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

FORM 10-Q

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

For the quarterly period ended **March 31, 2018**

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 **000-49728**

jetBlue

JETBLUE AIRWAYS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

87-0617894

(I.R.S. Employer Identification No.)

27-01 Queens Plaza North, Long Island City, New York

(Address of principal executive offices)

11101

(Zip Code)

(718) 286-7900

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year,
if changed since last report)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Non-accelerated filer

Accelerated filer

(Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

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

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 March 31, 2018, there were 316,496,757 shares outstanding of the registrant's common stock, par value \$.01.

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PART 1. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

JETBLUE AIRWAYS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in millions, except per share data)

	March 31, 2018	December 31, 2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 511	\$ 303
Investment securities	268	390
Receivables, less allowance (2018-\$2; 2017-\$1)	251	245
Prepaid expenses and other	290	268
Total current assets	1,320	1,206
PROPERTY AND EQUIPMENT		
Flight equipment	9,149	8,980
Predelivery deposits for flight equipment	218	204
Total flight equipment and predelivery deposits, gross	9,367	9,184
Less accumulated depreciation	2,206	2,125
Total flight equipment and predelivery deposits, net	7,161	7,059
Other property and equipment	1,049	1,041
Less accumulated depreciation	419	405
Total other property and equipment, net	630	636
Assets constructed for others	561	561
Less accumulated depreciation	213	207
Total assets constructed for others, net	348	354
Total property and equipment	8,139	8,049
OTHER ASSETS		
Investment securities	2	2
Restricted cash	60	56
Other	506	468
Total other assets	568	526
TOTAL ASSETS	\$ 10,027	\$ 9,781

JETBLUE AIRWAYS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in millions, except per share data)

	March 31, 2018	December 31, 2017
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 451	\$ 378
Air traffic liability	1,185	966
Accrued salaries, wages and benefits	269	313
Other accrued liabilities	359	293
Current maturities of long-term debt and capital leases	248	196
Total current liabilities	2,512	2,146
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS	895	1,003
CONSTRUCTION OBLIGATION	436	441
DEFERRED TAXES AND OTHER LIABILITIES		
Deferred income taxes	1,014	999
Air traffic liability - loyalty non-current	398	385
Other	75	75

Total deferred taxes and other liabilities	1,487	1,459
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.01 par value; 25 shares authorized, none issued	—	—
Common stock, \$0.01 par value; 900 shares authorized, 419 and 418 shares issued and 316 and 321 shares outstanding at March 31, 2018 and December 31, 2017, respectively	4	4
Treasury stock, at cost; 103 and 97 shares at March 31, 2018 and December 31, 2017, respectively	(1,021)	(890)
Additional paid-in capital	2,134	2,127
Retained earnings	3,580	3,491
Accumulated other comprehensive income	—	—
Total stockholders' equity	4,697	4,732
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 10,027	\$ 9,781

See accompanying notes to condensed consolidated financial statements.

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in millions, except per share amounts)

	Three Months Ended March 31,	
	2018	2017
OPERATING REVENUES		
Passenger	\$ 1,692	\$ 1,556
Other	62	44
Total operating revenues	1,754	1,600
OPERATING EXPENSES		
Aircraft fuel and related taxes	417	323
Salaries, wages and benefits	499	466
Landing fees and other rents	100	95
Depreciation and amortization	117	105
Aircraft rent	24	26
Sales and marketing	67	61
Maintenance materials and repairs	142	152
Other operating expenses	260	230
Total operating expenses	1,626	1,458
OPERATING INCOME	128	142
OTHER INCOME (EXPENSE)		
Interest expense	(22)	(25)
Capitalized interest	2	2
Interest income and other	2	2
Total other income (expense)	(18)	(21)
INCOME BEFORE TAXES	110	121
Income tax expense	22	39
NET INCOME	\$ 88	\$ 82
EARNINGS PER COMMON SHARE:		
Basic	\$ 0.28	\$ 0.25
Diluted	\$ 0.27	\$ 0.24

See accompanying notes to condensed consolidated financial statements.

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited, in millions)

	<u>Three Months Ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
NET INCOME	\$ 88	\$ 82
Changes in fair value of derivative instruments, net of reclassifications into earnings (net of \$0 and \$(5) of taxes in 2018 and 2017, respectively)	—	(8)
Total other comprehensive loss	—	(8)
COMPREHENSIVE INCOME	\$ 88	\$ 74

See accompanying notes to condensed consolidated financial statements.

