3) in the case of an Early Opt-in Election, (y) so long as the Initial Lender is a Lender, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Administrative Agent and (z) otherwise, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Administrative Agent, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation

thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.10 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.10.

"Beneficial Owner" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Borrower" has the meaning specified in introductory paragraph hereof.

"Borrower Materials" has the meaning specified in Section 11.01(e).

"Borrowing" means a borrowing of Loans.

"Borrowing Request" means a request for a Borrowing in substantially the form of Exhibit D or any other form approved by the Administrative Agent.

"Business Day" means any day on which Treasury and the Federal Reserve Bank of New York are both open for business that is not a Saturday, Sunday or other day that is a legal holiday under the laws of the State of New York or is a day on which banking institutions in such state are authorized or required by Law to close; provided that, when used in connection with a Loan that bears interest by reference to the Adjusted LIBO Rate, the term "Business Day" means any such day that is also a day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

"Capital Markets Offering" means any offering of "securities" (as defined under the Securities Act and, including, for the avoidance of doubt, any offering of pass-through certificates by any pass-through trust established by the Parent or any of its Subsidiaries) in (a) a public offering registered under the Securities Act, or (b) an offering not required to be registered under the Securities Act (including, without limitation, a private placement under Section 4(a)(2) of the Securities Act, an exempt offering pursuant to Rule 144A and/or Regulation S of the Securities Act and an offering of exempt securities).

"Capitalized Lease Obligations" means, at the time any determination thereof is to be made, the amount of the liability in respect of a Capitalized Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP; provided that all leases of such Person that are or would have been treated as operating leases for purposes of GAAP prior to the issuance of the ASU shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purposes of this Agreement (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations for other purposes.

"Capitalized Leases" means all leases that have been or should be, in accordance with GAAP as in effect on the Closing Date, recorded as capitalized leases; provided that for all purposes hereunder the amount of obligations under any Capitalized Lease shall be the amount thereof accounted for as a liability in accordance with GAAP; provided, further, that all leases of such Person that are or would have been treated as operating leases for purposes of GAAP prior to the issuance of the ASU shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purposes of this Agreement (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations for other purposes.

"CARES Act" has the meaning specified in the preamble to this Agreement.

"Cash Equivalents" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within one year from the date of acquisition thereof and having, at such date of acquisition, a rating of at least A-2 from S&P or at least P- 2 from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $250,000,000;

(d) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA and Aaa (or equivalent rating) by at least two (2) Credit Rating Agencies and (iii) have portfolio assets of at least $5,000,000,000;

(e) deposits available for withdrawal on demand with commercial banks organized in the United States having capital and surplus in excess of $100,000,000; and

(f) other short-term liquid investments held by the Parent and the Subsidiaries as of the Closing Date in accordance with their normal investment policies and practices for cash management.

"CCR Certificate" has the meaning specified in Section 6.17(b).

"CCR Certificate Delivery Date" has the meaning specified in Section 6.17(b).

"CCR Reference Date" has the meaning specified in Section 6.17(b).

"CFC" means a controlled foreign corporation within the meaning of Section 957 of the Code.

"CFC Holdco" means any Domestic Subsidiary that has no material assets other than Equity Interests of one or more Foreign Subsidiaries that are CFCs.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means the occurrence of any of the following: (a) the sale, lease, 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 Borrower and its Subsidiaries, or if the Borrower is a direct or indirect Subsidiary of the Parent, the Parent and its Subsidiaries, taken as a whole, to any Person (including any "person" (as that term is used in Section 13(d)(3) of the Exchange Act)); (b) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person (including any "person" (as defined above)) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Borrower or the Parent, as applicable, (measured by voting power rather than number of shares), other than (i) any such transaction where the Voting Stock of the Borrower or the Parent, as applicable, (measured by voting power rather than number of shares) outstanding immediately prior to such transaction constitutes or is converted into or exchanged for at least a majority of the outstanding shares of the Voting Stock of such Beneficial Owner (measured by voting power rather than number of shares), or (ii) the consummation of any merger or consolidation of the Borrower or the Parent, as applicable, with or into any Person (including any "person" (as defined above)) which owns or operates (directly or indirectly through a contractual arrangement) a Permitted Business (a "Permitted Person") or a Subsidiary of a Permitted Person, in each case, if immediately after such transaction no Person (including any "person" (as defined above)) is the Beneficial Owner, directly or indirectly, of more than 50% of the total Voting Stock of such Permitted Person (measured by voting power rather than number of shares); (c) if the Borrower is a direct or indirect Subsidiary of the Parent, the Parent ceasing to own, directly or indirectly, 100% of the Equity Interests of the Borrower; (d) the adoption of a plan relating to the liquidation or dissolution of the Borrower or the Parent or (e) the occurrence of a "change of control", "change in control" or similar event under any Material Indebtedness of the Borrower, the Parent or any parent entity of the foregoing.

"Closing Date" means the first date all conditions precedent in Section 4.01 are satisfied.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" has the meaning assigned to such term in the Pledge and Security Agreement.

"Collateral Agent" means The Bank of New York Mellon, in its capacity as collateral agent under any of the Loan Documents, or any successor collateral agent.

"Collateral Coverage Ratio" means, as of any date of determination, the ratio of (i) the Appraised Value of the Eligible Collateral as of the date of the Appraisal or Valuation Certificate most recently delivered with respect to such Eligible Collateral pursuant to Section 5.16 (or in the case of cash and Cash Equivalents, as of such date of determination) to (ii) the aggregate principal amount of all Loans and Commitments outstanding as of such date; provided that for the purposes of calculating clause (i) above, (w) no more than 85% of the Appraised Value of the Eligible Collateral may correspond to Qualified Receivables, (x) no more than 25% of the Appraised Value of the Eligible Collateral may correspond to ground support equipment, (y) no more than 35% of the Appraised Value of the Eligible Collateral may correspond to aircraft or airframes that are 20 years old or older as of the date of this Agreement (or, in the case of Additional Collateral, on the date on which such Additional Collateral is pledged as Collateral to the Collateral Agent for the benefit of the Secured Parties to secure the Obligations) and (z) any amounts held in the Collateral Proceeds Account shall not be included.

"Collateral Proceeds Account" means a deposit account in the name of the Borrower that is subject to an agreement in form and substance satisfactory to the Appropriate Party establishing Control (as defined in the Pledge and Security Agreement) of such account by the Collateral Agent.

"Commitment" means the commitment of the Initial Lender to make Loans in the amount of $43 million plus, from and after the first date of the satisfaction of the conditions precedent in Section 4.02, the Additional Commitment Amount, in each case, as such commitment may be reduced or terminated pursuant to Section 2.07.

"Communications" has the meaning specified in Section 11.01(d)(ii).

"Competitor" means (i) any Person operating an Eligible Business and (ii) any Affiliate of any Person described in clause (i) (other than any Affiliate of such Person as a result of common control by a Governmental Authority or instrumentality thereof and any Affiliate of such Person under common control with such Person which Affiliate is not actively involved in the management and/or operations of such Person).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings analogous thereto.

"Convertible Indebtedness" means Indebtedness of the Parent that is convertible into common Equity Interests of the Parent (and cash in lieu of fractional shares) and/or cash (in an amount determined by reference to the price of such common Equity Interests).

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Credit Parties" means the Borrower and the Guarantors.

"Credit Rating" means a rating as determined by a Credit Rating Agency of the Parent's non-credit-enhanced, senior unsecured long-term indebtedness.

"Credit Rating Agency" means a nationally recognized credit rating agency that evaluates the financial condition of issuers of debt instruments and then assigns a rating that reflects its assessment of the issuer's ability to make debt payments.

"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Required Lenders in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for business loans; provided that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Required Lenders may establish another convention in its reasonable discretion, subject to the determination by the Administrative Agent of the administrative feasibility of such convention.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means an interest rate (before as well as after judgment) equal to the applicable interest rate plus 2.00% per annum.

"Disposition" or "Dispose" means the sale, transfer (including through a plan of division), license, lease or other disposition of any property by any Person (including (i) any sale and leaseback transaction, any issuance of Equity Interests by a Subsidiary of such Person and (ii) with respect to Intellectual Property, any covenant not to sue, release, abandonment, lapse, forfeiture, dedication to the public or other similar disposition of Intellectual Property), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Disqualified Equity Interest" means any Equity Interest that, by its terms (or the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is ninety-one (91) days after the Maturity Date; provided that

if such Equity Interests are issued pursuant to a plan for the benefit of employees of the Parent or any Subsidiary or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Parent or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

"Dollar" and "$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the Laws of the United States of America, any state thereof, or the District of Columbia.

"DOT" means the U.S. Department of Transportation.

"Early Opt-in Election" means, if the then-current Benchmark is USD LIBO Rate, the occurrence of:

(1) (x) so long as the Initial Lender is a Lender, the Initial Lender and (y) otherwise, the Required Lenders, in each case notifying to the Administrative Agent that the Initial Lender or the Required Lenders have determined that at least five currently outstanding U.S. dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) (x) so long as the Initial Lender is a Lender, the election by the Initial Lender and (y) otherwise, the joint election by the Required Lenders and the Borrower to trigger a fallback from USD LIBO Rate and, in each case, the provision to the Administrative Agent and the other Lenders of written notice of such election.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Appraiser" means (a) with respect to aircraft or engines: Acumen Aviation, Aircraft Information Services Inc., Alton Aviation Consultancy LLC, Ascend Worldwide Group, Aviation Advisors Group, LLC, Aviation Asset Management Inc., Aviation Specialists Group, AVITAS, Inc., BBC Aviation Enterprises LLC, BK Associates, Inc., Collateral Verifications, Inc., IBA Group Ltd., ICF International Inc., International Bureau of Aviation, Morten Beyer & Agnew or PAC Appraisal Inc.;
(b) with respect to slots, gates or routes: Alton Aviation Consultancy LLC, BK Associates, Inc., ICF International Inc., Morten Beyer & Agnew or PAC Appraisal Inc.; (c) with respect to parts: Acumen

Aviation, Alton Aviation Consultancy LLC, Aviation Asset Management Inc., BBC Aviation Enterprises LLC, Aviation Advisors Group, LLC, CBIZ Valuation Group, LLC, Collateral Verifications, Inc., ICF International Inc., Morten Beyer & Agnew, PAC Appraisal Inc. or Sage-Popovich, Inc.; (d) with respect to ground support equipment: CBIZ Valuation Group, LLC or Collateral Verifications, Inc.; (e) with respect to any other type of property: Alvarez & Marsal, Andersen Tax LLC, BBC Aviation Enterprises LLC, Aviation Advisors Group, LLC, CBRE Group Inc., Deloitte & Touche LLP, Jones Lang LaSalle Incorporated or PricewaterhouseCoopers; and (f) any independent appraisal firm appointed by the Borrower and acceptable to the Appropriate Party.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 11.04(b)(iii), 11.04(b)(v) and 11.04(b)(vi) (subject to such consents, if any, as may be required under Section 11.04(b)(iii)); provided that no Competitor shall be an Eligible Assignee.

"Eligible Business" means an "air carrier" within the meaning of Section 40102 of Title 49 that holds a certificate under Section 41102 of Title 49.

"Eligible Collateral" means, as of any date, all Collateral on which the Collateral Agent has, as of such date, to the extent purported to be created by the applicable Security Document, a valid and perfected first priority Lien and/or mortgage (or comparable Lien) for the benefit of the Secured Parties and which is otherwise subject only to Permitted Liens and satisfies the requirements set out in the Loan Documents for such type of Collateral.

"Eligible Receivables" means all Qualified Receivables (as defined in the Pledge and Security Agreement) that are part of the Collateral.

"Eligible Receivables Account" means that certain concentration account specified to the Administrative Agent in the name of a Credit Party, and any replacement account, which, in each case, must be a segregated deposit account and subject at all times to an account control agreement in form and substance satisfactory to the Appropriate Party.

"Eligible Receivables Determination Date" means the fifth Business Day following the last day of each month (beginning with October 2020).

"Eligible Receivables Revenue" means all payments received by, or otherwise required to be paid to, the Credit Parties (and their Affiliates), and all other amounts the Credit Parties are entitled to, under any Eligible Receivable.

"Eligible Receivables Test Period" means, at any Eligible Receivables Determination Date or other date of determination, the period of twelve (12) calendar months ending on the last day of the calendar month ending immediately prior to such date.

"Environmental Laws" means any and all federal, state, local, and foreign statutes, Laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions, including all common law, relating to pollution or the protection of health, safety or the environment or the release of any materials into the environment, including those related to Hazardous Materials, air emissions, discharges to waste or public systems and health and safety matters.

"Environmental Liability" means any liability or obligation, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), directly or indirectly, resulting from or based upon (a) violation of any Environmental Law, (b) the

generation, use, handling, transportation, storage, treatment, disposal or permitting or arranging for the disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means, as to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination (other than Convertible Indebtedness or any other debt security that is convertible into or exchangeable for Equity Interests of such Person and the Warrants).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with any Credit Party within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code or Section 302 of ERISA).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the failure by any Credit Party or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules or the filing of an application for the waiver of the minimum funding standards under the Pension Funding Rules; (c) the incurrence by any Credit Party or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA or a cessation of operations with respect to a Pension Plan within the meaning of Section 4062(e) of ERISA; (d) a complete or partial withdrawal by any Credit Party or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization or insolvent (within the meaning of Title IV of ERISA); (e) the filing of a notice of intent to terminate a Pension Plan under, or the treatment of a Pension Plan amendment as a termination under, Section 4041 of ERISA; (f) the institution by the PBGC of proceedings to terminate a Pension Plan; (g) any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (h) the determination that any Pension Plan is in at-risk status (within the meaning of Section 430 of the Code or Section 303 of ERISA) or that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the imposition or incurrence of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Credit Party or any ERISA Affiliate; (j) the engagement by any Credit Party or any ERISA Affiliate in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; (k) the imposition of a lien upon any Credit Party pursuant to Section 430(k) of the Code or Section 303(k) of ERISA; or (l) the making of an amendment to a Pension Plan that could result in the posting of bond or security under Section 436(f)(1) of the Code.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurodollar Reserve Percentage" means, for any day during any Interest Period, the reserve percentage in effect on such day, whether or not applicable to any Lender, under regulations

issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to
eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D). The Adjusted LIBO Rate for each outstanding Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

"Event of Default" has the meaning specified in Article VII.

"Excluded Assets" has the meaning assigned to such term in the Pledge and Security Agreement.

"Excluded Subsidiary" means any Subsidiary of the Parent (other than the Borrower) that (i) is not wholly-owned, directly or indirectly, by the Parent, (ii) is a captive insurance company, (iii) is an Immaterial Subsidiary, (iv) is a Receivables Subsidiary, (v) is a Foreign Subsidiary or a CFC Holdco existing on the Closing Date or (vi) is a Finance Entity; provided that, notwithstanding the foregoing, a Subsidiary will not be an Excluded Subsidiary if it (x) owns assets that are intended to be included in the Collateral, (y) owns individually, or in the aggregate with other Subsidiaries (including any Subsidiary that would otherwise qualify as an Excluded Subsidiary), a majority of the Equity Interests of any Subsidiary that owns any assets that are intended to be included in the Collateral or is party to any agreements that constitute (or would constitute) Collateral or (z) guarantees Material Indebtedness of the Parent or any of its Subsidiaries (other than any acquired Subsidiary that guarantees assumed Indebtedness of a Person acquired pursuant to an acquisition permitted under this Agreement that is existing at the time of such acquisition or investment; provided that such Indebtedness was not created in contemplation of or in connection with such acquisition and the amount of such Indebtedness is not increased).

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loans (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.16, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with
Section 2.16(g) and (d) any withholding Taxes imposed under FATCA.

"Export Control Laws" means any applicable export control Laws including the International Traffic in Arms Regulations (22 C.F.R. 120 et seq.) and the Export Administration Regulations (15 C.F.R. 730 et seq.).

"FAA" means the United States Federal Aviation Administration and any successor thereto.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially

more onerous to comply with), any current or future regulations or official interpretations thereof, any

agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"FCPA" has the meaning specified in Section 3.15(b).

"Federal Funds Effective Rate" means, for any day, the greater of (a) the rate calculated by the Federal Reserve Bank of New York based on such day's Federal funds transactions by depositary institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the Federal funds effective rate and (b) 0%.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"Finance Entity" means any Person created or formed by or at the direction of the Parent or any of its Subsidiaries for the purpose of financing aircraft and aircraft related assets and related pre- delivery payment obligations of the Parent or such Subsidiaries; provided that such (i) Person holds no material assets other than the aircraft or aircraft related assets to be financed or assets pursuant to which related pre-delivery payment obligations arise, (ii) financing is in the ordinary course of business of the Parent and its Subsidiaries or otherwise customary for airlines based in the United States and (iii) Person holds no assets constituting, or otherwise intended to be included in, Collateral.

"Financial Officer" means, as to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

"Fitch" means Fitch Ratings and any successor to its rating agency business.

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to USD LIBO Rate. As of the Closing Date, the Floor shall be 0%.

"Foreign Lender" means any Lender that is not a U.S. Person.

"Foreign Plan" means any employee pension benefit plan, program, policy, arrangement or agreement maintained or contributed to by the Parent or any Subsidiary with respect to employees employed outside the United States (other than any governmental arrangement).

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"GAAP" means, subject to Section 1.03, United States generally accepted accounting principles as in effect from time to time; provided that if at any time any change in GAAP would affect the computation of any financial ratio or financial requirement, or compliance with any covenant, set forth in any Loan Document, the Required Lenders and the Borrower will negotiate in good faith to amend such ratio, requirement or covenant to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided, further, that until so amended, (a) such ratio, requirement or covenant will continue to be computed in accordance with GAAP prior to such

change therein and (b) the Borrower will provide to the Administrative Agent and the Lenders reconciliation statements to the extent requested.

"Gate Leasehold" has the meaning assigned to such term in the Pledge and Security Agreement.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other 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).

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part) or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guaranteed Obligations" has the meaning specified in Section 9.01.

"Guarantor" means the Parent and each other Guarantor listed on the signature page to this Agreement and any other Person that Guarantees the Obligations under this Agreement and any other Loan Document.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes, and other substances or wastes of any nature regulated under or with respect to which liability or standards of conduct are imposed pursuant to any Environmental Law.

"Immaterial Subsidiaries" means one or more Subsidiaries, for which (a) the assets of all such Subsidiaries constitute, in the aggregate, no more than 7.50% of the total assets of the Parent and its Subsidiaries on a consolidated basis (determined as of the last day of the most recent fiscal quarter of the Parent for which financial statements are available), and (b) the revenues of all such Subsidiaries account for, in the aggregate, no more than 7.50% of the total revenues of the Parent and its Subsidiaries on a consolidated basis for the four (4) fiscal quarter period ending on the last day of the most recent fiscal

quarter of the Parent for which financial statements are available; provided that (x) a Subsidiary will not be an Immaterial Subsidiary if it (i) directly or indirectly guarantees, or pledges any property or assets to secure, any Obligations, (ii) owns any assets that are intended to be included in the Collateral or is party to any agreements that constitute (or would constitute) Collateral, or (iii) owns a majority of the Equity Interests of any Subsidiary that owns any assets that are intended to be included in the Collateral or is party to any agreements that constitute (or would constitute) Collateral and (y) the Borrower shall not be an Immaterial Subsidiary and (z) Mesa Air Group Airline Inventory Management, L.L.C. shall not be an Immaterial Subsidiary.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under (i) letters of credit (including standby and commercial), bankers' acceptances and bank guaranties and (ii) surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Attributable Indebtedness;

(g) all obligations of such Person in respect of Disqualified Equity Interests; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Indebtedness of any Person for purposes of clause (e) that is expressly made non-recourse or limited- recourse (limited solely to the assets securing such Indebtedness) to such Person shall be deemed to be equal to the lesser of (i) the aggregate principal amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitee" has the meaning specified in Section 11.03(b).

"Information" has the meaning specified in Section 11.12.

"Initial Lender" means Treasury or its designees (but, for the avoidance of doubt, excluding any assignee of the Loans).

"Intellectual Property" has the meaning assigned to such term in the Pledge and Security Agreement.

"Interest Payment Date" means the first Business Day following the 14th day of each March, June, September and December (beginning with December 15, 2020), and the Maturity Date.

"Interest Period" means, as to any Borrowing, (a) for the initial Interest Period, the period commencing on the date of such Borrowing and ending on the next succeeding Interest Payment Date and (b) for each Interest Period thereafter, the period commencing on the last day of the next preceding Interest Period and ending on the next succeeding Interest Payment Date.

"International Registry" has the meaning assigned to such term in the Pledge and Security Agreement.

"Interpolated Rate" means, at any time, the rate per annum determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the rate as displayed on the Bloomberg "LIBOR01" screen page (or any successor or replacement screen on such service; in each case the "Screen Rate") for the longest period (for which that Screen Rate is available) that is shorter than three (3) months and (b) the Screen Rate for the shortest period (for which that Screen Rate is available) that is equal to or exceeds three (3) months, in each case, at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor incurs Indebtedness of the type referred to in clause (h) of the definition of "Indebtedness" in respect of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment but giving effect to any returns or distributions of capital or repayment of principal actually received in case by such Person with respect thereto.

"IRS" means the United States Internal Revenue Service.

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

"Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or

authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Lenders" means the Initial Lender and any other Person that shall have become party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"LIBO Rate" means, the greater of (a) the rate appearing on the Bloomberg "LIBOR01" screen page (or any successor or replacement screen on such service) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity of three (3) months; provided that (i) if such rate is not available at such time for any reason, then the "LIBO Rate" shall be the Interpolated Rate, and (ii) if the Interpolated Rate is not available (except as set forth in Section 2.10), the "LIBO Rate" shall be the LIBO Rate for the immediately preceding Interest Period, two (2) Business Days prior to the commencement of such Interest Period and (b) 0%.

"Lien" means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, any option or other agreement to sell or give a security interest in an asset, or preference, priority, or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Liquidity" means the sum of (i) all unrestricted cash and Cash Equivalents of the Parent and its Subsidiaries, (ii) cash or Cash Equivalents of the Parent and its Subsidiaries restricted in favor of the Obligations or in connection with the Payroll Support Program Agreement (other than any amounts held in the Collateral Proceeds Account), (iii) the aggregate principal amount committed and available to be drawn by the Parent and its Subsidiaries (taking into account all borrowing base limitations or other restrictions) under all revolving credit facilities of the Parent and its Subsidiaries, (iv) any remaining aggregate principal amount committed and available to be drawn (taking into account any applicable restrictions) by the Parent and its Subsidiaries in respect of the Loans and (v) the scheduled net proceeds (after giving effect to any expected repayment of existing Indebtedness using such proceeds) of any Capital Markets Offering of the Parent or any of its Subsidiaries that has priced but has not yet closed (until the earliest of the closing thereof, the termination thereof without closing or the date that falls five (5) Business Days after the initial scheduled closing date thereof).

"Loan" means a loan made by a Lender to the Borrower pursuant to this Agreement.

"Loan Application Form" means the application form and any related materials submitted by the Borrower to the Initial Lender in connection with an application for the Loans under Division A, Title IV, Subtitle A of the CARES Act.

"Loan Documents" means, collectively, this Agreement, any Security Document, any promissory notes issued pursuant to Section 2.11(b) and any other documents entered into in connection herewith (including an Administrative Agency Fee Letter, if any).

"Margin Stock" means margin stock within the meaning of Regulations T, U and X.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect on, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Parent and its Subsidiaries taken as a whole; or (b) a material adverse effect on (i) the ability of the Borrower or any Credit Party to perform its Obligations, (ii) the legality, validity, binding effect or enforceability against the Borrower or any Credit Party of any Loan Document to which it is a party or the validity, perfection and first priority of the Liens on the Collateral in favor of the Collateral Agent taken as a whole or with respect to a substantial portion of the Collateral, or (iii) the rights, remedies and benefits available to, or conferred upon, the Lenders or the Agents under any Loan Documents; provided that the impacts of the COVID-19 disease outbreak will be disregarded for purposes of clause (a) of this definition to the extent (i) publicly disclosed in any SEC filing of the Parent or otherwise provided to the Initial Lender prior to the Closing Date and (ii) the scope of such adverse effect is no greater than that which has been disclosed as of the Closing Date.

"Material Indebtedness" means Indebtedness of the Parent or any of its Subsidiaries (other than the Loans) outstanding under the same agreement in a principal amount exceeding $14,000,000.

"Material Subsidiary" means any Subsidiary that is not an Immaterial Subsidiary.

"Maturity Date" means the date that is five (5) years after the Closing Date (except that, if such date is not a Business Day, the Maturity Date shall be the preceding Business Day).

"Maximum Rate" has the meaning specified in Section 11.14.

"Moody's" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Credit Party or any ERISA Affiliate makes or is obligated to make contributions, during the preceding five (5) plan years has made or been obligated to make contributions, or has any liability.

"Multiple Employer Plan" means a Plan with respect to which any Credit Party or any ERISA Affiliate is a contributing sponsor, and that has two (2) or more contributing sponsors at least two (2) of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Proceeds" means in connection with any Disposition or Recovery Event, the aggregate cash and Cash Equivalents received by the Parent or any of its Subsidiaries in respect of a Disposition of Collateral (including, without limitation, any cash or Cash Equivalents received in respect of or upon the Disposition of any non-cash consideration received in any such Disposition of Collateral) or Recovery Event, net of the direct costs and expenses relating to such Disposition and incurred by the Parent or a Subsidiary (including the sale or disposition of such non-cash consideration) or any such Recovery Event, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Disposition or Recovery Event, taxes paid or reasonably estimated to be payable as a result of the Disposition or Recovery Event, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all or all affected Lenders in accordance with the terms of Section 11.02 and (b) has been approved by the Required Lenders.

"Note" means the promissory note executed by the Borrower pursuant to Section 2.11(b).

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, each Credit Party arising under any Loan Document or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or required to be performed, or to become due or to be performed, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Credit Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, charges, expenses, fees, indemnities and other amounts payable by the Borrower or any other Credit Party under any Loan Document, (b) the obligation of any Credit Party to reimburse any amount in respect of any of the foregoing that the Lenders, in each case in their sole discretion, may elect to pay or advance on behalf of any Credit Party and (c) the obligation of any Credit Party or any of its Subsidiaries to take any action or refrain from taking any action as required by the covenants and other provisions contained in this Agreement and any other Loan Document.

"Obligee Guarantor" has the meaning specified in Section 9.06.

"Organizational Documents" means (a) as to any corporation, the charter or certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) as to any limited liability company, the certificate or articles of formation or organization and the operating or limited liability agreement (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction) and (c) as to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in the Loans or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19(b)).

"Outstanding Amount" means, with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

"Parent" has the meaning specified in introductory paragraph hereof.

"Participant" has the meaning specified in Section 11.04(d).

"Participant Register" has the meaning specified in Section 11.04(d).

"Payroll Support Program Agreement" means that certain Payroll Support Program Agreement dated as of April 20, 2020, between the Borrower and Treasury.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Code and ERISA (as modified by the CARES Act) regarding minimum funding standards and minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan, but excluding a Multiemployer Plan) that is maintained or is contributed to by any Credit Party or any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Perfection Requirement" has the meaning specified in the Pledge and Security Agreement.

"Permitted Bond Hedge Transaction" means any call or capped call option (or substantively equivalent derivative transaction) on the Parent's common Equity Interests purchased by the Parent in connection with the issuance of any Convertible Indebtedness; provided that the purchase price for such Permitted Bond Hedge Transaction does not exceed the net proceeds received by the Parent from the sale of such Convertible Indebtedness issued in connection with the Permitted Bond Hedge Transaction.

"Permitted Business" means any business that is the same as, or reasonably related, ancillary, supportive or complementary to, the business in which the Parent and its Subsidiaries are engaged on the date of this Agreement.

"Permitted Liens" means:

(a) Liens created for the benefit of (or to secure the payment and performance of) the Obligations or any Guaranteed Obligations;

(b) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; provided that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(c) Liens imposed by law, including carriers', vendors', materialmen's, warehousemen's, landlord's, mechanics', repairmen's, employees' or other like Liens, in each case, incurred in the ordinary course of business;

(d) Liens arising by operation of law in connection with judgments, attachments or awards which do not constitute an Event of Default hereunder;

(e) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(f) to the extent applicable, salvage or similar rights of insurers, in each case as it relates to Collateral; and

(g) Liens expressly permitted by the Pledge and Security Agreement.

"Permitted Refinancing" means with respect to any Person, any refinancings, renewals, or extensions of any Indebtedness of such Person so long as: (a) such refinancings, renewals, or extensions do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, or extended, other than by the amount of premiums paid thereon and the fees and expenses incurred in connection therewith and by the amount of unfunded commitments with respect thereto; (b) such refinancings, renewals, or extensions do not result in a shortening of the average weighted maturity (measured as of the refinancing, renewal, or extension) of the Indebtedness so refinanced, renewed, or extended, nor are they on terms or conditions that, taken as a whole, are or could reasonably be expected to be materially adverse to the interests of the Lenders; (c) if the Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Obligations, then the terms and conditions of the refinancing, renewal, or extension must include subordination terms and conditions that are at least as favorable to the Lenders as those that were applicable to the refinanced, renewed, or extended Indebtedness; (d) the Indebtedness that is refinanced, renewed, or extended is not recourse to any Person that is liable on account of the Obligations other than those Persons which were obligated with respect to the Indebtedness that was refinanced, renewed, or extended and (e) to the extent the Indebtedness that is refinanced, renewed, or extended is unsecured, the Indebtedness resulting from such refinancing, renewal or extension must be unsecured.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"PIK Interest Amount" means, in respect of any Interest Payment Date, the amount of interest accrued during an Interest Period calculated based on the PIK Interest Rate applicable during such Interest Period.

"PIK Interest Rate" means in respect of any Interest Period ending on or prior to the first anniversary of the date hereof, the Adjusted LIBO Rate plus the Applicable Rate.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of the Parent or any Subsidiary, or any such plan to which the Parent or any Subsidiary is required to contribute on behalf of any of its employees or with respect to which any Credit Party has any liability.

"Platform" means Debt Domain, Intralinks, Syndtrak, DebtX or a substantially similar electronic transmission system.

"Pledge and Security Agreement" means the Pledge and Security Agreement executed and delivered by the Borrower and each Guarantor on the Closing Date in form and substance acceptable to the Initial Lender and the Collateral Agent, as it may be amended, supplemented, restated or otherwise modified from time to time. For the avoidance of doubt, the terms of the "Pledge and Security Agreement" shall include the terms of all Applicable Annexes (as defined in the Pledge and Security Agreement).

"Prepayment Notice" means a notice by the Borrower to prepay Loans, which shall be in such form as the Appropriate Party may approve.

"Prime Rate" means the rate of interest per annum last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Required Lenders) or any similar release by the Federal Reserve Board (as determined by the Required Lenders). Any change in the Prime Rate shall take effect at the opening of business on the day such change is publicly announced or quoted as being effective.

"Proceeds" means "proceeds," as defined in Article 9 of the UCC.

"Public Lender" has the meaning specified in Section 11.01(e).

"Receivables Subsidiary" means (x) a Wholly-Owned Subsidiary of the Parent formed for the purpose of and which engages in no activities other than in connection with the financing or securitization of accounts receivables (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (1) is guaranteed by the Parent or by any Subsidiary of the Parent, excluding any guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings, (2) is recourse to or obligates the Parent or any Subsidiary of the Parent in any way other than pursuant to Standard Securitization Undertakings or (3) subjects any property or asset of the Parent or any Subsidiary of the Parent (other than accounts receivable and related assets) or any property or asset of the type that is intended to be include in the Collateral, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings, (b) with which neither the Parent nor any Subsidiary of the Parent (other than another Receivables Subsidiary) has any material contract, agreement, arrangement or understanding (other than pursuant to the related financing of accounts receivable) other than on terms no less favorable to the Parent or such Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Parent and (c) with which neither the Parent nor any Subsidiary of the Parent has any obligation to maintain or preserve such Subsidiary's financial condition, other than a minimum capitalization in customary amounts, or to cause such Subsidiary to achieve certain levels of operating results or (y) any Subsidiary of a Receivables Subsidiary. For the avoidance of doubt, the Parent and any Subsidiary of the Parent may enter into Standard Securitization Undertakings for the benefit of a Receivables Subsidiary.

"Recipient" means (a) the Administrative Agent, (b) the Collateral Agent or (c) any Lender, as applicable.

"Recovery Event" means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any Collateral or any Event of Loss (as defined in the Pledge and Security Agreement).

"Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is USD LIBO Rate, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not USD LIBO Rate, the time determined by the Required Lenders in their reasonable discretion, provided that such time is determined to be administratively feasible by the Administrative Agent.

"Register" has the meaning specified in Section 11.04(c).

"Regulation D" means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation T" means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation U" means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation X" means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30)-day notice period has been waived.

"Required Filings" shall have the meaning specified in the Pledge and Security Agreement.

"Required Lenders" means, at any time, Lenders having Loans representing more than 50% of the aggregate Outstanding Amount of Loans of all Lenders at such time.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means (a) the chief executive officer, president, executive vice president or a Financial Officer of the Borrower or such Credit Party, as applicable, (b) solely for purposes of the delivery of incumbency certificates and certified Organizational Documents and resolutions pursuant to Section 4.01, any vice president, secretary or assistant secretary of the Borrower or such Credit Party and (c) solely for purposes of Borrowing Requests, prepayment notices and notices for Commitment terminations or reductions given pursuant to Article II, any other officer or employee of the Borrower so designated from time to time by one of the officers described in clause (a) in a notice to the Administrative Agent (together with evidence of the authority and capacity of each such Person to so act in form and substance satisfactory to the Administrative Agent). Any document delivered hereunder that is signed by a Responsible Officer of a Credit Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of such Credit Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Credit Party.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to such Person's shareholders, partners or members (or the equivalent Persons thereof).

"Route Authority" has the meaning assigned to such term in the Pledge and Security Agreement.

"S&P" means S&P Global Ratings, and any successor to its rating agency business.

"Sanctioned Country" has the meaning specified in Section 3.15(a).

"Sanctioned Person" has the meaning specified in Section 3.15(a).

"Sanctions" has the meaning specified in Section 3.15(a).

"Screen Rate" has the meaning specified in the definition of the term "Interpolated Rate".

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Parties" has the meaning assigned to such term in the Pledge and Security Agreement.

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

"Security Document" means the Pledge and Security Agreement and any security or pledge agreement, mortgage, hypothecation or other agreement, instrument or document relating to collateral for the Loans (including any short form agreements, supplements, control agreements, collateral access agreements and registrations executed or made) that may exist at any time and from time to time, as amended from time to time.

"Slot" has the meaning assigned to such term in the Pledge and Security Agreement.

"SOFR" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"Solvent" means, as to any Person as of any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to

become an actual or matured liability. For the avoidance of doubt, a Person shall not fail to be Solvent on any date solely as a result of such person's audit having a "going concern" or like qualification, exception or explanatory paragraph or any qualification, exception or explanatory paragraph as to the scope of such audit solely due to the COVID-19 disease outbreak.

"Spare Parts" has the meaning assigned to such term in the Pledge and Security Agreement.

"Standard Securitization Undertakings" means all representations, warranties, covenants, indemnities, performance Guarantees and servicing obligations entered into by the Parent or any Subsidiary (other than a Receivables Subsidiary), which are customary in connection with any financing of accounts receivable.

"Subsidiary" of a Person means a corporation, partnership, limited liability company, association or joint venture or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time owned or the management of which is controlled, directly, or indirectly through one or more intermediaries, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Parent.

"Supplemental Collateral" means the assets listed in Schedule 4.02(i).

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, as to any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so- called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR" means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Trade Date" means the date on which an assigning Lender enters into a binding agreement to sell and assign all or a portion of its rights and obligations under this Agreement to another Person.

"Treasury" has the meaning specified in the preamble to this Agreement.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Uniform Commercial Code" and "UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York or, when the context implies, the Uniform Commercial Code as in effect from time to time in any other applicable jurisdiction.

"United States" and "U.S." mean the United States of America.

"USD LIBO Rate" means the LIBO Rate for U.S. dollars.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 2.16(g).

"Valuation Certificate" means a certificate, in form and substance satisfactory to the Required Lenders, executed by a Responsible Officer of the Parent specifying a value in Dollars (and not a range of values), dated as of the delivery thereof, that certifies, at the time of determination, in reasonable detail the Appraised Value of the Eligible Collateral specified therein.

"Voting Stock" of any specified Person as of any date means the equity interests of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

"Warrant Agreement" means the warrant agreement, dated as of the date hereof between Parent and Treasury, pursuant to which Parent agrees to issue Warrants to Treasury upon each Borrowing.

"Warrants" means, collectively, those certain warrants issued to Treasury under the Warrant Agreement.

"Wholly-Owned" means, as to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (a) director's qualifying shares and (b) shares issued to foreign nationals to the extent required by Applicable Law) are owned by such Person and/or by one or more Wholly-Owned Subsidiaries of such Person.

"Withholding Agent" means the Borrower and the Administrative Agent or other person making or transferring to any Lender any payment on behalf of the Borrower.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of such Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those power.

SECTION 1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." The word "or" is not exclusive. The word "year" shall refer (i) in the case of a leap year, to a year of three hundred sixty-six (366) days, and (ii) otherwise, to a year of three hundred sixty-five (365) days. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.03 Accounting Terms; Changes in GAAP.

(a) Accounting Terms. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall be construed in conformity with GAAP. Financial statements and other information required to be delivered by the Parent to the Lenders pursuant to Sections 5.01(a) and 5.01(b) shall be prepared in accordance with GAAP as in effect at the time of such preparation. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Parent and its

Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If the Borrower notifies the Administrative Agent (who will forward such notification to the Lenders) that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn, the Required Lenders shall have notified the Borrower (with a copy to the Administrative Agent) of their objection to such amendment or such provision shall have been amended in accordance herewith.

SECTION 1.04 Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of "LIBO Rate" or with respect to any comparable or successor rate thereto.

SECTION 1.05 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II COMMITMENT AND BORROWING

SECTION 2.01 Commitment. Subject to the terms and conditions set forth herein, the Initial Lender agrees to make Loans to the Borrower in up to two installments on or after the Closing Date in an aggregate principal amount not to exceed the Initial Lender's Commitment. Amounts borrowed under this Section 2.01 and repaid or prepaid may not be reborrowed.

SECTION 2.02 Loans and Borrowing.

(a) Borrowing. The Borrower shall borrow the initial Borrowing of the Loans on the Closing Date in an amount not to exceed the then available Commitment on such date and may request a single subsequent Borrowing on a date that is no later than December 15, 2020 in an amount not to exceed the then available Additional Commitment Amount on such date.

(b) Amount. The initial Borrowing on the Closing Date shall be in an aggregate amount of $43 million. Subject to the satisfaction of the conditions precedent in Section 4.02 and Section 4.03 and the other terms and conditions set forth herein, the subsequent Borrowing shall be in an aggregate amount not to exceed the Additional Commitment Amount.

(c) PIK Interest. In accordance with Section 2.09(e), the principal amount of the Loans shall also be increased on each Interest Payment Date by the PIK Interest Amount with respect to

such Interest Payment Date unless the Borrower pays such PIK Interest Amount in cash on such Interest Payment Date pursuant to an election to do so in accordance with Section 2.09(e).

(d) Funding of Borrowings. Each Lender shall make the amount of each Borrowing to be made by it hereunder available to the Administrative Agent by wire transfer of immediately available funds to the Administrative Account not later than 12:00 noon (New York City time) on the proposed date thereof. The Administrative Agent will make all such funds so received available to the Borrower in like funds, by wire transfer of such funds in accordance with the instructions provided in the applicable Borrowing Request; provided that if all such requested funds are not received by the Administrative Agent by 12:00 noon (New York City time) on the proposed date for such Borrowing, the Administrative Agent shall distribute such funds on the next succeeding Business Day.

SECTION 2.03 Borrowing Request.

(a) Notice by Borrower. In order to request a Borrowing, the Borrower shall notify the Administrative Agent of such request in writing not later than 11:00 a.m. (New York City time) (i) with respect to the initial Borrowing Request, three (3) Business Days prior to the date of the requested Borrowing and (ii) with respect to the subsequent Borrowing Request, five (5) Business Days prior to the date of the requested Borrowing. Each such notice shall be irrevocable and shall be in the form of a written Borrowing Request, appropriately completed and signed by a Responsible Officer of the Borrower. The Administrative Agent shall promptly advise the applicable Lenders of any Borrowing Request given pursuant to this Section 2.03(a) (and the contents thereof), and of each Lender's portion of the requested Borrowing.

(b) Content of Borrowing Requests. Each Borrowing Request for a Borrowing pursuant to this Section shall specify the following information in compliance with Section 2.02: (i) the aggregate amount of the requested Borrowing; (ii) the date of such Borrowing (which shall be a Business Day); and (iii) the location and number of the Borrower's account to which funds are to be disbursed.

SECTION 2.04 [Reserved].

SECTION 2.05 [Reserved].

SECTION 2.06 Prepayments.

(a) Optional Prepayments. The Borrower may, upon written notice to the Administrative Agent, at any time and from time to time prepay the Loans in whole or in part without premium or penalty, subject to the requirements of this Section. Partial prepayments of the Loans shall be in a minimum aggregate principal amount of $1,000,000 or a whole multiple of $100,000 in excess thereof. Notwithstanding anything herein to the contrary, the Borrower may at any time elect to prepay the Loans with funds contained in the Eligible Receivables Account or the Collateral Proceeds Account.

(b) Mandatory Prepayments.

(i) Dispositions of Collateral. Within three (3) Business Days of the receipt by the Parent or any of its Subsidiaries of any Net Proceeds from a Disposition of Collateral not permitted by Section 6.04, the Borrower shall prepay the Loans in an amount equal to 100% of such Net Proceeds.

(ii) Recovery Events. Within three (3) Business Days of the receipt by the Parent or any of its Subsidiaries of any Net Proceeds from a Recovery Event in respect of

Collateral, the Borrower shall either (x) prepay the Loans in an amount equal to 100% of such Net Proceeds or (y) deposit such Net Proceeds into the Collateral Proceeds Account for such purpose and thereafter such Net Proceeds shall be applied (to the extent not otherwise applied pursuant to the immediately succeeding proviso) to prepay the Loans; provided that (I) the Borrower may use such Net Proceeds to (A) replace the assets which are the subject of such Recovery Event with assets that are of the same type of Collateral or (B) repair the assets which are the subject of such Recovery Event, in each case, within 270 days after such deposit is made, (II) all such Net Proceeds amount may, at the option of the Borrower at any time, be applied to repay the Loans, and (III) upon the occurrence of an Event of Default, the amount of any such deposit may be applied by the Administrative Agent to repay the Loans.

(iii) Certain Debt Issuances. Immediately upon receipt by the Parent or any of its Subsidiaries of any proceeds from the incurrence of any Indebtedness that is secured by Liens on the Collateral (other than Permitted Liens), the Borrower shall prepay the Loans in an amount equal to 100% of any such proceeds from any such Indebtedness.

(iv) Change of Control. Immediately upon the occurrence of a Change of Control, the Borrower shall prepay the Loans in an amount equal to 100% of the aggregate outstanding principal amount of Loans.

(c) Notices. Each such notice pursuant to this Section shall be in the form of a written Prepayment Notice, appropriately completed and signed by a Responsible Officer of the Borrower, and must be received by the Administrative Agent not later than 11:00 a.m. (New York City time) three (3) Business Days before the date of prepayment (which delivery may initially be by electronic communication including fax or email and shall be followed by an original authentic counterpart thereof). Each Prepayment Notice shall specify (x) the prepayment date and (y) the principal amount of the Loans or portion thereof to be prepaid. Each Prepayment Notice shall be irrevocable.

(d) Payments. Any prepayment of the Loans pursuant to this Section 2.06 shall be accompanied by accrued interest on the principal amount prepaid as set forth in Section 2.09(c).

SECTION 2.07 Reduction and Termination of Commitments. The Initial Lender's Commitment shall (x) automatically and permanently be reduced by the amount of any Borrowing of a Loan and (y) automatically and permanently terminate on the earlier of (i) 5:00 p.m. (New York City time) on December 15, 2020 and (ii) the date of the subsequent Borrowing hereunder. The Borrower may, upon not less than three (3) Business Days' notice to the Initial Lender and the Administrative Agent, terminate any Commitment or, from time to time, reduce the Commitment. Any such reduction in such Commitment shall be in an amount equal to $1,000,000 or a whole multiple thereof, and shall permanently reduce such Commitment.

SECTION 2.08 Repayment of Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Lenders the aggregate principal amount of all Loans outstanding on the Maturity Date.

SECTION 2.09 Interest.

(a) Interest Rates. Subject to paragraph (b) of this Section, the Loans shall bear interest at a rate per annum equal to the Adjusted LIBO Rate plus the Applicable Rate.

(b) Default Interest. If any amount payable by the Borrower under this Agreement or any other Loan Document (including principal of any Loan, interest, fees and other amount) is not paid

when due, whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a rate per annum equal to the applicable Default Rate. Upon the request of the Required Lenders, while any Event of Default exists, the Borrower shall pay interest on the principal amount of all Loans outstanding hereunder at a rate per annum equal to the applicable Default Rate.

(c) Payment Dates. Accrued interest on each Loan shall be payable in cash in arrears on or before 12:00 noon (New York City time) on each Interest Payment Date applicable thereto and at such other times as may be specified herein; provided that (i) interest accrued pursuant to paragraph (b) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (including mandatory prepayments under Section 2.06(b)), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) any PIK Interest Amount may be paid in kind in accordance with Section 2.09(e).