JETBLUE AIRWAYS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in millions)

	Three Months Ended March 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 88	\$ 82
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income taxes	15	28
Depreciation	101	90
Amortization	16	15
Stock-based compensation	7	9
Changes in certain operating assets and liabilities	265	206
Other, net	2	2
Net cash provided by operating activities	494	432
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(184)	(245)
Predelivery deposits for flight equipment	(19)	(40)
Purchase of held-to-maturity investments	(50)	(63)
Proceeds from the maturities of held-to-maturity investments	111	43
Purchase of available-for-sale securities	(80)	(105)
Proceeds from the sale of available-for-sale securities	141	145
Other, net	(8)	(2)
Net cash used in investing activities	(89)	(267)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock	—	2
Repayment of long-term debt and capital lease obligations	(58)	(50)
Acquisition of treasury stock	(131)	(109)
Other, net	(4)	(4)
Net cash used in financing activities	(193)	(161)
INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	212	4
Cash, cash equivalents and restricted cash at beginning of period	359	495
Cash, cash equivalents and restricted cash at end of period ⁽¹⁾	\$ 571	\$ 499

(1) Reconciliation of cash, cash equivalents and restricted cash reported within the Condensed Consolidated Balance Sheets:

	March 31, 2018	March 31, 2017
Cash and cash equivalents	\$ 511	\$ 438
Restricted cash	60	61
Total cash, cash equivalents and restricted cash	\$ 571	\$ 499

See accompanying notes to condensed consolidated financial statements.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1—Summary of Significant Accounting Policies**Basis of Presentation**

JetBlue Airways Corporation, or JetBlue, provides air transportation services across the United States, the Caribbean and Latin America. Our condensed consolidated financial statements include the accounts of JetBlue and our subsidiaries which are collectively referred to as “we” or the “Company.” All majority-owned subsidiaries are consolidated on a line by line basis, with all intercompany transactions and balances being eliminated. These condensed consolidated financial statements and related notes should be read in conjunction with our 2017 audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017 .

These condensed consolidated financial statements are unaudited and have been prepared by us following the rules and regulations of the Securities and Exchange Commission, or the SEC. In our opinion they reflect all adjustments, including normal recurring items, that are necessary to present fairly the results for interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the U.S., or GAAP, have been condensed or omitted as permitted by such rules and regulations; however, we believe that the disclosures are adequate to make the information presented not misleading. Due to seasonal variations in the demand for air travel, the volatility of aircraft fuel prices and other factors, our operating results for the periods presented herein are not necessarily indicative of the results that may be expected for other interim periods or the entire fiscal year. We recasted financial information previously filed under Accounting Standards Codification Topic 605, *Revenue Recognition* for the periods presented to reflect full retrospective method of transition to ASU 2014-09, *Revenue from Contracts with Customers*.

Investment securities

Investment securities consist of available-for-sale investment securities and held-to-maturity investment securities. We use a specific identification method to determine the cost of the securities when they are sold.

Held-to-maturity investment securities. The contractual maturities of the held-to-maturity investments we held as of March 31, 2018 were not greater than 24 months. We did not record any significant gains or losses on these securities during the three months ended March 31, 2018 or 2017 . The estimated fair value of these investments approximated their carrying value as of March 31, 2018 and December 31, 2017 , respectively.

The carrying values of investment securities consisted of the following at March 31, 2018 and December 31, 2017 (in millions):

	March 31, 2018	December 31, 2017
Available-for-sale securities		
Time deposits	\$ 70	\$ 130
Debt securities	5	6
Total available-for-sale securities	75	136
Held-to-maturity securities		
Treasury notes	\$ 195	\$ 220
Corporate bonds	—	36
Total held-to-maturity securities	195	256
Total investment securities	\$ 270	\$ 392

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* topic of the FASB Codification, or Codification, which supersedes existing revenue recognition guidance. Under the new standard, a company will recognize revenue when it transfers goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled to in exchange for those goods or services. We adopted the requirements of ASU 2014-09 as of January 1, 2018 utilizing the full retrospective method of transition. We recorded a \$48 million cumulative adjustment to retained earnings as of January 1, 2016, the beginning of the retrospective reporting period, for the impacts of the new accounting standard. The adoption of the new standard did not have a significant impact on earnings.