(d) Interest Computation. All interest hereunder shall be computed on the basis of a year of three hundred sixty (360) days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The Adjusted LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(e) Payment of Interest in Kind. By written notice to the Administrative Agent at least thirty (30) days prior to each Interest Payment Date, the Borrower may elect to pay all of the PIK Interest Amount in respect of such Interest Payment Date in cash on such Interest Payment Date. If the Borrower does not elect to pay any such PIK Interest Amount in cash as set forth in this clause, such PIK Interest Amount shall be paid by increasing the principal amount of the Loan by an amount equal to such PIK Interest Amount as of the applicable Interest Payment Date.

SECTION 2.10 Benchmark Replacement Setting.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, as notified by the Required Lenders to the Administrative Agent in writing, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders and the Administrative Agent by the Required Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document, so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(b) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent (after consultation with the Required Lenders) will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Initial Lender or the Required Lenders, as the case may be, will promptly notify the Administrative Agent, which will then promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the removal or reinstatement of any tenor of a Benchmark pursuant to paragraph (d) below and (iv) the commencement or conclusion of any Benchmark Unavailability Period. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by any Lender (or group of Lenders) or the Administrative Agent, if applicable, pursuant to this Section 2.10 including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.10. Notwithstanding anything in this Agreement to the contrary, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, any determination made by it in connection with the adoption of Benchmark Replacement Conforming Changes or for the impact of such Benchmark Replacement Conforming Changes, nor for the failure to adopt any Benchmark Replacement Conforming Changes due to the failure of the Required Lenders to cooperate in good faith in connection with the determination of any Benchmark Replacement Conforming Changes.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or USD LIBO Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the definition of "Interest Period" may be modified for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) used by the Administrative Agent or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the definition of "Interest Period" may be modified for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. During any Benchmark Unavailability Period, all calculations of interest by reference to a LIBO Rate hereunder shall instead be made by reference to the Alternate Base Rate.

SECTION 2.11 Evidence of Debt.

(a) Maintenance of Records. The Administrative Agent shall maintain the Register in accordance with Section 11.04(c). The entries made in the records maintained pursuant to this paragraph (a) shall be prima facie evidence absent manifest error of the existence and amounts of the obligations recorded therein. Any failure of the Administrative Agent to maintain such records or make any entry therein or any error therein shall not in any manner affect the obligations of the Borrower under this Agreement and the other Loan Documents.

(b) Promissory Notes. For each Loan, the Borrower shall prepare, execute and deliver to such Lender a promissory note of the Borrower payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) in the form attached as Exhibit C hereto, which shall evidence such Lender's Loan.

SECTION 2.12 Payments Generally.

(a) Payments by Borrower. All payments to be made by the Borrower hereunder and the other Loan Documents shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all such payments shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, to the Administrative Account in immediately available funds not later than 12:00 noon (New York City time) on the date specified herein. All amounts received by a Lender or the Administrative Agent after such time on any date shall be deemed to have been received on the next succeeding Business Day and any applicable interest or fees shall continue to accrue. The Administrative Agent will promptly distribute to each Lender its ratable share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's applicable lending office (or otherwise distribute such payment in like funds as received to the Person or Persons entitled thereto as provided herein). If any payment to be made by the Borrower shall fall due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day and such extension of time shall be reflected in computing interest or fees, as the case may be; provided that, if such next succeeding Business Day would fall after the Maturity Date, payment shall be made on the immediately preceding Business Day. Except as otherwise expressly provided herein, all payments hereunder or under any other Loan Document shall be made in Dollars.

(b) Application of Insufficient Payments. Subject to Section 7.02, if at any time insufficient funds are received by and available to the Lenders or the Administrative Agent to pay fully all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied (i) first, to pay interest, fees and other amounts then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest, fees and other amounts then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, but shall not be obligated to, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Notwithstanding the foregoing, the Administrative Agent is not required to make any payment to the Lenders until it is in possession of cleared funds from the Borrower.

(d) Deductions by Administrative Agent. If any Lender (other than the Initial Lender) shall fail to make any payment required to be made by it pursuant to Section 2.13 or 11.03(c), then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the

benefit of the Administrative Agent to satisfy such Lender's obligations to the Administrative Agent until all such unsatisfied obligations are fully paid or (ii) hold any such amounts in a segregated account as cash collateral for, and for application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

(e) Several Obligations of Lenders. The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 11.03(c) are several and not joint. The failure of any Lender to make any Loan or to make any such payment on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or to make its payment under Section 11.03(c).

SECTION 2.13 Sharing of Payments. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that:

a. if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

b. the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

SECTION 2.14 Compensation for Losses. In the event of (a) the payment of any principal of the Loans other than on the last day of an Interest Period (including as a result of an Event of Default), (b) the failure to borrow or prepay the Loans (or any portion thereof) on the date specified in any notice delivered pursuant hereto, or (c) the assignment of the Loans (or any portion thereof) other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19(b), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, for

the date that would have been the applicable Interest Period), over (ii) the amount of interest that would

accrue on such principal amount for such period at the interest rate that such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the London interbank eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate promptly after receipt thereof.

SECTION 2.15 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Adjusted LIBO Rate);

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making or maintaining any Loan or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) [Reserved].

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 2.16 Taxes.

(a) Defined Terms. For purposes of this Section, the term "Applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made. The Borrower acknowledges and agrees that, absent a Change in Law, the Borrower is not required to withhold or deduct from any such payments to the Initial Lender on account of any U.S. federal withholding taxes or Taxes imposed pursuant to FATCA.

(c) Payment of Other Taxes by Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Initial Lender, the Required Lenders or the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Borrower. The Borrower shall indemnify each Recipient, within thirty (30) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent if such Lender is not the Initial Lender), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender (other than the Initial Lender) shall severally indemnify the Administrative Agent, within thirty (30) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.04(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any such Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender (other than the Initial Lender) hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders. (i) Any Lender (other than the Initial Lender) that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower (or, if such Lender is not the Initial Lender, the Administrative Agent) as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender (other than the Initial Lender), if reasonably requested by the Borrower (or the Administrative Agent), shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower (or the Administrative Agent) as will enable the Borrower (or the Administrative Agent) to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (g)(ii)(A), (ii)(B) and (ii)(D) of this Section) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender (other than the Initial Lender) that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or about 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), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI (or any successor forms) and, in the case of an Agent, a withholding certificate that satisfies the

requirements of Treasury Regulation Sections 1.1441-1(b)(2)(iv) and 1.1441- 1(e)(3)(v) as applicable to a U.S. branch that has agreed to be treated as a U.S. Person for withholding tax purposes;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit B-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-2 or Exhibit B-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender (other than the Initial Lender) under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the 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 the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so. Notwithstanding anything to the contrary in this Agreement, the Initial Lender shall be entitled to the benefits of this Section 2.16 and all related provisions under this Agreement without regard to whether it provides any documentation described in this Section 2.16(g).

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of- pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.17 [Reserved].

SECTION 2.18 [Reserved].

SECTION 2.19 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.15, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.16, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16 and, in

each case, such Lender has declined or is unable to designate a different lending office in accordance with paragraph (a) of this Section, or if any Lender is a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.04), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or Section 2.16) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.04;

(ii) such 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 and under the other Loan Documents (including any amounts under Section 2.14) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with Applicable Law; and

(v) in the case of any assignment resulting from a Lender becoming a Non- Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE III REPRESENTATIONS AND WARRANTIES

The Credit Parties represent and warrant to the Administrative Agent, the Collateral Agent and the Lenders on the date hereof and on the Closing Date and the date of any Borrowing that:

SECTION 3.01 Existence, Qualification and Power. Each of the Credit Parties and their respective Material Subsidiaries (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except, in each case referred to in clause (a) (other than with respect to any Credit Party), (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.02 Authorization; No Contravention. The execution, delivery and performance by each Credit Party of each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any material Contractual Obligation to which each Credit Party is a party or affecting each Credit Party or the material properties of any Credit Party or (ii) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which any Credit Party or its property is subject or (c) violate any Law, except to the extent such violation could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, each Credit Party of this Agreement or any other Loan Document, except for
(i) such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect and (ii) filings and consents contemplated by the Security Documents or Section 5.14.

SECTION 3.04 Execution and Delivery; Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Credit Party. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of each Credit Party, enforceable against each Credit Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

SECTION 3.05 Financial Statements; No Material Adverse Change.

(a) Financial Statements. The financial statements described in Schedule 3.05 were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and fairly present in all material respects the financial condition of the Parent and its Subsidiaries as of the date thereof and their results of operations and cash flows for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(b) No Material Adverse Change. Since the date of the most recent audited balance sheet included in the financial statements described in Schedule 3.05, there has been no event or circumstance that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

SECTION 3.06 Litigation. Except for those matters which have been publicly disclosed in any SEC filing of the Parent filed prior to the Closing Date, there are no actions, suits, proceedings, claims, disputes or investigations pending or, to the knowledge of any Credit Party, threatened, at Law, in equity, in arbitration or before any Governmental Authority, by or against any Credit Party or any of its Subsidiaries or against any of their properties or revenues that (a) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect or
(b) purport to affect or pertain to this Agreement or any other Loan Document or any of the transactions contemplated hereby.

SECTION 3.07 Contractual Obligations; No Default. None of the Credit Parties and their respective Subsidiaries is in default under or with respect to any Contractual Obligation that, either

individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

SECTION 3.08 Property. Each of the Credit Parties and their respective Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.
Each Credit Party has good title to the Collateral owned by it, free and clear of all Liens other than Permitted Liens.

SECTION 3.09 Taxes. The Credit Parties and their respective Subsidiaries have filed all federal, state and other tax returns and reports required to be filed, and have paid all federal, state and other taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except (a) Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are being maintained in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.10 Disclosure. (a) The Credit Parties and their respective Subsidiaries have disclosed to the Administrative Agent, the Collateral Agent and the Lenders all agreements, instruments and corporate or other restrictions to which they are subject, and all other matters known to them, that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. The Loan Application Form, reports, financial statements, certificates and other written information (other than projected or pro forma financial information) furnished by or on behalf of the Credit Parties and their respective Subsidiaries to any Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (as modified or supplemented by other information so furnished), taken as a whole, do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein (when taken as a whole), in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected or pro forma financial information, the Credit Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation and delivery (it being understood that such projected information may vary from actual results and that such variances may be material) and (b) as of the Closing Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

SECTION 3.11 Compliance with Laws. Each of the Credit Parties and their respective Subsidiaries is in compliance with the requirements of all Laws (including Environmental Laws) and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.12 ERISA Compliance.

(a) Except as could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, (i) each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state Laws and (ii) each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter, opinion

letter or advisory letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS, and, to the knowledge of any Credit Party, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the knowledge of any Credit Party, threatened or contemplated claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

(c) No ERISA Event has occurred, and neither any Credit Party nor any ERISA Affiliate is aware of any fact, event or circumstance that, either individually or in the aggregate, could reasonably be expected to constitute or result in an ERISA Event that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

(d) Except as would not reasonably be expected to have individually or in the aggregate, a Material Adverse Effect, the present value of all accrued benefits under each Pension Plan (based on those assumptions used to fund such Pension Plan) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits by a material amount.

(e) To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all applicable requirements of Law and has been maintained, where required, in good standing with applicable regulatory authorities, except to the extent that the failure so to comply could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect. Neither the Parent nor any Subsidiary has incurred any obligation in connection with the termination of or withdrawal from any Foreign Plan that, either individually or in the aggregate, would reasonably be expected to have individually or in the aggregate, a Material Adverse Effect. Except as would not reasonably be expected to have individually or in the aggregate, a Material Adverse Effect, the present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan that is funded, determined as of the end of the most recently ended fiscal year of the Parent or Subsidiary, as applicable, on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the property of such Foreign Plan by a material amount, and for each Foreign Plan that is not funded, the obligations of such Foreign Plan are properly accrued.

SECTION 3.13 Environmental Matters. Except with respect to any matters that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, none of the Credit Parties and their respective Subsidiaries (a) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (b) knows of any basis for any permit, license or other approval required under any Environmental Law to be revoked, canceled, limited, terminated, modified, appealed or otherwise challenged, (c) has or could reasonably be expected to become subject to any Environmental Liability, (d) has received notice of any claim, complaint, proceeding, investigation or inquiry with respect to any Environmental Liability (and no such claim, complaint, proceeding, investigation or inquiry is pending or, to the knowledge of the Parent, is threatened or contemplated) or (e) knows of any facts, events or circumstances that could give rise to any basis for any Environmental Liability with respect thereto.

SECTION 3.14 Investment Company Act. None of the Credit Parties is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.15 Sanctions; Export Controls; Anti-Corruption; AML Laws.

(a) None of the Credit Parties and their respective Subsidiaries and no director, officer, or affiliate of the foregoing is a Person that is: (i) the subject of any sanctions administered or enforced by the United States (including, but not limited to, those administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, and the U.S. Department of Commerce's Bureau of Industry and Security) ("Sanctions"), (ii) organized or resident in a country or territory that is the subject of country-wide or region-wide Sanctions (including, currently, Crimea, Cuba, Iran, North Korea, and Syria) (each a "Sanctioned Country") or located in a Sanctioned Country except to the extent authorized under Sanctions or (iii) a Person with whom dealings are restricted or prohibited by Sanctions as a result of a relationship of ownership or control with a Person listed in (i) or (ii) (each of (i), (ii) and (iii) is a "Sanctioned Person").

(b) For the period beginning eight (8) years prior to the date hereof, each of the Credit Parties and their respective Subsidiaries and their respective directors, officers and employees and, to the knowledge of the Credit Parties, such respective affiliates, have been, in all material respects, in compliance with the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA") and any other applicable anti-bribery or anti-corruption laws and regulations (collectively with the FCPA, the "Anticorruption Laws") and all applicable Sanctions, Export Control Laws, and AML Laws.

SECTION 3.16 Solvency. The Borrower and its Subsidiaries are Solvent on a consolidated basis after giving effect to the borrowing of the Loans.

SECTION 3.17 Subsidiaries. Schedule 3.17 sets forth the name of, and the ownership interests of the Parent and each of its Subsidiaries in, each Subsidiary of the Parent, and indicates which of such Subsidiaries are Excluded Subsidiaries as of the date hereof.

SECTION 3.18 Senior Indebtedness. The Loans, the Obligations and the Guaranteed Obligations constitute "senior indebtedness" (or any other similar or comparable term) under and as defined in the documentation governing any Indebtedness of the Credit Parties that is subordinated in right of payment to any other Indebtedness thereof.

SECTION 3.19 Insurance Matters. The properties of the Credit Parties are insured pursuant to Section 5.06 hereof. Each insurance policy required to be maintained by the Credit Parties pursuant to Section 5.06 is in full force and effect and all premiums in respect thereof that are due and payable have been paid.

SECTION 3.20 Labor Matters. Except as would not reasonably be expected to have individually or in the aggregate, a Material Adverse Effect, (a) there are no strikes, lockouts, slowdowns or other material labor disputes against any Credit Party or any of its Subsidiary thereof pending or, to the knowledge of the Credit Parties, threatened, (b) the Credit Parties and their respective Subsidiaries have complied with all applicable federal, state, local and foreign Laws relating to the employment (or termination thereof), the hours worked by and payments made to employees of the Parent and its Subsidiaries comply with the Fair Labor Standards Act and any other applicable federal, state, local or foreign Law dealing with such matters and (c) all payments due from the Credit Parties and their respective Subsidiaries, or for which any claim may be made against the Credit Parties and their

respective Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or properly accrued in accordance with GAAP as a liability on the books of the Parent or such Subsidiary. There are no complaints, unfair labor practice charges, grievances, arbitrations, unfair employment practices charges or any other claims or complaints against the Credit Parties or their respective Subsidiaries pending or, to the knowledge of the Credit Parties, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment of any employee of the Credit Parties and their respective Subsidiaries that would, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect.

SECTION 3.21 Insolvency Proceedings. None of the Credit Parties has taken, and none of the Credit Parties is currently evaluating taking, any action to seek relief or commence proceedings under any Debtor Relief Law in any applicable jurisdiction.

SECTION 3.22 Margin Regulations. The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) will be Margin Stock.

SECTION 3.23 Liens. There are no Liens of any nature whatsoever on any Collateral other than Liens permitted under Section 6.02 hereof.

SECTION 3.24 Perfected Security Interests.

(a) As of the Closing Date (or such later date as permitted under Section 5.14) and as of the date of each Borrowing, the Security Documents, taken as a whole, are effective to create in favor of the Collateral Agent for the benefit of the Secured Parties a legal, valid and enforceable first priority security interest in all of the Collateral to the extent purported to be created thereby.

(b) As of the Closing Date (or such later date as permitted under Section 5.14) and as of the date of each Borrowing, each Credit Party has or shall have satisfied the Perfection Requirement with respect to the Collateral.

SECTION 3.25 US Citizenship. The Borrower is a "citizen of the United States" as defined in Section 40102(a)(15) of Title 49 and as that statutory provision has been interpreted by the DOT pursuant to its policies.

SECTION 3.26 Eligible Business Status. The Borrower is an "air carrier" within the meaning of Section 40102 of Title 49, holds a certificate under Section 41102 of Title 49 and, during the time period from April 1, 2019 to September 30, 2019, derived more than 50% of its air transportation revenue from the transportation of passengers. The Borrower holds an air carrier operating certificate issued pursuant to Chapter 447 of Title 49. The Borrower possesses all necessary certificates, franchises, licenses, permits, rights, designations, authorizations, exemptions, concessions, frequencies and consents which relate to the operation of the routes flown by it and the conduct of its business and operations as currently conducted, except where failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

ARTICLE IV

CONDITIONS

SECTION 4.01 Closing Date Conditions. The effectiveness of this Agreement and the funding of the initial Borrowing hereunder are subject to the satisfaction (or waiver in accordance with Section 11.02) of the following conditions (and, in the case of each document specified in this Section to be received by the Initial Lender (and the applicable Agent or Agents), such document shall be in form and substance satisfactory to the Initial Lender and/or the applicable Agent or Agents):

(a) Executed Counterparts. The Initial Lender and the Agents shall have received from each party hereto a counterpart of this Agreement, any Security Documents to which it is a party and the Note, each signed on behalf of such party. Notwithstanding anything herein to the contrary, delivery of an executed counterpart of a signature page of this Agreement or any Security Documents by telecopy or other electronic means, or confirmation of the execution of this Agreement on behalf of a party by an email from an authorized signatory of such party shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Certificates. The Initial Lender and any applicable Agent shall have received such customary certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Credit Parties as the Lenders may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with the Loan Documents;

(c) Organizational Documents. The Initial Lender shall have received customary resolutions or evidence of corporate authorization, secretary's certificates and such other documents and certificates (including Organizational Documents and good standing certificates) as the Initial Lender may request relating to the organization, existence and good standing of each Credit Party and any other legal matters relating to the Credit Parties, the Loan Documents or the transactions contemplated thereby.

(d) Opinion of Counsel to Credit Parties. The Initial Lender and the applicable Agent or Agents shall have received all opinions of counsel (including any additional opinions of counsel as required under any Security Document) to the Credit Parties that is acceptable to the Initial Lender, addressed to the Initial Lender and the applicable Agent or Agents and dated the Closing Date, in form and substance satisfactory to the Initial Lender and the applicable Agent (and the Parent hereby instructs such counsel to deliver such opinions to such Persons).

(e) Beneficial Ownership Regulation Information. At least five (5) days prior to the Closing Date, the Borrower shall deliver to the Initial Lender a Beneficial Ownership Certification.

(f) Expenses. The Borrower shall have paid all reasonable fees, expenses (including the fees and expenses of legal counsel) and other amounts due to the Initial Lender, the Administrative Agent and the Collateral Agent (to the extent that statements for such expenses shall have been delivered to the Borrower on or prior to the Closing Date); provided that such expenses payable by the Borrower may be offset against the proceeds of the Loans funded on the Closing Date.

(g) Officer's Certificate. The Initial Lender shall have received a certificate executed by a Responsible Officer of the Parent confirming (i) that the representations and warranties contained in Article III of this Agreement are true and correct on and as of the Closing Date, (ii) that the information provided in the Loan Application Form submitted by the Borrower was true and correct on

and as of the date of delivery thereof and (iii) that no Default or Event of Default exists or will result from the borrowing of the Loans on the Closing Date.

(h) Other Documents. The Initial Lender and the Agents shall have received such other documents as it may request.

(i) Appraisals. The Initial Lender shall have received Appraisals and, in the case of Qualified Receivables, a Valuation Certificate, in each case satisfactory in form and substance and, in the case of Appraisals, performed by an Eligible Appraiser in form and substance satisfactory to the Initial Lender.

(j) Security Interests. Each Credit Party shall have, and shall have caused its Subsidiaries to, take any action and execute and deliver, or cause to be executed and delivered, any agreement, document or instrument required in order to create a valid, perfected first priority security interest in the Collateral in favor of the Collateral Agent for the benefit of the Secured Parties (including delivery of UCC financing statements in appropriate form for filing under the UCC and of the Intellectual Property security agreements included in the Required Filings and entering into control agreements). Each Credit Party shall have satisfied, and caused its Subsidiaries to satisfy, the Perfection Requirement with respect to the Collateral. In addition, the Credit Parties shall have delivered a completed Perfection Certificate (as defined in the Pledge and Security Agreement).

(k) Consents and Authorizations. Each Credit Party shall have obtained all consents and authorizations from Governmental Authorities and all consents of other Persons (including shareholder approvals, if applicable) that are necessary or advisable in connection with this Agreement, any Loan Document, any of the transactions contemplated hereby or thereby or the continuing operations of the Credit Parties and each of the foregoing shall be in full force and effect and in form and substance satisfactory to the Initial Lender.

(l) Lien Searches. The Initial Lender shall have received (i) UCC, and upon the request of the Initial Lender, Intellectual Property and other lien searches conducted in the jurisdictions and offices where liens on material assets of the Credit Parties are required to be filed or recorded and (ii) to the extent Collateral consists of (x) Aircraft and Engine Assets (as defined in the Pledge and Security Agreement), aircraft registry lien searches conducted with the FAA and the International Registry, and (y) Spare Part Assets (as defined in the Pledge and Security Agreement), registry lien searches conducted with the FAA (with reference to each Designated Spare Parts Location set forth on Schedule 2.1 of the Pledge and Security Agreement), in each case, reflecting the absence of Liens on the assets of the Credit Parties, other than Permitted Liens or Liens to be discharged on or prior to the Closing Date pursuant to documentation satisfactory to the Initial Lender.

(m) Collateral Coverage Ratio. On the Closing Date (and after giving pro forma effect to any Borrowings on such date), the Collateral Coverage Ratio shall not be less than 2.0 to 1.0, as evidenced by a certificate of a Responsible Officer of the Parent.