For JetBlue, the most significant impact of the new standard relates to the accounting of our TrueBlue[®] Loyalty Program. The new standard eliminated the incremental cost method for loyalty program accounting which we previously used. As a result, we had to revalue the liability for points earned on qualifying JetBlue purchases using a relative fair value approach. The application of a relative fair value approach increased our air traffic liability by approximately \$286 million, net of breakage, as of the beginning of the retrospective reporting period.

In addition, we had a liability for outstanding points that were earned in conjunction with our previous co-branded credit card agreement that had been recorded using the residual method. The new standard does not permit the usage of the residual method for this contract and instead, the transaction price is now allocated to the performance obligations on a relative selling price basis. This change decreased the relative value allocated to the transportation performance obligation and resulted in a decrease of \$159 million, net of breakage, to the liability as of the beginning of the retrospective reporting period.

The standard also resulted in a change in the timing and classification of our revenue recognition for certain ancillary fees directly related to passenger tickets. As a result, we reclassified \$107 million from other revenue under the prior presentation to passenger revenue for the first quarter of 2017. Refer to Note 2 - Revenue Recognition for more information.

During the first quarter of 2018, we adopted ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash* of the Codification. The update clarified how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. ASU 2016-18 requires entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. Our condensed consolidated statements of cash flows for the three months ended March 31, 2017 reflects retrospective application. Our cash and cash equivalents include short-term, highly liquid investments which are readily convertible into cash. These investments include money market securities and commercial papers with maturities of three months or less when purchased. Restricted cash primarily consists of security deposits, funds held in escrow for estimated workers' compensation obligations and performance bonds for aircraft and facility leases.

During the first quarter of 2018, we adopted ASU 2016-01, *Financial Instruments-Overall (Topic 825)*. The update made several changes, including the elimination of the available-for-sale classification of equity investments, and requires equity investments with readily determinable fair values to be measured at fair value with changes in fair value recognized in earnings. For equity investments without readily determinable fair values, the standard provides an alternative which allows entities to measure these investments at cost, less any impairment, adjusted for changes from observable price changes in orderly transactions for an identifiable or similar investments of the same issuer. Our wholly-owned subsidiary, JetBlue Technology Ventures, LLC, or JTV, has several equity investments in emerging companies which do not have readily determinable fair values. These investments were accounted for at cost during 2017. Under the updated standard, these investments are now accounted for using the measurement alternative. No gains or losses were recorded for these investments during the three months ended March 31, 2018. As of March 31, 2018, the carrying amount of these investments was \$12 million.

In February 2016, the FASB issued Accounting Standards Update, or ASU, 2016-02, *Leases (Topic 842)* of the Codification. Under ASU 2016-02, a lessee will recognize liabilities for lease payments and right-of-use assets representing its right to use the underlying asset for the lease term. While we are still evaluating the full impact of adopting the amendments on our consolidated financial statements and disclosures, we believe the adoption will have a significant impact on our Consolidated Balance Sheets. However, we do not expect ASU 2016-02 to have a significant impact to our Consolidated Statements of Operations. The amendments are effective for fiscal years beginning after December 15, 2018 and include interim periods within those fiscal years.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 2—Revenue Recognition**Passenger Revenue**

Passenger ticket and ancillary services are sold in advance of the performance of the travel and related services. We initially defer ticket sales, including deferred revenue on future travel and related services, and for TrueBlue[®] points issued when travel services are provided, as air traffic liability. We allocate the transaction price to each performance obligation identified in a passenger ticket on a relative standalone selling price basis. Directly observable selling prices are available for travel segment and ancillary services. Standalone selling price for TrueBlue[®] points issued are discussed in the Loyalty Program section below.

Passenger revenue, including certain ancillary fees directly related to passenger tickets, is recognized when the transportation is provided. Passenger revenue from unused tickets and passenger credits will be recognized in proportion to flown revenue based on estimates of expected expiration or when the likelihood of the Customer exercising their remaining rights becomes remote. Taxes that we are required to collect from our Customers, including federal transportation taxes, security taxes and airport facility charges, are excluded from the measurement of the transaction price.