(n) Solvency Certificate. The Initial Lender shall have received a certificate of the chief financial officer or treasurer (or other comparable officer) of the Parent certifying that the Borrower and its Subsidiaries (taken as a whole) are, and will be immediately after giving effect to any Loans borrowed on the Closing Date, Solvent.

(o) Warrant Agreement. Treasury and Parent shall have entered into the Warrant Agreement.

(p) Control Agreements. The Initial Lender and the Collateral Agent shall have received fully executed copies of account control agreements in form and substance satisfactory to the Initial Lender with respect to the Eligible Receivables Account, if any.

(q) Other Matters. Since September 30, 2019, (i) there has been no event or circumstance that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect and (ii) none of the Credit Parties has made a Disposition of any assets constituting Collateral had this Agreement been in effect at such time.

SECTION 4.02 Conditions of the Subsequent Borrowing. The availability of the Additional Commitment Amount and the funding of the subsequent Borrowing in respect of such Additional Commitment Amount after the Closing Date under this Agreement are subject to the satisfaction (or waiver in accordance with Section 11.02) of the following conditions (and, in the case of each document specified in this Section to be received by the Initial Lender (and the applicable Agent or Agents), such document shall be in form and substance satisfactory to the Initial Lender and/or the applicable Agent or Agents):

(a) Executed Counterparts. The Initial Lender and the Agents shall have received from each party hereto a counterpart of supplements to the Pledge and Security Agreement and any other applicable Security Document to which it is a party with respect to all Supplemental Collateral that constitutes Eligible Collateral and the Note with respect to such subsequent Borrowing, each signed on behalf of such party.

(b) Certificates. The Initial Lender and any applicable Agent shall have received such customary certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Credit Parties as the Lenders may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with the Loan Documents, or in each case, confirmation that there has been no change since the Closing Date.

(c) Organizational Documents. The Initial Lender shall have received customary resolutions or evidence of corporate authorization, secretary's certificates and such other documents and certificates (including Organizational Documents and good standing certificates) as the Initial Lender may request relating to the organization, existence and good standing of each Credit Party and any other legal matters relating to the Credit Parties, the Loan Documents or the transactions contemplated thereby, or in each case, confirmation that there has been no change since the Closing Date.

(d) Opinion of Counsel to Credit Parties. The Initial Lender and the applicable Agent or Agents shall have received all opinions of counsel (including any additional opinions of counsel as required under any Security Document) to the Credit Parties that is acceptable to the Initial Lender, addressed to the Initial Lender and the applicable Agent or Agents and dated the date of such subsequent Borrowing, in form and substance satisfactory to the Initial Lender and the applicable Agent (and the Parent hereby instructs such counsel to deliver such opinions to such Persons).

(e) Expenses. The Borrower shall have paid all reasonable fees, expenses (including the fees and expenses of legal counsel) and other amounts due to the Initial Lender, the Administrative Agent and the Collateral Agent (to the extent that statements for such expenses shall have been delivered to the Borrower on or prior to the date of such subsequent Borrowing); provided that such expenses payable by the Borrower may be offset against the proceeds of the Loans funded on the date of such subsequent Borrowing.

(f) Officer's Certificate. The Initial Lender shall have received a certificate executed by a Responsible Officer of the Parent confirming (i) that the representations and warranties contained in Article III of this Agreement are true and correct on and as of the date of such subsequent Borrowing and (ii) that no Default or Event of Default exists or will result from the borrowing of the Loans on the date of such subsequent Borrowing.

(g) Other Documents. The Initial Lender and the Agents shall have received such other documents as it may request.

(h) Appraisals. The Initial Lender shall have received Appraisals and, in the case of Qualified Receivables, a Valuation Certificate with respect to the Supplemental Collateral, in each case satisfactory in form and substance and, in the case of Appraisals, performed by an Eligible Appraiser in form and substance satisfactory to the Initial Lender.

(i) Security Interests. Each Credit Party shall have, and shall have caused its Subsidiaries to, take any action and execute and deliver, or cause to be executed and delivered, any agreement, document or instrument required in order to create a valid, perfected first priority security interest in the applicable Supplemental Collateral in favor of the Collateral Agent for the benefit of the Secured Parties (including delivery of UCC financing statements in appropriate form for filing under the UCC and of the Intellectual Property security agreements included in the Required Filings and entering into control agreements). Each Credit Party shall have satisfied, and caused its Subsidiaries to satisfy, the Perfection Requirement with respect to the applicable Supplemental Collateral. In addition, the Credit Parties shall have delivered a completed Perfection Certificate (as defined in the Pledge and Security Agreement).

(j) Consents and Authorizations. Each Credit Party shall have obtained all consents and authorizations from Governmental Authorities and all consents of other Persons (including shareholder approvals, if applicable) that are necessary or advisable in connection with this Agreement, any Loan Document, any of the transactions contemplated hereby or thereby or the continuing operations of the Credit Parties and each of the foregoing shall be in full force and effect and in form and substance satisfactory to the Initial Lender.

(k) Lien Searches. The Initial Lender shall have received (i) UCC, and upon the request of the Initial Lender, Intellectual Property and other lien searches conducted in the jurisdictions and offices where liens on material assets of the Credit Parties are required to be filed or recorded and (ii) to the extent any Supplemental Collateral consists of (x) Aircraft and Engine Assets (as defined in the Pledge and Security Agreement), aircraft registry lien searches conducted with the FAA and the International Registry, and (y) Spare Part Assets (as defined in the Pledge and Security Agreement), registry lien searches conducted with the FAA (with reference to each Designated Spare Parts Location set forth on Schedule 2.1 of the Pledge and Security Agreement), in each case, reflecting the absence of Liens on the assets of the Credit Parties, other than Permitted Liens or Liens to be discharged on or prior to the date of such subsequent Borrowing pursuant to documentation satisfactory to the Initial Lender.

(l) Collateral Coverage Ratio. On the date of such subsequent Borrowing (and after giving pro forma effect to any Borrowings on such date), the Collateral Coverage Ratio shall not be less than 2.0 to 1.0, as evidenced by a certificate of a Responsible Officer of the Parent.

(m) Solvency Certificate. The Initial Lender shall have received a certificate of the chief financial officer or treasurer (or other comparable officer) of the Parent certifying that the Borrower and its Subsidiaries (taken as a whole) are, and will be immediately after giving effect to any Loans borrowed on the date of such subsequent Borrowing, Solvent.

(n) Other Matters. Since September 30, 2019, (i) there has been no event or circumstance that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect and (ii) none of the Credit Parties has made a Disposition of any assets constituting Collateral had this Agreement been in effect at such time.

(o) Amendments and Releases. The Initial Lender shall have received one or more amendments or other agreements in respect of the obligations under the agreements specified on Schedule 4.02(o) by and from the applicable lender evidencing the release of the Liens on the Supplemental Collateral, in each case, on the terms disclosed to the Initial Lender prior to the date hereof and in form and substance satisfactory to the Initial Lender or other evidence of the release of Liens on the Supplemental Collateral that is satisfactory to the Initial Lender.

SECTION 4.03 Additional Borrowing Conditions. The funding by the Lenders of the Borrowing to occur on the Closing Date and the date of any Borrowing is additionally subject to the satisfaction of the following conditions:

(a) the Administrative Agent shall have received a written Borrowing Request in accordance with the requirements of Section 2.03(a), with a copy to the Initial Lender (solely to the extent the Initial Lender is a Lender at the time of such Borrowing);

(b) the representations and warranties of the Credit Parties set forth in this Agreement and in any other Loan Document shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the date of such Borrowing (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date);

(c) no Default shall have occurred and be continuing or would result from such Borrowing or from the application of proceeds thereof;

(d) on the date of the funding of such Borrowing (and after giving pro forma effect thereto and the pledge of any Additional Collateral), the Collateral Coverage Ratio shall not be less than 2.0 to 1.0 as evidenced by a certificate of a Responsible Officer of the Parent;

(e) on the date of such Borrowing, the opinion of the independent public accountants (after giving effect to any reissuance or revision of such opinion) on the most recent audited consolidated financial statements delivered by the Parent pursuant to Section 5.01(a) shall not include a "going concern" qualification under GAAP as in effect on the date of this Agreement or, if there is a change in the relevant provisions of GAAP thereafter, any like qualification or exception under GAAP after giving effect to such change; and

(f) on or prior to the date of such Borrowing, each Credit Party shall have satisfied the Perfection Requirement with respect to the Collateral.

Each Borrowing Request by the Borrower hereunder and each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on and as of the date of the applicable Borrowing as to the matters specified in clauses (b) and (c) above in this Section.

ARTICLE V AFFIRMATIVE COVENANTS

Until all the later of (i) the date on which all of the Obligations shall have been paid in full and (ii) such later date specified in this Agreement, the Credit Parties covenant and agree with the Lenders that:

SECTION 5.01 Financial Statements. The Parent will furnish to the Administrative Agent and each Lender:

(a) as soon as available, and in any event within ninety (90) days after the end of each fiscal year of the Parent (or, if earlier, five (5) days after the date required to be filed with the SEC) (commencing with the fiscal year ended prior to the Closing Date), a consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal year and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, audited and accompanied by a report and opinion of independent public accountants of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards (and shall not be subject to any "going concern" or like qualification (other than a qualification solely resulting from (x) the impending maturity of any Indebtedness or (y) any prospective or actual default under any financial covenant), exception or explanatory paragraph or any qualification, exception or explanatory paragraph as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Parent and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) as soon as available, but in any event within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Parent (or, if earlier, five (5) days after the date required to be filed with the SEC) (commencing with the first of such fiscal quarters ended prior to the Closing Date), a consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Parent's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, certified by a Financial Officer of the Parent as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Parent and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject only to normal year-end audit adjustments and the absence of notes;

(c) for so long as the Initial Lender is the only Lender, as soon as available, but in any event no later than seventy-five (75) days after the beginning of each fiscal year of the Parent, forecasts prepared by management of the Parent and a summary of material assumptions used to prepare such forecasts, in form satisfactory to the Initial Lender, including projected consolidated balance sheets and statements of income or operations and cash flows of the Parent and its Subsidiaries on a quarterly basis for such fiscal year; and

(d) solely at the request of the Appropriate Party (which shall be no more than quarterly), at a time mutually agreed with the Appropriate Party and the Parent, participate in a conference call for Lenders to discuss the financial condition and results of operations of the Parent and its Subsidiaries and any forecasts which have been delivered pursuant to this Section 5.01.

SECTION 5.02 Certificates; Other Information. The Parent will deliver to the Administrative Agent and each Lender:

(a) [reserved];

(b) concurrently with the delivery of the financial statements referred to in Sections 5.01(a) and (b), a duly completed certificate signed by a Responsible Officer of the Parent certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto;

(c) [reserved];

(d) promptly after the furnishing thereof, copies of any notice of default or potential default or other material written notice received by the Parent or any Subsidiary from, or furnished by the Parent or any Subsidiary to, any holder of Material Indebtedness of the Parent or any Subsidiary;

(e) promptly after receipt thereof by any Credit Party or any Subsidiary thereof, copies of each material notice or other material written correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding material financial or other material operational results of any Credit Party or any Subsidiary thereof;

(f) [reserved];

(g) promptly following any request therefor, (i) such other information regarding the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of any Credit Party or any Subsidiary, or compliance with the terms of the Loan Documents (including Section 6.16), as the Administrative Agent, the Initial Lender or any other Lender (acting through the Administrative Agent) may from time to time request; or (ii) beneficial ownership information and documentation reasonably requested by the Administrative Agent or any Lender from time to time for purposes of ensuring compliance with Sanctions and AML Laws. For purposes of determining whether or not a representation with respect to any indirect ownership is true or a covenant is being complied with under this Section, the Parent shall not be required to make any investigation into (i) the ownership of publicly traded stock or other publicly traded securities or (ii) the ownership of assets by a collective investment fund that holds assets for employee benefit plans or retirement arrangements; and

(h) concurrently with the delivery of the financial statements referred to in Sections 5.01(a) and (b), a duly completed certificate signed by a Responsible Officer of the Borrower certifying as to its compliance with Article X of this Agreement.

Documents required to be delivered pursuant to Section 5.01(a) or (b) or Section 5.02(d) or (e) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which such materials are publicly available as posted on the Electronic Data Gathering, Analysis and Retrieval system (EDGAR); or (ii) on which such documents are posted on the Parent's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (A) upon written request by the Administrative Agent, the Parent shall deliver paper copies of such documents to the Administrative Agent or any Lender upon its request to the Parent to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (B) the Parent shall notify the Administrative Agent and each Lender (by facsimile or

electronic mail) of the posting of any such documents and provide to the Lenders by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above.

SECTION 5.03 Notices. The Parent will promptly notify the Administrative Agent and each Lender of:

(a) promptly after any Responsible Officer of the Parent or any of its Subsidiaries obtains knowledge thereof, the occurrence of any Default;

(b) the filing or commencement of any action, suit, investigation or proceeding by or before any arbitrator or Governmental Authority against or affecting the Parent or any Controlled Affiliate thereof, including pursuant to any applicable Environmental Laws, that could reasonably be expected to be adversely determined, and, if so determined, could reasonably be expected to have a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, either individually or together with any other ERISA Events, could reasonably be expected to have a Material Adverse Effect;

(d) notice of any action arising under any Environmental Law or of any noncompliance by any Credit Party or any Subsidiary with any Environmental Law or any permit, approval, license or other authorization required thereunder that, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(e) to the extent not publicly disclosed pursuant to an SEC filing of the Parent, any material change in accounting or financial reporting practices by the Parent, any Credit Party or any Subsidiary;

(f) any change in the Credit Ratings from a Credit Rating Agency with negative implications, or the cessation by a Credit Rating Agency of, or its intent to cease, rating the Borrower's or the Parent's debt; and

(g) any matter or development that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer of the Parent setting forth the details of the occurrence requiring such notice and stating what action the Parent has taken and proposes to take with respect thereto.

SECTION 5.04 Preservation of Existence, Etc. Each Credit Party will, and will cause each of its Subsidiaries to, (a) preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 6.03 or Section 6.04; (b) take all reasonable action to maintain all rights, licenses, permits, privileges and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

SECTION 5.05 Maintenance of Properties. Each Credit Party will, and will cause each of its Subsidiaries to, (a) maintain, preserve and protect all of its properties and equipment necessary in the operation of its business in good working order and condition (ordinary wear and tear excepted)

and (b) make all necessary repairs thereto and renewals and replacements thereof, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.06 Maintenance of Insurance. Subject to any additional requirements under any Security Document, each Credit Party will maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses as the Parent and its Subsidiaries; provided that insurance in respect of Collateral shall be maintained with such third party insurance companies except to the extent expressly permitted in the Pledge and Security Agreement) as are customarily carried under similar circumstances by such Persons.

SECTION 5.07 Payment of Obligations. Each Credit Party will pay, discharge or otherwise satisfy as the same shall become due and payable, all of its obligations and liabilities, including Tax liabilities, except to the extent (a) the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Parent or such Credit Party or (b) the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.08 Compliance with Laws. Each Credit Party will, and will cause each of its Subsidiaries to, comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.09 Environmental Matters. Except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, each Credit Party will, and will cause each of its Subsidiaries to, (a) comply with all Environmental Laws, (b) obtain, maintain in full force and effect and comply with any permits, licenses or approvals required for the facilities or operations of the Parent or any of its Subsidiaries, and (c) conduct and complete any investigation, study, sampling or testing, and undertake any corrective, cleanup, removal, response, remedial or other action necessary to identify, report, remove and clean up all Hazardous Materials present or released at, on, in, under or from any of the facilities or real properties of the Parent or any of its Subsidiaries.

SECTION 5.10 Books and Records. Each Credit Party will maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Parent or such Subsidiary, as the case may be.

SECTION 5.11 Inspection Rights. Each Credit Party will, and, to the extent relevant for inspections of Collateral will cause each of its Subsidiaries to, permit representatives, agents and independent contractors of the Administrative Agent, the Initial Lender, the Treasury Inspector General and the Special Inspector General for Pandemic Recovery to visit and inspect any of its properties (including all Collateral), to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the reasonable expense of the Parent and at such reasonable times during normal business hours and as often as may be reasonably requested; provided that, other than with respect to such visits and inspections during the continuation of an Event of Default or by the Initial Lender, the Treasury Inspector General or the Special Inspector General for Pandemic Recovery,

(a) only the Administrative Agent (or its representatives, agents and independent contractors) at the direction of a Lender may exercise rights under this Section and (b) the Administrative Agent (or its representatives, agents and independent contractors) shall not exercise such rights more often than two (2) times during any calendar year; provided, further, that when an Event of Default exists the Administrative Agent, any Lender, the Treasury Inspector General or the Special Inspector General for Pandemic Recovery (or any of their respective representatives, agents or independent contractors) may do any of the foregoing under this Section at the expense of the Parent and at any time during normal business hours and without advance notice.

SECTION 5.12 Sanctions; Export Controls; Anti-Corruption Laws and AML Laws. Each Credit Party and its Subsidiaries will remain in compliance in all material respects with applicable Sanctions, Export Control Laws, Anticorruption Laws, and AML Laws. Until all Obligations have been paid in full, neither any Credit Party, any Subsidiary of a Credit Party, nor any director or officer of any Credit Party or any Subsidiary of a Credit Party shall become a Sanctioned Person or a Person that is organized or resident in a Sanctioned Country or located in a Sanctioned Country except to the extent authorized under Sanctions.

SECTION 5.13 Guarantors; Additional Collateral.

(a) The Guarantors listed on the signature page to this Agreement hereby Guarantee the Guaranteed Obligations as set forth in Article IX. If any Subsidiary (other than an Excluded Subsidiary) is formed or acquired after the Closing Date, if any Subsidiary ceases to be an Excluded Subsidiary or if required in connection with the addition of Additional Collateral, then the Parent will cause such Subsidiary, promptly (in any event, within thirty (30) days of such Subsidiary being formed or acquired or of such Subsidiary ceasing to be an Excluded Subsidiary) (i) to become a Guarantor of the Loans pursuant to joinder documentation reasonably acceptable to the Appropriate Party and on the terms and conditions set forth in Article IX, (ii) to become a party to each applicable Security Document and all other agreements, instruments or documents that create or purport to create and perfect a first priority Lien (subject to Permitted Liens) in favor of the Collateral Agent for the benefit of the Secured Parties in its assets that are of a type that are intended to be included in the Collateral (other than any Excluded Assets), subject to and in accordance with the terms, conditions and provisions of the Loan Documents, (iii) to satisfy the Perfection Requirement, (iv) to deliver a secretary's certificate of such Subsidiary, in form and substance reasonably acceptable to the Appropriate Party, with appropriate insertions and attachments, and (v) to deliver legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, satisfactory to the Appropriate Party.

(b) If the Parent or any Subsidiary desires, or is required pursuant to the terms of this Agreement, to add Additional Collateral or, if any Subsidiary acquires any existing Collateral from a Grantor (as defined in the Pledge and Security Agreement) that it is required pursuant to the terms of this Agreement to maintain as Collateral, in each case, after the Closing Date, the Parent shall, in each case at its own expense, promptly (in any event, unless any other time period is specified in this Agreement or any other Loan Document, within thirty (30) days of the relevant date) (i) cause any such Subsidiary to become a Grantor (to the extent such Subsidiary is not already a Grantor) pursuant to joinder documentation acceptable to the Appropriate Party and on the terms and conditions set forth in the relevant Security Documents, (ii) cause any such Subsidiary to become a party to each applicable Security Document and all other agreements, instruments or documents that create or purport to create and perfect a first priority Lien (subject to Permitted Liens) in favor of the Collateral Agent for the benefit of the Secured Parties applicable to such Collateral, in form and substance satisfactory to the Appropriate Party (it being understood that in the case of any Additional Collateral of a type, or in a jurisdiction, that has not been theretofore included in the Collateral, such Additional Collateral may be subject to such additional terms and conditions as requested by the Appropriate Party), (iii) promptly execute and deliver (or cause

such Subsidiary to execute and deliver) to the Collateral Agent such documents and take such actions to create, grant, establish, preserve and perfect the first priority Liens (subject to Permitted Liens) (including to obtain any release or termination of Liens not permitted under the definition of "Additional Collateral" in Section 1.01 or under Section 6.02 and to satisfy all Perfection Requirements, including the filing of UCC financing statements, filings with the FAA and registrations with the International Registry, as applicable) in favor of the Collateral Agent for the benefit of the Secured Parties on such assets of the Parent or such Subsidiary, as applicable, to secure the Obligations to the extent required under the applicable Security Documents or reasonably requested by the Appropriate Party, and to ensure that such Collateral shall be subject to no other Liens other than Permitted Liens and (iv) if requested by the Appropriate Party, deliver (or cause such Subsidiary to deliver) legal opinions to the Collateral Agent, for the benefit of the Secured Parties, relating to the matters described above, which opinions shall be in form and substance, and from counsel, satisfactory to the Appropriate Party.

SECTION 5.14 Post-Closing Matters. As promptly as practicable, and in any event within the time periods after the Closing Date specified on Schedule 5.14 or such later date as the Initial Lender may agree to in writing in its sole discretion, the Parent shall deliver the documents or take the actions specified on Schedule 5.14 that would have been required to be delivered or taken on the Closing Date.

SECTION 5.15 Further Assurances. In each case subject to the terms, conditions and limitations in the Loan Documents, (a) each Credit Party shall remain in compliance with the Perfection Requirement with respect to all Collateral (including any assets, rights and properties that (x) become Collateral after the Closing Date and (y) any permitted replacement or substitute assets, rights and properties thereof (including any Additional Collateral) and (b) each Credit Party shall, promptly and at its expense, execute any and all further documents and instruments and take all further actions, that may be required or advisable under applicable law or that the Initial Lender, the Administrative Agent or the Collateral Agent may request, in order to create, grant, establish, preserve, protect, renew or perfect the validity, perfection or first priority of the Liens and security interests created or intended to be created by the Security Documents, in each case to the extent required under this Agreement or the Security Documents (including with respect to any additions to the Collateral (including any Additional Collateral) or replacements, substitutes or proceeds thereof or with respect to any other property or assets hereafter acquired by any Credit Party that are of a type that are intended to be included in the Collateral).

SECTION 5.16 Delivery of Appraisals and Valuation Certificates. The Parent shall
(1) (x) with respect to Eligible Collateral other than Eligible Collateral constituting Qualified Receivables, within ten (10) Business Days prior to the last Business Day of March and September of each year, beginning with March 31, 2021, deliver to the Administrative Agent one or more Appraisals and (y) with respect to Eligible Collateral constituting Qualified Receivables, within ten (10) Business Days prior to the last Business Day of each month, beginning with November 2020, deliver to the Administrative Agent one or more Valuation Certificates, and (2) promptly (but in any event within thirty (30) days) following request by the Administrative Agent (acting at the direction of the Required Lenders) if an Event of Default has occurred and is occurring, deliver to the Administrative Agent one or more Appraisals, in each case of clauses (1) and (2) above, determining the Appraised Value of the relevant Collateral. In addition, on the date upon which any Additional Collateral is pledged as Collateral to the Collateral Agent for the benefit of the Secured Parties to secure the Obligations, but only with respect to such Additional Collateral, the Parent shall deliver to the Administrative Agent one or more Appraisals or Valuation Certificates, as applicable, determining the Appraised Value of such Additional Collateral.

SECTION 5.17 Ratings. At any time when the Initial Lender is a Lender, the Borrower shall, upon request by the Initial Lender, use its reasonable best efforts to obtain a public rating in respect of the Loans by any two of S&P, Moody's and Fitch in connection with any contemplated assignment of, or participation in, the Loans.

SECTION 5.18 Regulatory Matters.

(a) US Citizenship. The Borrower will at all times maintain its status as a "citizen of the United States" as defined in Section 40102(a)(15) of Title 49 and as that statutory provision has been interpreted by the DOT pursuant to its policies.

(b) Eligible Business Status. The Borrower will at all times maintain its status as an Eligible Business. The Borrower will at all times possess all necessary certificates, franchises, licenses, permits, rights, designations, authorizations, exemptions, concessions, frequencies and consents which relate to the operation of the routes flown by it and the conduct of its business and operations as currently conducted, except where failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The Borrower will at all times possess an air carrier operating certificate issued pursuant to Chapter 447 of Title 49.

SECTION 5.19 Eligible Receivables.

(a) The Credit Parties shall (x) instruct and use their reasonable best efforts to cause counterparties to all Eligible Receivables to direct payments of all Eligible Receivables Revenue into the Eligible Receivables Account and (y) cause sufficient counterparties to the Eligible Receivables to direct payments of Eligible Receivables Revenue into the Eligible Receivables Account such that during any Eligible Receivables Test Period, at least 90% of Eligible Receivables Revenue for such period is deposited directly into the Eligible Receivables Account. To the extent the Parent, any Subsidiary or any of their respective Controlled Affiliates receives any payments of Eligible Receivables Revenue to an account other than the Eligible Receivables Account, such Person shall wire transfer as soon as practicable, but in any event within three (3) Business Days of receipt, any such amounts to the Eligible Receivables Account. All amounts in the Eligible Receivables Account shall be conclusively presumed to be Collateral and proceeds of Collateral, and the Agents and the Lenders shall have no duty to inquire as to the source of the amounts on deposit in the Eligible Receivables Account. On each Eligible Receivables Determination Date, the Parent shall deliver to the Administrative Agent a certificate of a Responsible Officer of the Parent certifying that all Eligible Receivables Revenue for such Eligible Receivables Test Period was deposited into the Eligible Receivables Account (and at least 90% of all Eligible Receivables Revenues were deposited directly into the Eligible Receivables Account).

(b) If the Collateral Coverage Ratio as of any CCR Reference Date is less than 1.60 to 1.00, then all amounts on deposit in the Eligible Receivables Account or transferred thereto shall be required to be held in the Eligible Receivables Account uninvested, and the Parent and the Subsidiaries shall not transfer any funds from the Eligible Receivables Account (except for application to prepay the Loans then outstanding in accordance with Section 2.06(a)), until the first CCR Reference Date on which the Collateral Coverage Ratio is 1.60 to 1.00 or more, whereupon funds may once again be transferred from the Eligible Receivables Account for purposes other than prepayment of the Loans.

ARTICLE VI
NEGATIVE COVENANTS

Until all the later of (i) the date on which all of the Obligations shall have been paid in full and (ii) such later date specified in this Agreement, the Credit Parties covenant and agree with the

Lenders that:

SECTION 6.01 [Reserved].

SECTION 6.02 Liens. The Parent will not, and will not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets constituting Collateral, whether now owned or hereafter acquired, except for Permitted Liens.

SECTION 6.03 Fundamental Changes. The Parent will not, and will not permit any of its Subsidiaries to, merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) any Subsidiary may merge with (i) the Borrower; provided that the Borrower shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries; provided that (x) when any Wholly-Owned Subsidiary is merging with another Subsidiary, a Wholly-Owned Subsidiary shall be the continuing or surviving Person and (y) when any Subsidiary that is a Credit Party is merging with another Subsidiary, then such other Subsidiary shall be a Credit Party;

(b) any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Parent or to another Subsidiary; provided that (x) if the transferor in such a transaction is a Wholly-Owned Subsidiary, then the transferee shall either be the Parent or another Wholly-Owned Subsidiary and (y) if the transferor in such a transaction is a Credit Party, then the transferee shall be a Credit Party;

(c) the Parent and its Subsidiaries may make Dispositions permitted by Section 6.04;

(d) any Investment permitted by Section 6.06 may be structured as a merger, consolidation or amalgamation;

(e) any Subsidiary may dissolve, liquidate or wind up its affairs if it owns no material assets, engages in no business and otherwise has no activities other than activities related to the maintenance of its existence and good standing; and

(f) any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise), provided that such assets do not constitute all or substantially all of the consolidated assets of the Parent and its Subsidiaries.

SECTION 6.04 Dispositions. The Parent will not, and will not permit any of its Subsidiaries to, sell or otherwise make any Disposition of Collateral or enter into any agreement to make any sale or other Disposition of Collateral (in each case, including by way of any sale or other Disposition of any Guarantor), except, subject to Article X and so long as no Default shall have occurred and be continuing at the time of any action described below, or would result therefrom:

(a) Dispositions of Collateral among the Credit Parties (including any Person that shall become a Credit Party simultaneous with such Disposition in the manner contemplated by Section 5.13); provided that:

(i) such Collateral remains at all times subject to a Lien with the same priority and level of perfection as was the case immediately prior to such Disposition (and otherwise subject only to Permitted Liens) in favor of the Collateral Agent for the benefit of the

Secured Parties following such Disposition;

(ii) concurrently therewith, the Credit Parties shall execute any documents and take any actions reasonably required to create, grant, establish, preserve or perfect such Lien in accordance with the other provisions of this Agreement or the Security Documents;

(iii) if requested by the Appropriate Party, concurrently therewith the Appropriate Party shall receive an opinion of counsel to the applicable Credit Party (x) in the case of Collateral that consists of Route Authorities, Slots and/or Gate Leaseholds, as to the creation and perfection under Article 9 of the UCC of the Lien of the security agreement or mortgage, as applicable, and subject to assumptions and qualifications (including as provided in the opinion(s) delivered on the Closing Date), and (y) in the case of any other Collateral, as to the creation and perfection of the Lien of such security agreement or mortgage, as applicable, in form and substance satisfactory to the Appropriate Party; and

(iv) concurrently with any Disposition of Collateral to any Person that shall become a Credit Party simultaneous with such Disposition in the manner contemplated by Section 5.13, such Person shall have complied with the requirements of Section 5.13;

(b) to the extent constituting a Disposition of Collateral, the incurrence of Liens that are permitted to be incurred pursuant to Section 6.02;

(c) Dispositions of cash or Cash Equivalents in exchange for other cash or Cash Equivalents constituting Collateral and having reasonably equivalent value therefor;

(d) the abandonment or Disposition of assets no longer useful or used in the business; provided that such abandonment or Disposition is (A) in the ordinary course of business and (B) with respect to assets that are not material to the business of the Parent and the Subsidiaries taken as a whole;

(e) [reserved];

(f) any Disposition of property resulting from an event of loss with respect to any aircraft, airframe, engine, spare engine or Spare Parts if the Credit Party is replacing such aircraft, airframe, engine, spare engine or Spare Parts in accordance with the terms of the Loan Documents; and

(g) any Disposition of Collateral permitted by any of the Security Documents.

SECTION 6.05 Restricted Payments. The Parent will not, and will not permit any of its Subsidiaries to, declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except, subject to additional restrictions set forth in Article X, so long as no Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) each Subsidiary may make Restricted Payments to the Parent and any other Person that owns an Equity Interest in such Subsidiary, ratably according to their respective holdings of such Equity Interests in respect of which such Restricted Payment is being made;

(b) the Parent and each Subsidiary may declare and make dividend payments or other distributions payable solely in common Equity Interests of such Person;

(c) the Parent and each Subsidiary may purchase, redeem or otherwise acquire Equity Interests issued by it with the proceeds received from the substantially concurrent issue of new common Equity Interests;

(d) the Parent and each Subsidiary may pay withholding or similar taxes payable by any future, present or former employee, director or officer (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) in connection with any repurchases of Equity Interests or the exercise of stock options;

(e) the repurchase of Equity Interests or other securities deemed to occur upon (A) the exercise of stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities, to the extent such Equity Interests or other securities represent a portion of the exercise price of those stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities or (B) the withholding of a portion of Equity Interests issued to employees and other participants under an equity compensation program of the Parent or its Subsidiaries to cover withholding tax obligations of such persons in respect of such issuance;

(f) payments of cash, dividends, distributions, advances, common stock or other Restricted Payments by the Parent or any of its Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (A) the exercise of options or warrants, (B) the conversion or exchange of capital stock of any such Person or (C) the conversion or exchange of Indebtedness or hybrid securities into capital stock of any such Person;

(g) the Parent may make cash payments in connection with any conversion or exchange of Convertible Indebtedness in amount equal to the sum of (i) the principal amount of such Convertible Indebtedness and (ii) the proceeds of any payments received by the Parent or any of its Subsidiaries pursuant to the exercise, settlement or termination of any related Permitted Bond Hedge Transaction;

(h) the Parent may make payments in connection with a Permitted Bond Hedge Transaction (i) by delivery of shares of the Parent's Equity Interests upon net share settlement thereof or (ii) by (A) set-off against the related Permitted Bond Hedge Transaction and (B) payment of an early termination amount thereof in common Equity Interests of the Parent upon any early termination thereof;

(i) Restricted Payments not to exceed the amount allowable pursuant to Schedule 6.05(i); and

(j) the Parent and each Subsidiary, to the extent they are an S corporation or other tax pass-through entity, may make distributions to the extent reasonably required to cover its owners' tax obligations in respect of the Parent's or Subsidiary's earnings.

SECTION 6.06 Investments. The Parent will not, and will not permit any of its Subsidiaries to, make any Investments, except:

(a) Investments held by the Parent or such Subsidiary in the form of cash or Cash Equivalents;

(b) (i) Investments in Subsidiaries in existence on the Closing Date, (ii) other Investments in existence on the Closing Date and listed in Section I to Schedule 6.06 and (iii) other Investments described on Section II to Schedule 6.06, and, in each case, any refinancing, refunding, renewal or extension of any such Investment that does not increase the amount thereof;

(c) advances to officers, directors and employees of the Parent and its Subsidiaries in an aggregate amount not exceeding, at any time outstanding, an amount that is customary and consistent with past practice, for travel, entertainment, relocation and similar ordinary business purposes;

(d) (x) Investments of the Parent in the Borrower or any other Credit Party, (y) Investments of any Subsidiary in the Parent or any other Credit Party and (z) Investments made between Subsidiaries that are not Credit Parties; provided that any such Investments made pursuant to this clause (d) in the form of intercompany indebtedness incurred by a Credit Party and owed to a Subsidiary that is not a Credit Party shall be subordinated to the Obligations and the Guaranteed Obligations on customary terms (it being understood and agreed that any Investments permitted under this clause (d) in the form of intercompany indebtedness that are not already subordinated on such terms as of the Closing Date shall not be required to be so subordinated until the date that is thirty (30) days after the Closing Date);

(e) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(f) Investments consisting of the indorsement by the Parent or any Subsidiary of negotiable instruments payable to such Person for deposit or collection in the ordinary course of business;

(g) to the extent constituting an Investment, transactions otherwise permitted by Sections 6.03 and 6.05;

(h) any Investments received in compromise or resolution of (i) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Parent or any of its Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (ii) litigation, arbitration or other disputes;

(i) Investments represented by obligations in respect of Swap Contracts that are not speculative in nature and that are entered into to hedge or mitigate risks to which the Parent or any of its Subsidiaries has (or will have) actual exposure (other than those in respect of the Equity Interests or Indebtedness of the Parent or any of its Subsidiaries);

(j) accounts receivable arising in the ordinary course of business;

(k) any guarantee of Indebtedness of the Parent or any Subsidiary of the Parent, other than any guarantee of Indebtedness secured by Liens that would not be permitted under Section 6.02;

(l) Investments to the extent that payment for such Investment is made with the capital stock of the Parent;

(m) Investments having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value other than a reduction for all returns of principal in cash and capital dividends in cash), when taken together with all Investments made pursuant to this clause (m) that are at the time outstanding, not to exceed 30% of the total consolidated assets of the Parent and its Subsidiaries at the time of such Investment;

(n) Permitted Bond Hedge Transactions to the extent constituting Investments; and

(o) Investments in Finance Entities in the ordinary course of business of the Parent and its Subsidiaries or that are otherwise customary for airlines based in the United States.

SECTION 6.07 Transactions with Affiliates. The Parent will not, and will not permit any of its Subsidiaries to, enter into any transaction of any kind involving aggregate payments or consideration in excess of $9,000,000 with any Affiliate of the Parent, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Parent or such Subsidiary as would be obtainable by the Parent or such Subsidiary at the time in a comparable arm's- length transaction with a Person other than an Affiliate, subject to delivery of (x) with respect to any transaction or series of related transactions involving aggregate consideration in excess of $25,000,000, a certificate of a Responsible Officer of the Parent certifying as to compliance with the foregoing and (y) with respect to any transaction or series of related transactions involving aggregate consideration in excess of $50,000,000, an opinion as to the fairness to the Parent or such Subsidiary of such transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing (provided that this clause (y) shall not apply to any transaction between or among any of the Parent or any of its Subsidiaries and any Finance Entities); provided that, subject to Article X, the foregoing restriction shall not apply to:

(a) transactions between or among any of the Parent and any Wholly-Owned Subsidiaries,

(b) Restricted Payments permitted by Section 6.05,

(c) Investments permitted by Section 6.06(b), or (c) or (d),

(d) transactions described in Schedule 6.07,

(e) any employment agreement, confidentiality agreement, non-competition agreement, incentive plan, employee stock option agreement, long-term incentive plan, profit sharing plan, employee benefit plan, officer or director indemnification agreement or any similar arrangement entered into by the Parent or any of its Subsidiaries in the ordinary course of business and payments pursuant thereto, and

(f) payment of fees, compensation, reimbursements of expenses (pursuant to indemnity arrangements or otherwise) and reasonable and customary indemnities provided to or on behalf of officers, directors, employees or consultants of the Parent or any of its Subsidiaries.

SECTION 6.08 [Reserved].

SECTION 6.09 [Reserved].

SECTION 6.10 Changes in Nature of Business. The Parent will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than those businesses conducted by the Parent and its Subsidiaries on the date hereof or any business reasonably related or incidental thereto or representing a reasonable expansion thereof.

SECTION 6.11 Sanctions; AML Laws. The Parent will not, and will not permit any of its Subsidiaries to, directly or knowingly indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person to fund any activities or business of or with any Person in a manner that would result in a violation of Sanctions or AML Laws by any Person.

SECTION 6.12 Amendments to Organizational Documents. The Parent will not, and will not permit any of its Subsidiaries to amend, modify, or grant any waiver or release under or terminate in any manner, any Organizational Documents in any manner materially adverse to, or which would impair the rights of, the Lenders.

SECTION 6.13 [Reserved]

SECTION 6.14 Prepayments of Junior Indebtedness. The Parent will not, and will not permit any of its Subsidiaries to, make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment, sinking fund payment or maturity, any Indebtedness secured by junior Liens on the Collateral or that is subordinated in right of payment to the Obligations, in each case other than in connection with a Permitted Refinancing of such Indebtedness.

SECTION 6.15 Lobbying. The Parent will not, and will not permit any of its Subsidiaries to, directly, or to the Parent or such Subsidiary's knowledge, indirectly, use the proceeds of the Loans, or lend, contribute, or otherwise make available such proceeds to any other Person (i) for publicity or propaganda purposes designated to support or defeat legislation pending before the U.S. Congress or (ii) to fund any activities that would constitute "lobbying activities" as defined under 2 U.S.C. § 1602. The Parent shall, and shall cause its subsidiaries to, comply with the provisions of 31 U.S.C. § 1352, as amended, and with the regulations at 31 C.F.R. Part 21.

SECTION 6.16 Use of Proceeds. The Parent will not, and will not permit any of its Subsidiaries to, use the proceeds of the Loans for any purpose other than for general corporate purposes and operating expenses (including payroll, rent, utilities, materials and supplies, repair and maintenance, and scheduled interest payments on other Indebtedness incurred before February 15, 2020), in each case in compliance with all Applicable Law to the extent permitted by the CARES Act; provided, however, that the proceeds of the Loans shall not be used for any non-operating expenses (including capital expenses, delinquent taxes and payments of principal on other Indebtedness), unless the Parent can demonstrate, to the satisfaction of the Initial Lender, that payment of any such non-operating expense is necessary to optimize the continued operations of the Parent's business and does not merely constitute a transfer of risk from an existing creditor or investor to the Federal taxpayer.

SECTION 6.17 Financial Covenants.

(a) Liquidity. The Parent will not permit the aggregate amount of Liquidity at the close of any Business Day to be less than $15,000,000.

(b) Collateral Coverage Ratio.

(i) Within ten (10) Business Days after (x) the last day of each month (beginning with October 2020) or (y) any date on which an Appraisal is delivered pursuant to clause (2) of Section 5.16 (each such date in clauses (x) and (y), a "CCR Reference Date" and the tenth Business Day after a CCR Reference Date, a "CCR Certificate Delivery Date"), the Parent shall deliver to the Administrative Agent a certificate of a Responsible Officer of the Parent containing a calculation of the Collateral Coverage Ratio (a "CCR Certificate").

(ii) If the Collateral Coverage Ratio with respect to any CCR Reference Date is less than 1.60 to 1.00, the Borrower shall, no later than ten (10) Business Days after the applicable CCR Certificate Delivery Date, (x) prepay any outstanding Loans such that following such prepayment, the Collateral Coverage Ratio with respect to such CCR Reference Date,

recalculated by subtracting any such prepaid portion of the Loans, shall be no less than 1.60 to 1.00 and/or (y) designate Additional Collateral as additional Eligible Collateral and comply with Sections 5.13 and 5.15, collectively, in an amount such that following such designation, the Collateral Coverage Ratio with respect to such CCR Reference Date, recalculated by adding such Additional Collateral, shall be no less than 1.60 to 1.00.

(iii) At the Parent's request, the Lien on any Collateral will be released, provided, in each case, that the following conditions are satisfied or waived: (a) no Event of Default shall have occurred and be continuing, (b) either (x) after giving effect to such release, the Collateral Coverage Ratio is not less than 2.00 to 1.00 (or in the case of a swap or exchange of existing Additional Collateral with new Additional Collateral, less than 1.60 to 1.00) or (y) the Parent shall prepay or cause to be prepaid the Loans and/or shall designate Eligible Collateral as Additional Collateral and comply with Sections 5.13 and 5.15, collectively, in an amount necessary to cause the Collateral Coverage Ratio to not be less than 2.00 to 1.00 (or in the case of a swap or exchange of existing Additional Collateral with new Additional Collateral, less than 1.60 to 1.00) and (c) the Parent shall deliver a certificate executed by a Responsible Officer demonstrating compliance with this Section 6.17(b)(iii).

ARTICLE VII EVENTS OF DEFAULT

SECTION 7.01 Events of Default. If any of the following events (each, an "Event of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan, or any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable under this Agreement or under any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of two (2) or more Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Credit Party, including those made prior to the Closing Date, in or in connection with this Agreement, the Loan Application Form or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement, the Loan Application Form or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, shall prove to have been incorrect in any material respect (or, in the case of any such representation or warranty under this Agreement, the Loan Application Form or any other Loan Document already qualified by materiality, such representation or warranty shall prove to have been incorrect) when made or deemed made;

(d) any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.03(a), 5.04 (with respect to the Borrower's existence), Section 5.19(b) or in Article VI or Article X;

(e) any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in

clause (a), (b) or (d) of this Section) and such failure shall continue unremedied for a period of thirty (30) or more days after notice thereof by the Administrative Agent or the Initial Lender to the Parent;

(f) (i) Any Credit Party or any Subsidiary thereof shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Material Indebtedness (other than Indebtedness under this Agreement) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument governing such Material Indebtedness; or (ii) any Credit Party or any Subsidiary thereof shall fail to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event results in the holder or holders or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) causing such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or causing an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; provided that this clause (f)(ii) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer (or disposition of property as a result of a casualty or condemnation event) of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness and such Indebtedness is repaid when required under the documents providing for such Indebtedness;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Credit Party or any Material Subsidiary thereof or its debts, or of a substantial part of its assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Credit Party or any Material Subsidiary thereof or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of sixty (60) or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) any Credit Party or any Material Subsidiary thereof shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (g) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent or any of its Subsidiaries or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(i) any Credit Party or any Material Subsidiary thereof shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(j) there is entered against any Credit Party or any Material Subsidiary thereof (i) a final judgment or order for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding $14,000,000 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied or failed to acknowledge coverage), or (ii) a non-monetary final judgment or order that, either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect;

(k) an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of any Credit Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC that, either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect;

(l) [reserved];

(m) any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations, ceases to be in full force and effect; or any Credit Party or any other Person who is a party to any Loan Document contests in writing the validity or enforceability of any provision of any Loan Document; or any Credit Party denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document;

(n) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted in writing by any Credit Party not to be, a legal, valid and perfected Lien on any material portion of the Collateral (individually or in the aggregate), with the priority required by the applicable Security Documents, except (i) as a result of the sale or other Disposition of the applicable Collateral to a Person that is not a Credit Party in a transaction not prohibited under the Loan Documents or (ii) as a result of either Agent's failure to maintain possession of any stock certificates, promissory notes or other instruments delivered to it under the Security Documents or (iii) as a result of acts or omissions with respect to possessory collateral held by the Collateral Agent pursuant to this Agreement; or

(o) any Guarantee of any Obligations by any Credit Party under any Loan Document shall cease to be in full force in effect (other than in accordance with the terms of the Loan Documents).

then, and in every such event (other than an event described in clause (g) or (h) of this Section), and at any time thereafter during the continuance of such event, the Initial Lender may, and the Administrative Agent may, and at the request of the Required Lenders or the Initial Lender shall, by notice to the Borrower, take any or all of the following actions, at the same or different times:

(i) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of the Credit Parties accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower and the other Credit Parties; and

(ii) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents and Applicable Law;

provided that, in case of any event described in clause (g) or (h) of this Section, the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder, shall automatically become due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Credit Parties.