During the three months ended March 31, 2018 and 2017, we recognized revenue of \$496 million and \$503 million, respectively, that was included in the contract liabilities at the beginning of the respective periods. We expect the remaining balance of the December 31, 2017 liability to be recognized during 2018.

The practical expedient in ASC 606-10-50-14 allows entities not to disclose the amount of the remaining transaction price and its expected timing of recognition for passenger tickets if the contract has an original expected duration of one year or less or if certain other conditions are met. We elected to apply this practical expedient to our contract liabilities relating to passenger travel and ancillary services as our tickets or any related passenger credits expire one year from the date of issuance.

Loyalty Program

Customers may earn points under our customer loyalty program, TrueBlue[®], based on the value paid for a trip. We identified two performance obligations for passenger ticket sales earning TrueBlue[®] points: future travel discussed in the Passenger Revenue section above; and services when the Customers redeem TrueBlue[®] points. We allocate the transaction price to each performance obligation on a relative standalone basis. As directly observable selling price for TrueBlue[®] points is not available, we determine the standalone selling price of TrueBlue[®] points issued using the redemption value approach adjusted to reflect fulfillment discount, or breakage. To maximize the use of observable inputs, we utilized actual ticket value of the tickets purchased with TrueBlue[®] points. We record a deferred liability in the amount of the transaction price allocation to TrueBlue[®] points as they are issued which is included in our air traffic liabilities. The air transportation element is deferred and recognized as passenger revenue when the points are utilized.

TrueBlue points can be sold to participating companies, including credit card and car rental companies. Co-branded credit card partnerships have the following identified performance obligations: air transportation; use of the JetBlue brand name and access to our frequent flyer customer lists; advertising; and other airline benefits. In determining the estimated selling price, JetBlue considered multiple inputs, methods and assumptions, including: discounted cash flows; estimated redemption value, net of fulfillment discount; points expected to be awarded and redeemed; estimated annual spending by cardholders; estimated annual royalty for use of JetBlue's frequent flyer customer lists; and estimated utilization of other airline benefits. The overall consideration received is allocated to each performance obligation based on their standalone relative selling prices. The air transportation element is deferred and recognized as passenger revenue when the points are utilized. The other elements are recognized as other revenue when earned.

Points earned by TrueBlue[®] members never expire. We estimate breakage for the portion of points not expected to be redeemed based on historical points redemptions. TrueBlue[®] members earn points based on the value paid for a trip rather than the length of the trip, and TrueBlue[®] members can pool points between small groups of people, branded as Family Pooling[™]. Breakage is recorded using points redemption patterns to determine a breakage rate. We periodically update breakage rates used to estimate breakage revenue.

TrueBlue[®] points are combined in one homogeneous pool and are not separately identifiable. As such, the revenue is comprised of the points that were part of the air traffic liability balance at the beginning of the period as well as points that were issued during the period.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The table below presents the activity of the current and non-current air traffic liability, and includes points earned and sold to participating companies.

Balance at December 31, 2017	\$	502
TrueBlue [®] points redeemed		(41)
TrueBlue [®] points earned		55
Balance as of March 31, 2018	\$	516
Balance at December 31, 2016	\$	417
TrueBlue [®] points redeemed		(26)
TrueBlue [®] points earned		40
Balance as of March 31, 2017	\$	431

The timing of our TrueBlue[®] point redemptions can vary; however, the majority of our points are redeemed within approximately three years.

Disaggregation of Revenue

We disaggregate revenue from contracts with Customers by revenue source as we believe it best depicts the nature, amount, timing and uncertainty of our revenue and cash flow. The following tables provide the disaggregation disclosure by type of service for the three months ended March 31, 2018 and 2017 (in millions):

	Three Months Ended March 31,	
	2018	2017
Passenger revenue		
Passenger travel	\$ 1,651	\$ 1,530
Loyalty revenue - air transportation	41	26
Other revenue		
Loyalty revenue	36	21
Other revenue	26	23
Total revenue	\$ 1,754	\$ 1,600

Contract Liabilities

Our contract liabilities consist of advance payments received prior to the transfer of services to the Customer. Net contract liabilities consist of the following (in millions):