SECTION 7.02 Application of Payments. Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, and notice thereof

to the Initial Lender and the Administrative Agent by the Borrower or the Required Lenders, all payments received on account of the Obligations shall be applied by the Administrative Agent as follows:

(i) first, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees and disbursements and other charges of counsel payable under Section 11.03 and amounts payable under an Administrative Agency Fee Letter (if any)) payable to the Administrative Agent and the Collateral Agent in their respective capacities as such;

(ii) second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees and disbursements and other charges of counsel payable under Section 11.03) arising under the Loan Documents, ratably among them in proportion to the respective amounts described in this clause (ii) payable to them;

(iii) third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause (iii) payable to them;

(iv) fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans ratably among the Lenders in proportion to the respective amounts described in this clause (iv) payable to them;

(v) fifth, to the payment in full of all other Obligations, in each case ratably among the Administrative Agent and the Lenders based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable; and

(vi) finally, the balance, if any, after all Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

ARTICLE VIII AGENCY

SECTION 8.01 Appointment and Authority. Each Lender hereby irrevocably appoints The Bank of New York Mellon to act on its behalf as the Administrative Agent and as the Collateral Agent hereunder and under the other Loan Documents and authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental or related thereto; provided that notwithstanding anything in this Article VIII or this Agreement to the contrary, the terms and conditions of the relationship between the Initial Lender and the Agents shall be governed by a separate agreement between the Initial Lender and the Agents. The Borrower and the Guarantors acknowledge and agree that the Agents are Agents of the Lenders and not of the Borrower or the Guarantors. In connection with an assignment of the Loans by the Initial Lender, upon the Administrative Agent's request, the Borrower and the Agents shall enter into an Administrative Agency Fee Letter. The provisions of this Article are solely for the benefit of the Agents and the Lenders, and the Borrower shall not have rights as a third-party beneficiary of any of such provisions. Without limiting the generality of the foregoing, the Agents are hereby expressly authorized to (i) execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the other Loan Documents

and (ii) negotiate, enforce or settle any claim, action or proceeding affecting the Lenders in their capacity as such, at the direction of the Required Lenders, which negotiation, enforcement or settlement will be binding upon each Lender.

SECTION 8.02 Collateral Matters. Each of the Lenders hereby irrevocably appoints and authorizes the Collateral Agent to act as the agent of such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Credit Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto and to enter into and perform the other Loan Documents.

SECTION 8.03 Removal or Resignation of Administrative Agent. While the Initial Lender is a Lender, the Administrative Agent may be removed or give notice of its resignation subject to any conditions as separately agreed between the Initial Lender and the Administrative Agent. Any such resignation as Administrative Agent pursuant to this Section 8.03 shall also constitute its resignation as the Collateral Agent; provided that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders under any of the Loan Documents, the retiring or removed Collateral Agent shall continue to hold such collateral security until such time as a successor Collateral Agent is appointed.

Upon such removal or receipt of any such notice of resignation, the Initial Lender shall have the right to appoint a successor. After the Initial Lender is no longer a Lender, either Agent may resign at any time by notifying the Lenders and the Borrower in writing, and either Agent may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Borrower and such Agent and signed by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right, with the consent of the Borrower (which consent shall not be required during the continuance of an Event of Default), to appoint a successor. If no successor shall have been so appointed by the Required Lenders (with the consent of the Borrower (which consent shall not be required during the continuance of an Event of Default)) and shall have accepted such appointment within 30 days after (i) the retiring Agent gives notice of its resignation or (ii) the Required Lenders deliver removal instructions, then the retiring or removed Agent may, on behalf of the Lenders (with the consent of the Borrower (which consent shall not be required during the continuance of an Event of Default)), appoint a successor Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. If no successor Agent has been appointed pursuant to the immediately preceding sentence, such Agent's resignation or removal shall become effective and the Required Lenders shall thereafter perform all the duties of such Agent hereunder and/or under any other Loan Document until such time, if any, as the Required Lenders (with the consent of the Borrower (which consent shall not be required during the continuance of an Event of Default)) appoint a successor Administrative Agent and/or Collateral Agent, as the case may be. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of its predecessor Agent, and its predecessor Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After an Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while acting as Agent.

SECTION 8.04 Exculpatory Provisions.

(a) The Agents shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents or as separately agreed between the Initial Lender and the Agents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the

foregoing:

(i) neither Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, except that The Bank of New York Mellon shall always have a fiduciary duty to Treasury while serving as its Agent in accordance with the provisions of the separate writing between The Bank of New York Mellon and Treasury;

(ii) neither Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that such Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); and

(iii) except as expressly set forth herein and in the other Loan Documents, neither Agent shall have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to the Borrower or any of the Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent and/or Collateral Agent or any of its Affiliates in any capacity.

(b) Neither Agent shall be required to expend or risk its own funds or otherwise incur liability in the performance of any of its duties hereunder or under any other Loan Document or in the exercise of any of its rights or powers. Notwithstanding anything in any Loan Document to the contrary, prior to taking any action under this Agreement or any other Loan Document, each Agent shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses in connection with taking such action. Neither Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Sections 7.01 and 11.02) or in the absence of its own gross negligence or willful misconduct as determined by the final non-appealable judgment of a court of competent jurisdiction. Notwithstanding the foregoing, no action nor any omission to act, taken by either Agent at the direction of the Required Lenders (or such other number of percentage of Lenders as shall be expressly provided for herein or in the other Loan Documents) shall constitute gross negligence or willful misconduct. Neither Agent shall be deemed to have knowledge of any Default unless and until written notice thereof, conspicuously labeled as a "notice of default" and specifically describing such Default, is given to an Agent Responsible Officer by the Borrower or a Lender.

(c) Neither Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

(d) In no event shall either Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder or under any other Loan Document arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, epidemics, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services (it being understood that such Agent shall use reasonable

efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances).

(e) Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it in good faith to be genuine and to have been signed or sent by the proper Person. Each Agent may also rely upon any statement made to it orally or by telephone and believed by it in good faith to have been made by the proper Person, and shall not incur any liability for relying thereon. Delivery of reports, information and documents to an Agent is for informational purposes only and an Agent's receipt of the foregoing will not constitute actual or constructive knowledge or notice of any information contained therein or determinable from information contained therein, including the Borrower's compliance with any of its covenants hereunder. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in reliance on the advice of any such counsel, accountants or experts. Any funds held by an Agent shall, unless otherwise agreed in writing with the Borrower, be held uninvested in a non-interest bearing account.

(f) Neither Agent shall have any obligation to calculate or confirm the calculation of any financial covenant contained herein.

(g) Notwithstanding anything to the contrary in any Loan Document, neither Agent shall be responsible for the existence, genuineness or value of any of the Collateral; for filing any financing or continuation statements or recording any documents or instruments in any public office or otherwise perfecting or maintaining the perfection of any security interest in the Collateral (except, in the case of possessory Collateral, for the Collateral Agent maintaining possession of any such Collateral received by it in accordance with the terms of the Loan Documents); for the validity, perfection, priority or enforceability of the Liens in any of the Collateral; for the validity or sufficiency of the Collateral or any agreement or assignment contained therein; for the validity of the title of any grantor to the Collateral; for insuring the Collateral; or for the payment of taxes, charges or assessments on the Collateral. The Collateral Agent agrees that it will check any possessory Collateral received by it against any itemized list in the Pledge and Security Agreement of Collateral to be delivered to it in accordance with the Pledge and Security Agreement.

SECTION 8.05 Reliance by Agents. Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, opinion, consent, statement, instrument, document or other writing believed by it in good faith to be genuine and to have been signed or sent by the proper Person. Each Agent may also rely upon any statement made to it orally or by telephone and believed by it in good faith to have been made by the proper Person, and shall not incur any liability for relying thereon. Delivery of reports, information and documents to an Agent is for informational purposes only and an Agent's receipt of the foregoing will not constitute actual or constructive knowledge or notice of any information contained therein or determinable from information contained therein, including the Borrower's compliance with any of its covenants hereunder. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 8.06 Delegation of Duties. Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents or attorneys appointed by it and will not be responsible for the misconduct or negligence of any agent appointed with due care. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers by or through their respective Related Parties.

SECTION 8.07 Non-Reliance on Agents and Other Lenders. Each Lender (other than the Initial Lender) acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender (other than the Initial Lender) also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 8.08 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (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 Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to 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 Agents (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agents and their respective agents and counsel and all other amounts due the Lenders and the Agents under Section 11.03) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and 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 Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their respective agents and counsel, and any other amounts due the Agents under the Loan Documents. Nothing contained herein shall be deemed to authorize the Administrative Agent 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 Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

ARTICLE IX
GUARANTEE

SECTION 9.01 Guarantee of the Obligations. Each Guarantor jointly and severally hereby irrevocably and unconditionally guarantees to the Secured Parties, the due and punctual payment in full and performance of all Obligations (or such lesser amount as agreed by the Required Lenders in their sole discretion with respect to Obligations owed to the Lenders) when the same shall become due or required to be performed, whether at stated maturity, by required prepayment, declaration, acceleration, performance, demand or otherwise (including amounts that would become and any performance that would have been required to be taken due but for the operation of the automatic stay under
Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the "Guaranteed Obligations").

SECTION 9.02 Payment or Performance by a Guarantor. Each Guarantor hereby jointly and severally agrees, in furtherance of the foregoing and the other terms of this Article IX and not in limitation of any other right which the Secured Parties may have at law or in equity against any Guarantor by virtue hereof, that upon the failure of the Borrower to pay or perform any of the Guaranteed Obligations when and as the same shall become due or required to be performed, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), such Guarantor will pay, or cause to be paid, in cash, or perform, or cause to be performed, to the Secured Parties an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for the Borrower's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against the Borrower for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed or required to be performed to the Secured Parties as aforesaid.

SECTION 9.03 Liability of Guarantors Absolute. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment and performance in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guarantee is a guarantee of payment and performance when due and not merely of collection;

(b) either Agent and any of the other Secured Parties may enforce this Guarantee upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Borrower and the Secured Parties with respect to the existence of such Event of Default;

(c) a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against the Borrower or any other Guarantors and whether or not Borrower or such Guarantors are joined in any such action or actions;

(d) payment or performance by any Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge any other Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid or performed;

(e) the Required Lenders, upon such terms as they deem appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment or performance of the Guaranteed Obligations; (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or subordinate the payment of the same to the payment of any other obligations; (iii) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment or performance of the Guaranteed Obligations, any other guarantees of the Guaranteed Obligations, or any other obligation of any Person (including any other Guarantor) with respect to the Guaranteed Obligations; and (iv) enforce its rights and remedies even though such action may operate to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against the Borrower or any security for the Guaranteed Obligations; and

(f) this Guarantee and the obligations of each Guarantor hereunder shall be legal, valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment or performance in full of the Guaranteed Obligations), including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Guaranteed Obligations, any impossibility in the performance of any of the Guaranteed Obligations, or otherwise. Without limiting the generality of the foregoing, except for the payment and performance in full of the Guaranteed Obligations and to the fullest extent permitted by Applicable Law, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by: (i) any failure, delay or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations, or with respect to any security for the payment and performance of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions hereof or any other Loan Document; (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the Lender's consent to the change, reorganization or termination of the corporate structure or existence of the Borrower or any of its Subsidiaries and to any corresponding restructuring of the Guaranteed Obligations; (v) the release of, or any impairment of or failure to perfect or continue perfection of or protect a security interest in, any collateral which secures any of the Guaranteed Obligations; (vi) any defenses, set-offs or counterclaims which the Borrower or any Guarantor may allege or assert against either Agent or the Lenders in respect of the Guaranteed Obligations, including failure of consideration, lack of authority, validity or enforceability, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; (vii) any change in the corporate existence, structure or ownership of any Credit Party, or any insolvency, bankruptcy, reorganization, examinership or other similar proceeding affecting any Credit Party or its assets or any resulting release or discharge of any of the Guaranteed Obligations; (viii) the fact that any Person that, pursuant to the Loan Documents, was required to become a party hereto may not have executed or is not effectually bound by this Agreement, whether or not this fact is known to the Secured Parties; (ix) any action permitted or authorized hereunder; (x) any other circumstance, or any existence of or reliance on any representation by the Agents, any Secured Party or any other Person, that might otherwise constitute a defense to, or a legal or equitable discharge of, the Borrower, any Guarantor or any other guarantor or surety; and (xi) any other event or circumstance that might in any manner vary the risk of any Guarantor as an obligor in respect of the Guaranteed Obligations.

SECTION 9.04 Waivers by Guarantors. Each Guarantor hereby waives, for the benefit of the Lender: (a) any right to require the Lender, as a condition of payment or performance by such Guarantor, to (i) proceed against Borrower, any Guarantor or any other Person; (ii) proceed against or exhaust any security in favor of the Lender; or (iii) pursue any other remedy in the power of the Agents or Secured Parties whatsoever or (b) presentment to, demand for payment or performance from and protest to the Borrower or any Guarantor or notice of acceptance; and (c) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof. The Agents and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure or exercise any other right or remedy available to them against the Borrower or any other Credit Party without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Guaranteed Obligations have been paid in full. To the fullest extent permitted by Applicable Law, each Credit Party waives any defense arising out of any such election even though such election operates, pursuant to Applicable Law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Credit Party against the Borrower or any other Credit Party, as the case may be, or any security.

SECTION 9.05 Guarantors' Rights of Subrogation, Contribution, Etc. Until the Guaranteed Obligations shall have been paid in full, each Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against the Borrower or any other Guarantor or any of its assets in connection with this Guarantee or the performance by such Guarantor of its obligations hereunder, including without limitation (a) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against the Borrower with respect to the Guaranteed Obligations, (b) any right to enforce, or to participate in, any claim, right or remedy that the Agents or the Secured Parties now has or may hereafter have against the Borrower, and (c) any benefit of, and any right to participate in, any collateral or security now or hereafter held by the Agents or the Secured Parties. In addition, until the Guaranteed Obligations shall have been paid in full, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Guaranteed Obligations. If any amount shall be paid to any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Guaranteed Obligations shall not have been finally and paid in full, such amount shall be held in trust for the Secured Parties and shall forthwith be paid over to the Secured Parties to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof.

SECTION 9.06 Subordination. Any Indebtedness of the Borrower or any Guarantor now or hereafter and all rights of indemnity, contribution or subrogation under Applicable Law or otherwise, held by any Guarantor (the "Obligee Guarantor") are hereby subordinated in right of payment or performance to the Guaranteed Obligations until the Guaranteed Obligations is paid and performed in full. Any amount in respect of such indebtedness or rights collected or received by the Obligee Guarantor after an Event of Default has occurred and is continuing shall be held in trust for the Secured Parties and shall forthwith be paid over to the Secured Parties to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof.

SECTION 9.07 Continuing Guarantee. This Guarantee is a continuing guarantee and shall remain in effect until all of the Guaranteed Obligations shall have been paid and performed in full.
Each Guarantor hereby irrevocably waives any right to revoke this Guarantee as to future transactions giving rise to any Guaranteed Obligations.

SECTION 9.08 Financial Condition of the Borrower. The Loans may be made to the Borrower without notice to or authorization from any Guarantor regardless of the financial or other condition of the Borrower at the time of such grant. Each Guarantor has adequate means to obtain information from the Borrower on a continuing basis concerning the financial condition of the Borrower and its ability to perform its obligations under the Loan Documents, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Borrower and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations.

SECTION 9.09 Reinstatement. In the event that all or any portion of the Guaranteed Obligations are paid by the Borrower or any Guarantor, the obligations of any other Guarantor hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from the Secured Parties as a preference, fraudulent transfer or otherwise must be so recovered or returned, and any such payments and amounts which are so rescinded, recovered or returned shall constitute Guaranteed Obligations for all purposes hereunder.

SECTION 9.10 Discharge of Guarantees. If, in compliance with the terms and provisions of the Loan Documents, (x) all of the Equity Interests of any Guarantor that is a Subsidiary of

the Parent or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) to any Person (other than to the Parent or to any other Subsidiary of the Parent), the Guarantee of such Guarantor or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any beneficiary or any other Person effective as of the time of such asset sale or (y) a Guarantor becomes an Excluded Subsidiary (other than as a result of a Guarantor becoming a non-Wholly Owned Subsidiary), the Borrower may request the release of the Guarantee of such Guarantor, whereupon the Guarantee of such Guarantor shall be discharged and released.

ARTICLE X

CARES ACT REQUIREMENTS

Notwithstanding anything in this Agreement to the contrary, the Credit Parties, on behalf of themselves and their Affiliates, represent, warrant, and agree with the Lenders that:

SECTION 10.01 CARES Act Compliance. Each Credit Party and its Subsidiaries are in compliance, and will at all times comply, with all applicable requirements under Title IV of the CARES Act, including any applicable requirements pertaining to the Borrower's eligibility to receive the Loans. The Parent, the Borrower and their Subsidiaries will provide any information requested by the Initial Lender or Agents to assess the Borrower's compliance with applicable requirements under Title IV of the CARES Act, its obligations under this Article X or its eligibility to receive the Loans under the CARES Act. The Borrower is not a "covered entity" as defined in Section 4019 of the CARES Act.

SECTION 10.02 Dividends and Buybacks.

(a) Until the date that is twelve (12) months after the date on which the Loans are no longer outstanding, neither any Borrower Eligible Business nor any of its Affiliates (other than an Affiliate that is a natural person) shall, in any transaction, purchase an equity security of any Borrower Eligible Business or of any direct or indirect parent company of a Borrower Eligible Business or of any Subsidiary of the Parent that, in each case, is listed on a national securities exchange, except to the extent required under a contractual obligation in effect as of the date of enactment of the CARES Act.

(b) Until the date that is twelve (12) months after the date on which the Loans are no longer outstanding, no Borrower Eligible Business shall pay dividends, or make any other capital distributions, with respect to the common stock of any Borrower Eligible Business, except that an S corporation or other tax pass-through entity that is a Borrower Eligible Business may make distributions
to the extent reasonably required to cover its owners' tax obligations in respect of the Borrower Eligible Business's earnings.

SECTION 10.03 Maintenance of Employment Levels. Until September 30, 2020, each Borrower Eligible Business shall maintain its employment levels as of March 24, 2020, to the extent practicable, and in any case shall not reduce its employment levels by more than ten percent (10%) from the levels on March 24, 2020.

SECTION 10.04 United States Business. Each Borrower Eligible Business is created or organized in the United States or under the laws of the United States and has significant operations in and a majority of its employees based in the United States.

SECTION 10.05 Limitations on Certain Compensation.

(a) Beginning on the Closing Date, and ending on the date that is one (1) year after the date on which the Loans are no longer outstanding, each Borrower Eligible Business and its Affiliates shall not pay any of each Borrower Eligible Business's Corporate Officers or Employees whose Total Compensation exceeded $425,000 in calendar year 2019 or the Subsequent Reference Period (other than an Employee whose compensation is determined through an existing collective bargaining agreement entered into before March 1, 2020):

(i) Total Compensation which exceeds, during any twelve (12) consecutive months of the period beginning on the Closing Date and ending on the date that is one (1) year after the date on which the Loans are no longer outstanding, the Total Compensation the Corporate Officer or Employee received in calendar year 2019 or the Subsequent Reference Period; or

(ii) Severance Pay or Other Benefits in connection with a termination of employment with any Borrower Eligible Business which exceed twice the maximum Total Compensation received by such Corporate Officer or Employee in calendar year 2019 or the Subsequent Reference Period.

(b) Beginning on the Closing Date, and ending on the date that is one (1) year after the date on which the Loans are no longer outstanding, each Borrower Eligible Business and its Affiliates shall not pay any of each Borrower Eligible Business's Corporate Officers or Employees whose Total Compensation exceeded $3,000,000 in calendar year 2019 or the Subsequent Reference Period, Total Compensation which exceeds, during any twelve (12) consecutive months of such period, in excess of the sum of:

(i) $3,000,000; and

(ii) Fifty percent (50%) of the excess over $3,000,000 of the Total Compensation received by such Corporate Officer or Employee in calendar year 2019 or the Subsequent Reference Period.

(c) For purposes of determining applicable amounts under this Section with respect to any Corporate Officer or Employee who was employed by any Borrower Eligible Business or any of their Affiliates for less than all of calendar year 2019, the amount of Total Compensation in calendar year 2019 shall mean such Corporate Officer's or Employee's Total Compensation on an annualized basis.

SECTION 10.06 Continuation of Certain Air Service. Until March 1, 2022, each Borrower Eligible Business shall comply with any applicable requirement issued by the Secretary of Transportation under section 4005 of the CARES Act to maintain scheduled air transportation service to any point served by any Borrower Eligible Business before March 1, 2020. The Borrower acknowledges that neither Treasury, nor any other actor, department, or agency of the Federal Government, shall condition the issuance of any Loan under this Agreement on the Borrower's implementation of measures to enter into negotiations with the certified bargaining representative of a craft or class of employees of the Borrower Eligible Business under the Railway Labor Act (45 U.S.C. 151 et seq.) or the National Labor Relations Act (29 U.S.C. 151 et seq.), regarding pay or other terms and conditions of employment.

SECTION 10.07 Treasury Access. The Borrower Eligible Business and its Affiliates will provide Treasury, the Treasury Inspector General, the Special Inspector General for Pandemic Recovery, and such other entities as authorized by Treasury timely and unrestricted access to

all documents, papers, or other records, including electronic records, of the Borrower related to the Loans, to enable Treasury, the Treasury Inspector General, and the Special Inspector General for Pandemic Recovery to make audits, examinations, and otherwise evaluate the Borrower's compliance with the terms of this Agreement. This right also includes timely and reasonable access to the Borrower's and its Affiliates' personnel for the purpose of interview and discussion related to such documents.

SECTION 10.08 Additional Defined Terms. As used in this Article, the following terms have the meanings specified below:

"Borrower Eligible Business" means, collectively, the Borrower, its Affiliates that are Eligible Businesses, and their respective heirs, executors, administrators, successors, and assigns. Notwithstanding anything to the contrary herein, for purposes of this Article X, an "Affiliate" of the Borrower shall not include any Person(s) that become affiliated with the Borrower solely by virtue of the consummation of a Change of Control transaction resulting in repayment of the Loans in full.

"Corporate Officer" means, with respect to any Borrower Eligible Business, its president; any vice president in charge of a principal business unit, division, or function (such as sales, administration or finance); any other officer who performs a policy-making function; or any other person who performs similar policy making functions for the Borrower Eligible Business. Executive officers of subsidiaries or parents of any Borrower Eligible Business may be deemed Corporate Officers of the Borrower Eligible Business if they perform such policy-making functions for the Borrower Eligible Business.

"Employee" has the meaning given to the term in section 2 of the National Labor Relations Act (29 U.S.C. 152 and includes any individual employed by an employer subject to the Railway Labor Act (45 U.S.C. 151 et seq.), and for the avoidance of doubt includes all individuals who are employed by the Borrower Eligible Business who are not Corporate Officers.

"Severance Pay or Other Benefits" means any severance payment or other similar benefits, including cash payments, health care benefits, perquisites, the enhancement or acceleration of the payment or vesting of any payment or benefit or any other in-kind benefit payable (whether in lump sum or over time, including after March 24, 2022) by any Borrower Eligible Business or its Affiliates to a Corporate Officer or Employee in connection with any termination of such Corporate Officer's or Employee's employment (including, without limitation, resignation, severance, retirement, or constructive termination), which shall be determined and calculated in respect of any Employee or Corporate Officer of the Borrower Eligible Business in the manner prescribed in 17 C.F.R. 229.402(j) (without regard to its limitation to the five (5) most highly compensated executives and using the actual date of termination of employment rather than the last business day of the Borrower Eligible Business's last completed fiscal year as the trigger event).

"Subsequent Reference Period" means (i) for a Corporate Officer or Employee whose employment with the Borrower Eligible Business or an Affiliate started during 2019 or later, the twelve (12) month period starting from the end of the month in which the officer or employee commenced employment, if such officer's or employee's total compensation exceeds $425,000 (or $3,000,000) during such period and (ii) for a Corporate Officer or Employee whose Total Compensation first exceeds $425,000 during a 12-month period ending after 2019, the 12-month period starting from the end of the month in which the Corporate Officer's or Employee's Total Compensation first exceeded $425,000 (or $3,000,000).

"Total Compensation" means compensation including salary, wages, bonuses, awards of stock, and any other financial benefits provided by the Borrower Eligible Business or an Affiliate, as

applicable, which shall be determined and calculated for the 2019 calendar year or any applicable twelve (12)-month period in respect of any Employee or Corporate Officer of the Borrower Eligible Business in the manner prescribed under paragraph e.5 of the award term in 2 C.F.R. part 170, App. A, but excluding any Severance Pay or Other Benefits in connection with a termination of employment.

ARTICLE XI MISCELLANEOUS

SECTION 11.01 Notices; Public Information.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing in English and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or email as follows:

(i) if to a Credit Party, to it at 410 N. 44th Street, Suite 700, Phoenix, AZ 85008, Attention of Brian Gillman (Facsimile No. 602-685-4551; Telephone No. 602-685-4000; Email: Brian.Gillman@mesa-air.com with a copy to Legal@mesa-air.com);

(ii) if to the Administrative Agent or the Collateral Agent, to The Bank of New York Mellon at 240 Greenwich Street, 7th Floor, New York, NY 10286, Attention of Joanna Shapiro, Managing Director (Telephone No. 212-815-4949; Email: joanna.g.shapiro@bnymellon.com with a copy to UST.Cares.Program@bnymellon.com);

(iii) if to Treasury, as the Initial Lender, to The Department of the Treasury of the United States at 1500 Pennsylvania Avenue, NW, Washington, D.C. 20220, Attention of Assistant General Counsel (Banking and Finance) (Telephone No. 202-622-0283; Email: eric.froman@treasury.gov); and

(iv) if to any other Lender, to it at its address (or facsimile number or email address) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices delivered through electronic communications, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail, FpML, and Internet or intranet websites) pursuant to procedures approved by the Lenders and reasonably acceptable to the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Collateral Agent, the Parent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent, the Collateral Agent or a Lender otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by return

e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Change of Address, etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform.

(i) The Borrower and the Lenders agree that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the other Lenders by posting the Communications on the Platform.

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non- infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Credit Parties, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Credit Parties pursuant to any Loan Document or the transactions contemplated therein that is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

(e) Public Information. The Borrower hereby acknowledges that certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the materials and information provided by or on behalf of the Borrower hereunder and under the other Loan Documents (collectively, "Borrower Materials") that may be distributed to the Public Lenders and that (i) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC," which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (ii) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of U.S. federal and state securities Laws (provided, however, that to the extent that such Borrower Materials constitute Information, they shall be subject to Section 11.12); (iii) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (iv) the Administrative Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting

on a portion of the Platform not designated "Public Side Information". Each Public Lender will designate one or more representatives that shall be permitted to receive information that is not designated as being available for Public Lenders. Notwithstanding the foregoing, financial statements and related documentation, in each case, provided pursuant to Section 5.01(a) or 5.01(b) shall be deemed to be marked "PUBLIC", unless the Parent notifies the Administrative Agent promptly that any such document contains material non-public information.

SECTION 11.02 Waivers; Amendments.

(a) No Waiver; Remedies Cumulative; Enforcement. No failure or delay by the Administrative Agent, the Collateral Agent or any Lender in exercising any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege, or any abandonment or discontinuance of steps to enforce such a right remedy, power or privilege, preclude any other or further exercise thereof or the exercise of any other right remedy, power or privilege. The rights, remedies, powers and privileges of the Administrative Agent, the Collateral Agent and the Lenders hereunder and under the Loan Documents are cumulative and are not exclusive of any rights, remedies, powers or privileges that any such Person would otherwise have.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Credit Parties shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, (i) so long as the Initial Lender is a Lender, either the Initial Lender or, at the Initial's Lender's option, the Administrative Agent in accordance with Section 7.01 for the benefit of all the Lenders and (ii) if the Initial Lender is no longer a Lender, the Required Lenders or the Administrative Agent (acting at the direction of the Required Lenders) in accordance with Section 7.01 for the benefit of all the Lenders; provided that the foregoing shall not prohibit (i) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacities as Administrative Agent and as Collateral Agent) hereunder and under the other Loan Documents, (ii) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.13) or (iii) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to a Credit Party under any Debtor Relief Law; provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (x) the Required Lenders shall have the rights otherwise provided to the Administrative Agent pursuant to Section 7.01 and (y) in addition to the matters set forth in clauses (ii) and (iii) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights or remedies available to it and as authorized by the Required Lenders.

(b) Amendments, Etc. Except as otherwise expressly set forth in this Agreement (including Section 2.10 and Section 8.01), no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower therefrom, shall be effective unless in writing executed by the Borrower and the Required Lenders, and acknowledged by the Administrative Agent, or by the Borrower and the Administrative Agent with the consent of the Required Lenders, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such amendment, waiver or consent shall:

(i) extend or increase any Commitment of any Lender without the written consent of such Lender;

(ii) reduce the principal of, or rate of interest specified herein on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document, without the written consent of each Lender directly and adversely affected thereby (provided that only the consent of the Required Lenders shall be necessary (x) to amend the definition of "Default Rate" or to waive the obligation of the Borrower to pay interest at the Default Rate or (y) to amend any financial covenant (or any defined term directly or indirectly used therein), even if the effect of such amendment would be to reduce the rate of interest on any Loan or other Obligation or to reduce any fee payable hereunder);

(iii) postpone any date scheduled for any payment of principal of, or interest on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly and adversely affected thereby;

(iv) change Section 2.12(b) or Section 2.13 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby;

(v) waive any condition set forth in Section 4.01 without the written consent of the Initial Lender; or

(vi) change any provision of this Section or the percentage in the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

provided, further, that no such amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties hereunder or under any other Loan Document of either of the Agents, unless in writing executed by such Agent, in each case in addition to the Borrower and the Lenders required above.

In addition, notwithstanding anything in this Section to the contrary, (i) if the Borrower shall have identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then, upon the delivery of a certificate of a Responsible Officer of the Borrower to the Administrative Agent identifying such error and directing the Administrative Agent to execute an amendment to correct such error, the Administrative Agent and the Borrower shall be permitted to amend such provision, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders to the Administrative Agent within ten (10) Business Days following receipt of notice thereof and (ii) that any Security Document may be amended, supplemented or otherwise modified with the consent of the applicable Grantor (as defined in the Pledge and Security Agreement) and the Administrative Agent to add assets (or categories of assets) to the Collateral covered by such Security Document, as contemplated by the definition of Additional Collateral, or to remove any assets or categories of assets (including after-acquired assets of that category) from the Collateral covered by such Security Document to the extent the release thereof is permitted by Section 6.17(b)(iii).

SECTION 11.03 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Initial Lender, the Administrative Agent, the Collateral Agent and their Affiliates (including the reasonable fees, charges and disbursements of any counsel for the Initial Lender, the Administrative Agent or the Collateral Agent), and shall pay all fees and time charges and disbursements for attorneys who may be employees of the Administrative Agent or the Collateral Agent, in connection with the preparation, negotiation, execution, delivery and administration of this Agreement,

the Loan Documents, any other agreements or documents executed in connection herewith or therewith or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by the Administrative Agent, the Collateral Agent or any Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent, the Collateral Agent or any Lender), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent, the Collateral Agent or any Lender, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the Loan Documents, any other agreements or documents executed in connection herewith or therewith, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring, negotiations or enforcement in respect of this Agreement, the Loan Documents and other agreements or documents executed in connection herewith or therewith.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent and Collateral Agent (and any sub-agents thereof) and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, obligations, penalties, fines, settlements, judgments, disbursements and related costs and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Parent) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Parent or any of its Subsidiaries, or any Environmental Liability related in any way to the Parent or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Parent, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee other than the Initial Lender, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. This paragraph (b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Administrative Agent or Collateral Agent (or any sub-agents thereof) or any Related Party of any of the foregoing, each Lender (other than the Initial Lender) severally agrees to pay to the Administrative Agent or Collateral Agent (or any such sub-agents) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's Applicable Percentage at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or Collateral Agent (or any such sub-agents), or against any Related Party of any of the foregoing acting for the Administrative Agent or Collateral Agent (or any such sub-agents) in connection with such capacity. The obligations of the Lenders under this paragraph

(c) are subject to the provisions of Section 2.12(e).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, no Credit Party shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan, or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than five (5) days after demand therefor; provided that the terms of this Section shall not apply to the Initial Lender.

(f) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder and the resignation or removal of the Administrative Agent or the Collateral Agent.

SECTION 11.04 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any other attempted assignment or transfer by any party hereto shall be null and void), and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (e) of this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of the Loans at the time owing to it); provided that any such assignment by any Lender (other than the Initial Lender) shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Loans at the time owing to it or contemporaneous assignments to and/or by related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $1,000,000, unless each of the Administrative Agent and, so long as no Default or Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans assigned.

(iii) Required Consents. No consent shall be required for any assignment by the Initial Lender. The consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned) shall be required for any assignment by any Lender other than the Initial Lender unless (x) a Default or Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender or an Affiliate of a Lender; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to the Borrower or any of the Borrower's Affiliates or Subsidiaries.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person).

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 11.03 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender other than the Initial Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Collateral Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a Competitor, a natural person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent, the Collateral Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.03(b) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 11.02(b)(i) through (v) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 (subject to the requirements and limitations therein, including the requirements under Section 2.16(g) (it being understood that the documentation required under Section 2.16(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 2.15 or 2.16, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. 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 Loans or other obligations under the Loan Documents (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 loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat

each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 11.05 Survival. All covenants, agreements, representations and warranties made by any Credit Party herein and in any Loan Document or other documents delivered in connection herewith or therewith or pursuant hereto or thereto shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery hereof and thereof and the making of the Borrowings hereunder, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Collateral Agent or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied and so long as the Commitments have not expired or been terminated. The provisions of Sections 2.14, 2.15, 11.03, 11.15 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the payment in full of the Obligations, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 11.06 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (e.g., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution. The words "execution," "signed," "signature," and words of like import in this Agreement and in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Notwithstanding anything herein to the contrary, delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic means, or confirmation of the execution of this Agreement on behalf of a party by an email from an authorized signatory of such party shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 11.07 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 11.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender or any such Affiliate, to or for the credit or the account of the Borrower against any and all of the due and unpaid Obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or its respective Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch office or Affiliate of such Lender different from the branch office or Affiliate holding such deposit or obligated on such indebtedness. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its respective Affiliates may have. Each Lender (other than the Initial Lender) agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 11.09 Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement and the other Loan Documents will be governed by and construed in accordance with the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the law of the State of New York applicable to contracts made and to be performed entirely within such State.

(b) Jurisdiction and Venue. Each of the Credit Parties and each Lender agrees (a) to submit to the exclusive jurisdiction and venue of the United States District Court for the District of Columbia for any civil action, suit or proceeding arising out of or relating to this Agreement, the Loan Documents, or the transactions contemplated hereby or thereby.

(c) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 11.01. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

SECTION 11.10 Waiver of Jury Trial. To the extent permitted by Applicable Law, each Credit Party and each Lender hereby unconditionally waives trial by jury in any civil legal action or proceeding relating to this Agreement, the Loan Documents or the transactions contemplated hereby or thereby.

SECTION 11.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 11.12 Treatment of Certain Information; Confidentiality. Each of the Agents and the Lenders (other than the Initial Lender) agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by Applicable Laws or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as (or no less restrictive than) those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder; provided that, in each case under this clause (f)(ii), such actual or prospective party is not a Competitor; (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the Loans or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loans; (h) with the consent of the Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to either Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower who did not acquire such information as a result of a breach of this Section.

For purposes of this Section, "Information" means all information received from the Parent or any of its Subsidiaries relating to the Parent or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Parent or any of its Subsidiaries; provided that, in the case of information received from the Parent or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 11.13 Money Laundering; Sanctions. The Borrower shall provide to the Administrative Agent, the Collateral Agent, and the Lenders information and documentation that the Lenders may reasonably request that identifies the Borrower and its Affiliates, which information may include the name and address of the Borrower and its Affiliates and other information regarding beneficial ownership of the Borrower and its Affiliates that will allow the Lenders to ensure compliance with Sanctions and the AML Laws. For purposes of determining whether or not a representation with respect to any indirect ownership is true or a covenant is being complied with under this Section 11.13, the Borrower shall not be required to make any investigation into (i) the ownership of publicly traded stock or other publicly traded securities or (ii) the ownership of assets by a collective investment fund that holds assets for employee benefit plans or retirement arrangements.

SECTION 11.14 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under Applicable Law (collectively, "charges"), shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with Applicable Law, the rate of

interest payable in respect of such Loan hereunder, together with all charges payable in respect thereof, shall be limited to the Maximum Rate. To the extent lawful, the interest and charges that would have been paid in respect of such Loan but were not paid as a result of the operation of this Section shall be cumulated and the interest and charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the amount collectible at the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate for each day to the date of repayment, shall have been received by such Lender. Any amount collected by such Lender that exceeds the maximum amount collectible at the Maximum Rate shall be applied to the reduction of the principal balance of such Loan or refunded to the Borrower so that at no time shall the interest and charges paid or payable in respect of such Loan exceed the maximum amount collectible at the Maximum Rate.

SECTION 11.15 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender (other than the Initial Lender) severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect.

SECTION 11.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) no fiduciary, advisory or agency relationship between any Credit Party and any of their respective Subsidiaries and the Administrative Agent, the Collateral Agent or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Administrative Agent, the Collateral Agent, or any Lender has advised or is advising any Credit Party or any of their respective Subsidiaries on other matters, (ii) the lending and other services regarding this Agreement provided by the Administrative Agent, the Collateral Agent and the Lenders are arm's-length commercial transactions between Credit Parties and their Affiliates, on the one hand, and the Administrative Agent, the Collateral Agent and the Lenders, on the other hand, (iii) the Credit Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent that they has deemed appropriate and (iv) the Credit Parties are capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b) (i) the Administrative Agent, the Collateral Agent and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Credit Parties or any of their respective Affiliates, or any other Person; (ii) none of the Administrative Agent, the Collateral Agent and the Lenders has any obligation to the Credit Parties or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Collateral Agent and the Lenders and their respective Affiliates may be engaged, in a broad range of transactions that involve interests that differ from those of the Credit Parties and their respective Affiliates, and none of the Administrative Agent, the Collateral Agent and the Lenders has any obligation to disclose any of such interests to the Credit Parties or any of their respective

Affiliates. To the fullest extent permitted by Law, the Credit Parties hereby waive and release any claims that they may have against any of the Administrative Agent, the Collateral Agent and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 11.17 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among the parties, each party hereto (including each Credit Party) acknowledges that any liability arising under a Loan Document of any Credit Party that is an Affected Financial Institution, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority, and agrees and consents to, and acknowledges and agrees to be bound by: (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising under any Loan Documents which may be payable to it by any Credit Party that is an Affected Financial Institution; and (b) the effects of any Bail- In Action on any such liability, including (i) a reduction in full or in part or cancellation of any such liability, (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under any Loan Document, or (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

[Signature Pages to Follow]

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

MESA AIRLINES, INC.

By: /s/ Brian Gillman
Name: Brian Gillman
Title: EVP & General Counsel

MESA AIR GROUP, INC.

By: /s/ Brian Gillman
Name: Brian Gillman
Title: EVP & General Counsel

MESA AIR GROUP AIRLINE INVENTORY MANAGEMENT, L.L.C.

By: /s/ Brian Gillman
Name: Brian Gillman
Title: EVP & General Counsel

THE BANK OF NEW YORK MELLON,
as Administrative Agent

By: /s/ Bret S. Derman
Name: Bret S. Derman
Title: Vice President

THE BANK OF NEW YORK MELLON,
as Collateral Agent

By: /s/ Bret S. Derman
Name: Bret S. Derman
Title: Vice President

UNITED STATES DEPARTMENT OF THE TREASURY, as the Initial Lender

By: /s/ Brent J. McIntosh

Name: Brent J. McIntosh

Title: Under Secretary for International Affairs

FINANCIAL STATEMENTS

(a) Financial Statements:

Mesa Air Group, Inc. and Subsidiaries consolidated balance sheets as of September 30, 2020, the related consolidated statements of operations, stockholders' equity, and cash flows, for each of the three years in the period ended September 30, 2019, and the related notes thereto, as filed with the U.S. Securities and Exchange Commission and available at http://www.sec.gov.

(b) No Material Adverse Change:

NONE

SUBSIDIARIES

Parent / Subsidiary	Excluded Subsidiary (Y / N)	Holder of Ownership Interests	Percentage Owned
Mesa Air Group, Inc.	Parent/Guarantor	Publicly traded	N/A
Mesa Airlines, Inc.	Borrower	Mesa Air Group, Inc.	100%
Mesa Air Group Airline Inventory Management, L.L.C.	Guarantor	Mesa Airlines, Inc.	100%

SUPPLEMENTAL COLLATERAL

a. Airframes

No.	Owner	U.S. Registration No.	Airframe Manufacturer	Airframe Model	Airframe Serial No.	Related Supplemental Collateral Financing Agreement Number (see Schedule 4.02(o))
1.	Mesa Airlines, Inc.	N244LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15233	39
2.	Mesa Airlines, Inc.	N245LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15234	40
3.	Mesa Airlines, Inc.	N246LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15239	41
4.	Mesa Airlines, Inc.	N247LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15273	42
5.	Mesa Airlines, Inc.	N248LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15274	43
6.	Mesa Airlines, Inc.	N249LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15275	44
7.	Mesa Airlines, Inc.	N326MS	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15124	37
8.	Mesa Airlines, Inc.	N329MS	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15126	38

No.	Owner	U.S. Registration No.	Airframe Manufacturer	Airframe Model	Airframe Serial No.	Related Supplemental Collateral Financing Agreement Number (see Schedule 4.02(o))
9.	Mesa Airlines, Inc.	N516LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2C10 Generic Model CRJ-900 Aircraft	10258	1
10.	Mesa Airlines, Inc.	N518LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2C10 Generic Model CRJ-900 Aircraft	10259	2
11.	Mesa Airlines, Inc.	N519LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2C10 Generic Model CRJ-900 Aircraft	10260	3
12.	Mesa Airlines, Inc.	N902FJ	Bombardier Inc. Generic BOMBARDIER	CRJ-900 Aircraft	15002	4
13.	Mesa Airlines, Inc.	N903FJ	Bombardier Inc. Generic BOMBARDIER	CRJ-900 Aircraft	15003	5
14.	Mesa Airlines, Inc.	N904FJ	Bombardier Inc. Generic BOMBARDIER	CRJ-900 Aircraft	15004	6
15.	Mesa Airlines, Inc.	N905FJ	Bombardier Inc. Generic BOMBARDIER	CRJ-900 Aircraft	15005	7
16.	Mesa Airlines, Inc.	N906FJ	Bombardier Inc. Generic BOMBARDIER	CRJ-900 Aircraft	15006	8
17.	Mesa Airlines, Inc.	N907FJ	Bombardier Inc. Generic BOMBARDIER	CRJ-900 Aircraft	15007	9
18.	Mesa Airlines, Inc.	N908FJ	Bombardier Inc. Generic BOMBARDIER	CRJ-900 Aircraft	15008	10
19.	Mesa Airlines, Inc.	N909FJ	Bombardier Inc. Generic BOMBARDIER	CRJ-900 Aircraft	15009	11
20.	Mesa Airlines, Inc.	N910FJ	Bombardier Inc. Generic BOMBARDIER	CRJ-900 Aircraft	15010	12
21.	Mesa Airlines, Inc.	N911FJ	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15011	13
22.	Mesa Airlines, Inc.	N912FJ	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model	15012	14

No.	Owner	U.S. Registration No.	Airframe Manufacturer	Airframe Model	Airframe Serial No.	Related Supplemental Collateral Financing Agreement Number (see Schedule 4.02(o))
				CRJ-900 Aircraft		
23.	Mesa Airlines, Inc.	N913FJ	Bombardier Inc. Generic BOMBARDIER	CRJ-900 Aircraft	15013	15
24.	Mesa Airlines, Inc.	N914FJ	Bombardier Inc. Generic BOMBARDIER	CRJ-900 Aircraft	15014	16
25.	Mesa Airlines, Inc.	N915FJ	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15015	17
26.	Mesa Airlines, Inc.	N916FJ	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15016	18
27.	Mesa Airlines, Inc.	N917FJ	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15017	19
28.	Mesa Airlines, Inc.	N918FJ	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15018	20
29.	Mesa Airlines, Inc.	N919FJ	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15019	21
30.	Mesa Airlines, Inc.	N920FJ	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15020	22
31.	Mesa Airlines, Inc.	N921FJ	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15021	23
32.	Mesa Airlines, Inc.	N939LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15039	24
33.	Mesa Airlines, Inc.	N942LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15042	25

No.	Owner	U.S. Registration No.	Airframe Manufacturer	Airframe Model	Airframe Serial No.	Related Supplemental Collateral Financing Agreement Number (see Schedule 4.02(o))
34.	Mesa Airlines, Inc.	N956LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15056	26
35.	Mesa Airlines, Inc.	N241LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15066	27
36.	Mesa Airlines, Inc.	N943LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15068	28
37.	Mesa Airlines, Inc.	N944LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15075	29
38.	Mesa Airlines, Inc.	N242LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15076	30
39.	Mesa Airlines, Inc.	N945LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15077	31
40.	Mesa Airlines, Inc.	N914FJ	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15104	32
41.	Mesa Airlines, Inc.	N947LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15116	33
42.	Mesa Airlines, Inc.	N948LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15118	34
43.	Mesa Airlines, Inc.	N950LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model CRJ-900 Aircraft	15119	35
44.	Mesa Airlines, Inc.	N951LR	Bombardier Inc. Generic BOMBARDIER	CL-600-2D24 Generic Model	15123	36

No.	Owner	U.S. Registration No.	Airframe Manufacturer	Airframe Model	Airframe Serial No.	Related Supplemental Collateral Financing Agreement Number (see Schedule 4.02(o))
				CRJ-900 Aircraft		

b. Engines

No.	Owner	Manufacturer	Model	Generic Manufacturer and Model	Manufacturer's Serial No.	Related Supplemental Collateral Financing Agreement Number (see Schedule 4.02(o))
1.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194835	39
2.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194836	39
3.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194841	40
4.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194842	40
5.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194837	41
6.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194850	41
7.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	195165	42
8.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	195166	42
9.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	195179	43
10.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	195180	43
11.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	195189	44
12.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	195184	44
13.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194574	37
14.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194575	37

No.	Owner	Manufacturer	Model	Generic Manufacturer and Model	Manufacturer's Serial No.	Related Supplemental Collateral Financing Agreement Number (see Schedule 4.02(o))
15.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194578	38
16.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194579	38
17.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194439	1
18.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194430	1
19.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194485	2
20.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	965321	2
21.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194495	3
22.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194496	3
23.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194201	4
24.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194218	4
25.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194203	5
26.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194204	5
27.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194205	6
28.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194206	6
29.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194209	7
30.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194208	7
31.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194211	8
32.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194212	8
33.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194215	9

No.	Owner	Manufacturer	Model	Generic Manufacturer and Model	Manufacturer's Serial No.	Related Supplemental Collateral Financing Agreement Number (see Schedule 4.02(o))
34.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194216	9
35.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194217	10
36.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194214	10
37.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194221	11
38.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194222	11
39.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194225	12
40.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194224	12
41.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194231	13
42.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194230	13
43.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194229	14
44.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194226	14
45.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194233	15
46.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194228	15
47.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194235	16
48.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194234	16
49.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194227	17
50.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194232	17
51.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194237	18
52.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194236	18

No.	Owner	Manufacturer	Model	Generic Manufacturer and Model	Manufacturer's Serial No.	Related Supplemental Collateral Financing Agreement Number (see Schedule 4.02(o))
53.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194239	19
54.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194238	19
55.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194241	20
56.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194240	20
57.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194243	21
58.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194242	21
59.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194245	22
60.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194244	22
61.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194247	23
62.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194246	23
63.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194289	24
64.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194302	24
65.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194305	25
66.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194306	25
67.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194343	26
68.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194342	26
69.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194428	27
70.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194429	27
71.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194455	28

No.	Owner	Manufacturer	Model	Generic Manufacturer and Model	Manufacturer's Serial No.	Related Supplemental Collateral Financing Agreement Number (see Schedule 4.02(o))
72.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194458	28
73.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194437	29
74.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194440	29
75.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194456	30
76.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194457	30
77.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194453	31
78.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194454	31
79.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194526	32
80.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194529	32
81.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194550	33
82.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194551	33
83.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194552	34
84.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194555	34
85.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194564	35
86.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194591	35
87.	Mesa Airlines, Inc.	General Electric	CF34-8C5B1	GE/CF34-8C5B1	194572	36
88.	Mesa Airlines, Inc.	General Electric	CF34-8C5	GE/CF34-8C5	194573	36

(Each of which Engines having at least 550 rated takeoff horsepower, or in the case of jet propulsion at least 1,750 lb of thrust, or the equivalent thereof)

SUPPLEMENTAL COLLATERAL FINANCING AGREEMENTS

Supplemental Collateral Financing Agreement No.	Lenders	Agreement Name	Execution Date	Maturity Date	Original Principal Amount Under Agreement
1	Export Development Canada	Credit Agreement, Senior Note (N516LR)	1/31/2007	1/31/2022	$18.9 million
2	Export Development Canada	Credit Agreement, Senior Note (N518LR)	1/31/2007	1/31/2022	$18.9 million
3	Export Development Canada	Credit Agreement, Senior Note (N519LR)	1/31/2007	1/31/2022	$18.9 million
4	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N902FJ)	6/27/2018	2/1/2022	$4.2 million
5	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N903FJ)	6/27/2018	2/1/2022	$4.5 million
6	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N904FJ)	6/27/2018	2/1/2022	$4.7 million
7	Norddeutsche Landesbank Girozentrale,	Senior Loan Agreement (N905FJ)	6/27/2018	2/1/2022	$4.3 million

	CIT Bank, N.A.				
8	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N906FJ)	6/27/2018	5/1/2022	$4.3 million
9	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N907FJ)	6/27/2018	5/1/2022	$4.5 million
10	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N908FJ)	6/27/2018	5/1/2022	$5.0 million
11	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N909FJ)	6/27/2018	8/1/2022	$4.2 million
12	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N910FJ)	6/27/2018	8/1/2022	$4.2 million
13	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N911FJ)	6/27/2018	2/1/2022	$4.7 million
14	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N912FJ)	6/27/2018	2/1/2022	$4.2 million
15	Norddeutsche Landesbank Girozentrale	Senior Loan Agreement (N913FJ)	12/27/2017	12/1/2021	$4.6 million
16	Norddeutsche Landesbank Girozentrale	Senior Loan Agreement (N914FJ)	12/27/2017	12/1/2021	$4.9 million

17	Norddeutsche Landesbank Girozentrale	Senior Loan Agreement (N915FJ)	12/27/2017	12/1/2021	$4.6 million
18	Norddeutsche Landesbank Girozentrale	Senior Loan Agreement (N916FJ)	12/27/2017	3/1/2022	$5.0 million
19	Norddeutsche Landesbank Girozentrale	Senior Loan Agreement (N917FJ)	12/27/2017	3/1/2022	$4.9 million
20	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N918FJ)	6/27/2018	5/1/2022	$4.8 million
21	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N919FJ)	6/27/2018	5/1/2022	$4.3 million
22	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N920FJ)	6/27/2018	5/1/2022	$4.7 million
23	Norddeutsche Landesbank Girozentrale, CIT Bank, N.A.	Senior Loan Agreement (N921FJ)	6/27/2018	5/1/2022	$4.7 million
24	Export Development Canada	Credit Agreement, Senior Note (N939LR)	1/31/2007	1/31/2021	$21.1 million
25	Export Development Canada	Credit Agreement, Senior Note (N942LR)	1/31/2007	1/31/2021	$21.1 million
26	Export Development Canada	Credit Agreement,	1/31/2007	1/31/2021	$21.4 million

		Senior Note (N956LR)			
27	Export Development Canada	Credit Agreement, Floating Rate Note (N241LR)	4/17/2014	4/17/2022	$7.7 million
28	Export Development Canada	Credit Agreement, Floating Rate Note (N943LR)	5/16/2014	4/28/2022	$7.6 million
29	Export Development Canada	Credit Agreement, Floating Rate Note (N944LR)	6/5/2014	5/16/2022	$8.1 million
30	Export Development Canada	Credit Agreement, Floating Rate Note (N242LR)	4/28/2014	5/7/2022	$8.2 million
31	Export Development Canada	Credit Agreement, Floating Rate Note (N945LR)	5/7/2014	6/5/2022	$8.3 million
32	Export Development Canada	Credit Agreement, Floating Rate Note (N946LR)	5/27/2014	5/27/2022	$8.4 million
33	Norddeutsche Landesbank Girozentrale	Senior Loan Agreement (N947LR)	12/27/2017	9/1/2022	$5.6 million
34	Norddeutsche Landesbank Girozentrale	Senior Loan Agreement (N948LR)	12/27/2017	9/1/2022	$5.6 million
35	Norddeutsche Landesbank Girozentrale	Senior Loan Agreement (N950LR)	12/27/2017	9/1/2022	$5.9 million

36	Norddeutsche Landesbank Girozentrale	Senior Loan Agreement (N951LR)	12/27/2017	9/1/2022	$5.7 million
37	Export Development Canada	Credit Agreement, Fixed Rate Note (N326MS)	5/28/2014	5/28/2024	$14.5 million
38	Export Development Canada	Credit Agreement, Fixed Rate Note (N329MS)	5/28/2014	5/28/2024	$14.5 million
39	Export Development Canada	Credit Agreement, Fixed Rate Note (N244LR)	6/4/2014	6/4/2024	$13.5 million
40	Export Development Canada	Credit Agreement, Fixed Rate Note (N245LR)	5/29/2014	5/29/2024	$13.5 million
41	Export Development Canada	Credit Agreement, Fixed Rate Note (N246LR)	5/29/2014	5/29/2024	$13.5 million
42	Export Development Canada	Credit Agreement, Fixed Rate Note (N247LR)	5/29/2014	5/29/2024	$15.0 million
43	Export Development Canada	Credit Agreement, Fixed Rate Note (N248LR)	5/30/2014	5/30/2024	$15.0 million
44	Export Development Canada	Credit Agreement, Fixed Rate Note (N249LR)	6/4/2014	6/4/2024	$15.0 million

POST-CLOSING MATTERS

Post-closing confirmatory UCC, FAA and International Registry searches and delivery of file stamped UCC financing statement copies and FAA and International Registry recordations, and post-closing delivery of an opinion from the Borrower's FAA counsel that is acceptable to the Initial Lender, addressed to the Initial Lender and the applicable Agent or Agents, in form and substance satisfactory to the Initial Lender and the applicable Agent (and the Parent hereby instructs such counsel to deliver such opinions to such Persons).

RESTRICTED PAYMENTS

$5,000,000

INVESTMENTS

SECTION I

NONE

SECTION II

NONE

AFFILIATE TRANSACTIONS

NONE

[FORM OF] ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between the Assignor (as defined below) and the Assignee (as defined below). Capitalized terms used but not defined herein shall have the meanings given to them in the Loan and Guarantee Agreement identified below (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Loan and Guarantee Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Loan and Guarantee Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Loan and Guarantee Agreement, any other Loan Documents and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any guarantees included in such facilities), and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Loan and Guarantee Agreement, any other Loan Document and any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by the Assignor to the Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: (the "Assignor")

2. Assignee: (the "Assignee")

[Assignee is an [Affiliate][Approved Fund] of [*identify Lender*]

3. Borrower:

4. Administrative Agent: The Bank of New York Mellon, as the administrative agent under the Loan and Guarantee Agreement

5. Loan and Guarantee Agreement: The Loan and Guarantee Agreement dated as of among Mesa Airlines, Inc., the Lenders parties thereto, The Bank of New York Mellon, as Administrative Agent, and the other parties thereto

6. Assigned Interest[s]:

Assignor	Assignee	[Loans Assigned[1]][2]	Aggregate Amount of Loans for all Lenders[3]	Amount of Loans Assigned[8]	Percentage Assigned of Loans[4]
			$	$	%
			$	$	%
			$	$	%

[7. Trade Date: _][5]

[Page break]

[1] Specify which tranche of Loans are being assigned.
[2] Note to Form: To include if loan has multiple tranches that are not fungible (i.e., different maturities).
[3] Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
[4] Set forth, to at least 9 decimals, as a percentage of the Loans of all Lenders thereunder.
[5] To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: _____
Title:

:

ASSIGNEE
[NAME OF ASSIGNEE]

By: _____
Title:

Accepted:

THE BANK OF NEW YORK MELLON, as
Administrative Agent

By: _____
Title:

[Consented to:

MESA AIRLINES, INC.

By: _____
Title:]6

6 To be included only if the consent of the Borrower is required for such Assignment and Assumption by the terms of the Loan and Guarantee Agreement.

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, including to obtain such consent, if any, as required under the Loan and Guarantee Agreement, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Loan and Guarantee Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of the Loan and Guarantee Agreement or any other Loan Document, or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Loan and Guarantee Agreement, (ii) it meets all the requirements to be an assignee under Section 11.04 of the Loan and Guarantee Agreement (subject to such consents, if any, as may be required thereunder), (iii) from and after the Effective Date, it shall be bound by the provisions of the Loan and Guarantee Agreement and each other Loan Document as a Lender, and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Loan and Guarantee Agreement, and has received or has been afforded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent, the Collateral Agent, the Assignor or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, (vii) if it is not already a Lender under the Loan and Guarantee Agreement, attached to the Assignment and Assumption is an Administrative Questionnaire and the applicable "know your customer" documentation requested by the Administrative Agent and as required by the Loan and Guarantee Agreement and (viii) the Administrative Agent has received a processing and recordation fee of $3,500 as of the Effective Date (to the extent required by the Loan and Guarantee Agreement, unless waived), (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Collateral Agent, the Assignor or any other Lender or Agent, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender, including its obligations pursuant to Section 2.16 of the Loan and Guarantee Agreement and (c) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Loan and Guarantee Agreement

and the other Loan Documents as are delegated to such Agent by the terms thereof, together with such actions and powers as are reasonably incidental or related thereto.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts that have accrued to but excluding the Effective Date and to the Assignee for amounts that have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart ofthis Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the law of the State of New York applicable to contracts made and to be performed entirely within such State.

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Loan and Guarantee Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "Loan and Guarantee Agreement"), among Mesa Airlines, Inc., the Guarantors party thereto from time to time, The Bank of New York Mellon, as Administrative Agent and Collateral Agent, and each Lender from time to time party thereto.

Pursuant to the provisions of Section 2.16 of the Loan and Guarantee Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Loan and Guarantee Agreement and used herein shall have the meanings given to them in the Loan and Guarantee Agreement.

[NAME OF LENDER]

By: Name:
Title:

Date: , 20[ ]

EXHIBIT B-2

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Loan and Guarantee Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "Loan and Guarantee Agreement"), among Mesa Airlines, Inc., the Guarantors party thereto from time to time, The Bank of New York Mellon, as Administrative Agent and Collateral Agent, and each Lender from time to time party thereto.

Pursuant to the provisions of Section 2.16 of the Loan and Guarantee Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Loan and Guarantee Agreement and used herein shall have the meanings given to them in the Loan and Guarantee Agreement.

[NAME OF PARTICIPANT]

By: Name:
Title:

Date: , 20[ ]

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Loan and Guarantee Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "Loan and Guarantee Agreement"), among Mesa Airlines, Inc., the Guarantors party thereto from time to time, The Bank of New York Mellon, as Administrative Agent and Collateral Agent, and each Lender from time to time party thereto.

Pursuant to the provisions of Section 2.16 of the Loan and Guarantee Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W- 8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Loan and Guarantee Agreement and used herein shall have the meanings given to them in the Loan and Guarantee Agreement.

[NAME OF PARTICIPANT]

By: Name:
Title:

Date: , 20[ ]

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Loan and Guarantee Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "Loan and Guarantee Agreement"), among Mesa Airlines, Inc., the Guarantors party thereto from time to time, The Bank of New York Mellon, as Administrative Agent and Collateral Agent, and each Lender from time to time party thereto.

Pursuant to the provisions of Section 2.16 of the Loan and Guarantee Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Loan and Guarantee Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Loan and Guarantee Agreement and used herein shall have the meanings given to them in the Loan and Guarantee Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: , 20[ ]

EXHIBIT C

[FORM OF] NOTE

[Date]

$[ ]
New York, New York

FOR VALUE RECEIVED, the undersigned, MESA AIRLINES, INC., a corporation organized under the laws of Nevada (the "Borrower"), hereby promises to pay to [_] (the "Lender") or its registered assigns in accordance with Section 11.04 of the Loan and Guarantee Agreement (as defined below), in lawful money of the United States of America in immediately available funds at the office of the Administrative Agent (such term, and each other capitalized term used but not defined herein, having the meaning assigned to it in the Loan and Guarantee Agreement, dated as of [_], 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Loan and Guarantee Agreement"), among Mesa Airlines, Inc., a corporation organized under the laws of Nevada, the Guarantors party thereto from time to time, the Lenders party thereto from time to time and The Bank of New York Mellon, as Administrative Agent and Collateral Agent) (i) on the dates set forth in the Loan and Guarantee Agreement, the principal amounts set forth in the Loan and Guarantee Agreement with respect to Loans made by the Lender to the Borrower pursuant to the Loan and Guarantee Agreement and (ii) on each Interest Payment Date, interest at the rate or rates per annum as provided in the Loan and Guarantee Agreement on the unpaid principal amount of all Loans made by the Lender to the Borrower pursuant to the Loan and Guarantee Agreement.

The Borrower promises to pay interest, on written demand, on any overdue principal and, to the extent permitted by law, overdue interest from their due dates at the rate or rates provided in the Loan and Guarantee Agreement.

The Borrower hereby waives (to the extent permitted by applicable law) diligence, presentment, demand, protest and notice of any kind whatsoever. Subject to the terms of the Loan and Guarantee Agreement, including Section 7.02 thereof, nonexercise by the holder hereof of any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

All borrowings evidenced by this note and all payments and prepayments of the principal hereof and interest hereon and the respective dates thereof shall be endorsed by the holder hereof on the schedule attached hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof, or otherwise recorded by such holder in its internal records; provided, however, that the failure of the holder hereof to make such a notation or any error in such notation shall not affect the obligations of the Borrower under this note.

This note is one of the Notes referred to in the Loan and Guarantee Agreement that, among other things, contains provisions for the acceleration of the maturity hereof upon the happening of certain events, for optional and mandatory prepayment of the principal hereof prior to the maturity hereof and for the amendment or waiver of certain provisions of the Loan and Guarantee Agreement, all upon the terms and conditions therein specified.

THIS NOTE MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS OF THELOANANDGUARANTEEAGREEMENT.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE FEDERAL LAW OF THE UNITED STATES IF AND TO THE EXTENT SUCH LAW IS APPLICABLE, AND OTHERWISE IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed by its authorized officers as of the day and year first above written.

MESA AIRLINES, INC.

By: _____
Name:
Title:

Date	Amount of Loan	Maturity Date	Payments of Principal/Interest	Principal Balance of Note	Name of Person Making the Notation

EXHIBIT D

[FORM OF] BORROWING REQUEST

The Bank of New York Mellon as
Administrative Agent
Attention: Joanna Shapiro, Managing Director 240 Greenwich Street, 7th Floor
New York, NY 10286 Telephone: 212-
815-4949
Email: joanna.g.shapiro@bnymellon.com UST.Cares.Program@bnymellon.com

and:

The Department of the Treasury of the United States Attention: Assistant General Counsel (Banking and Finance) 1500 Pennsylvania Avenue, NW
Washington, D.C. 20220
Telephone: 202-622-0283
Email: eric.froman@treasury.gov

[●], 2020

Ladies and Gentlemen:

The undersigned, MESA AIRLINES, INC., a corporation organized under the laws of Nevada (the "Borrower"), refers to the Loan and Guarantee Agreement dated as of October 30, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"), among Borrower, MESA AIR GROUP, INC., a corporation organized under the laws of Nevada (the "Parent"), the Guarantors party thereto from time to time, the United States Department of the Treasury as the Initial Lender and The Bank of New York Mellon as Administrative Agent and Collateral Agent. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Agreement. This notice constitutes a Borrowing Request pursuant to the Agreement, and the Borrower hereby gives you notice pursuant to Sections 2.03(a) and (b) of the Agreement that it requests a Borrowing under the Agreement, and in connection therewith specifies the following information with respect to the Borrowing requested hereby:

(A) The Borrowing shall be denominated in dollars and shall be in an aggregate principal amount equal to: $[●]

(B) Date of Borrowing (which is a Business Day): [●], 2020

(C) Location and number of Borrower's account to which funds of the requested Borrowing are to be disbursed:

Bank Name:	[●]
Account Name:	[●]
Account Number:	[●]

ABA Number:	[●]

The undersigned hereby certifies that (a) on and as of the date of the Borrowing requested hereby (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date), the representations and warranties of the Credit Parties set forth in the Agreement and in any other Loan Document are true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects), (b) on and as of the date of the Borrowing requested hereby, no Default has occurred or is continuing or will result from the requested Borrowing or from the application of proceeds thereof, (c) this Borrowing Request is made in compliance with the requirements of Sections 2.02 and 2.03 of the Agreement, and (d) all conditions in Sections [4.01]/[4.02] (with respect to the Borrowing on the Closing Date only) and 4.03 of the Agreement have been satisfied as of the date of the Borrowing requested hereby.

Delivery of this Borrowing Request may initially be made by electronic communication including fax or email and shall be followed by an original authentic counterpart thereof.

[*Remainder of Page Intentionally Left Blank*]

Very truly yours,

MESA AIRLINES, INC.

By[7]: _____
Name:
Title:

[7] This Borrowing Request must be signed by a Responsible Officer of the Borrower. As used herein, a Responsible Officer is any of the following: Chief Executive Officer, Financial Officer (i.e., Chief Financial Officer, principal accounting officer, treasurer or controller), President, or Executive Vice President, as well as any other officer or employee of the Borrower so designated from time to time by one of the aforementioned officers in a notice to the Administrative Agent (together with evidence of the authority and capacity of each such Person to so act in form and substance satisfactory to the Administrative Agent).

Exhibit 21.1

List of Subsidiaries of Mesa Air Group, Inc.

Subsidiaries	Jurisdiction of Incorporation or Organization
Mesa Airlines, Inc.	Nevada
Mesa Air Group—Airline Inventory Management, LLC	Arizona

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-251290) of Mesa Air Group, Inc.,
(2) Registration Statement (Form S-8 No. 333-233314) pertaining to the Mesa Air Group, Inc. 2019 Employee Stock Purchase Plan, and
(3) Registration Statement (Form S-8 No. 333-233313) pertaining to the Mesa Air Group, Inc. 2018 Equity Incentive Plan;

of our report dated December 14, 2020, with respect to the consolidated financial statements of Mesa Air Group, Inc. included in this Annual Report (Form 10-K) of Mesa Air Group, Inc. for the year ended September 30, 2020.

/s/ Ernst & Young LLP

Phoenix, Arizona
December 14, 2020

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-226772, 333-233313, and 333-233314 on Form S-8 and No. 333-251290 on Form S-3 of our report dated December 16, 2019, relating to the consolidated financial statements of Mesa Air Group, Inc. and subsidiaries appearing in this Annual Report on Form 10-K of Mesa Air Group, Inc. for the year ended September 30, 2020.

/s/ DELOITTE & TOUCHE LLP

Phoenix, Arizona

December 14, 2020

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jonathan G. Ornstein, certify that:

1. I have reviewed this annual report on Form 10-K of Mesa Air Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 14, 2020

/s/ JONATHAN G. ORNSTEIN
Jonathan G. Ornstein
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael J. Lotz, certify that:

1. I have reviewed this annual report on Form 10-K of Mesa Air Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 14, 2020

/s/ MICHAEL J. LOTZ
Michael J. Lotz
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Jonathan G. Ornstein, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Annual Report on Form 10-K of Mesa Air Group, Inc. for the fiscal year ended September 30, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Mesa Air Group, Inc.

Dated: December 14, 2020

/s/ JONATHAN G. ORNSTEIN
Jonathan G. Ornstein
Chairman and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael J. Lotz, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Annual Report on Form 10-K of Mesa Air Group, Inc. for the fiscal year ended September 30, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Mesa Air Group, Inc.

Dated: December 14, 2020

/s/ MICHAEL J. LOTZ
Michael J. Lotz
President and Chief Financial Officer