	March 31, 2018	December 31, 2017
Contract liabilities		
Air traffic liability - passenger travel	\$ 1,054	\$ 836
Air traffic liability - loyalty program (air transportation)	516	502
Deferred revenue	13	13
Total contract liabilities	\$ 1,583	\$ 1,351

Note 3—Long Term Debt, Short Term Borrowings, and Capital Lease Obligations

During the three months ended March 31, 2018, we made scheduled principal payments of \$58 million on our outstanding long-term debt and capital lease obligations.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

We have pledged aircraft, engines, other equipment and facilities with a net book value of \$2.3 billion at March 31, 2018 as security under various loan agreements. As of March 31, 2018, we owned, free of encumbrance, 78 Airbus A320 aircraft, 46 Airbus A321 aircraft, one Embraer E190 aircraft, and 37 spare engines. At March 31, 2018, scheduled maturities of all of our long-term debt and capital lease obligations were \$138 million for the remainder of 2018, \$215 million in 2019, \$179 million in 2020, \$164 million in 2021, \$142 million in 2022 and \$305 million thereafter.

The carrying amounts and estimated fair values of our long-term debt (excluding capital lease obligation) at March 31, 2018 and December 31, 2017 were as follows (in millions):

	March 31, 2018		December 31, 2017	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Public Debt				
Fixed rate special facility bonds, due through 2036	\$ 42	\$ 45	\$ 42	\$ 46
Non-Public Debt				
Fixed rate enhanced equipment notes, due through 2023	159	163	169	178
Floating rate equipment notes, due through 2025	146	152	152	159
Fixed rate equipment notes, due through 2026	679	715	712	771
Total ⁽¹⁾	\$ 1,026	\$ 1,075	\$ 1,075	\$ 1,154

(1) Total excludes capital lease obligations of \$117 million for March 31, 2018 and \$124 million for December 31, 2017.

The estimated fair values of our publicly held long-term debt are classified as Level 2 in the fair value hierarchy. The fair values of our special facility bonds were based on quoted market prices in markets with low trading volumes. The fair value of our non-public debt was estimated using a discounted cash flow analysis based on our borrowing rates for instruments with similar terms and therefore classified as Level 3 in the fair value hierarchy. The fair values of our other financial instruments approximate their carrying values. Refer to Note 8 for an explanation of the fair value hierarchy structure.

We have financed certain aircraft with Enhanced Equipment Trust Certificates (EETCs) as one of the benefits of this structure is being able to finance several aircraft at one time, rather than individually. The structure of EETC financing is that we create pass-through trusts in order to issue pass-through certificates. The proceeds from the issuance of these certificates are then used to purchase equipment notes which are issued by us and are secured by our aircraft. These trusts meet the definition of a variable interest entity, or VIE, as defined in the *Consolidations* topic of the Codification, and must be considered for consolidation in our condensed consolidated financial statements. Our assessment of our EETCs considers both quantitative and qualitative factors including the purpose for which these trusts were established and the nature of the risks in each. The main purpose of the trust structure is to enhance the credit worthiness of our debt obligation through certain bankruptcy protection provisions, liquidity facilities and lower our total borrowing cost. We concluded that we are not the primary beneficiary in these trusts because our involvement in them is limited to principal and interest payments on the related notes, the trusts were not set up to pass along variability created by credit risk to us and the likelihood of our defaulting on the notes. Therefore, we have not consolidated these trusts in our condensed consolidated financial statements.

Short-term Borrowings

Citibank Line of Credit

We have a revolving Credit and Guaranty Agreement with Citibank, N.A. as the administrative agent for up to approximately \$425 million. The term of the facility runs through April 2021. Borrowings under the Credit and Guaranty Agreement bear interest at a variable rate equal to LIBOR, plus a margin. The Credit and Guaranty Agreement is secured by Slots at John F. Kennedy International Airport, LaGuardia Airport and Reagan National Airport as well as certain other assets. Slots are rights to take-off or land at a specific airport during a specific time during the day and a means by which airport capacity and congestion can be managed. The Credit and Guaranty Agreement includes covenants that require us to maintain certain minimum balances in unrestricted cash, cash equivalents, and unused commitments available under all revolving credit facilities. In addition, the covenants restrict our ability to, among other things, dispose of certain collateral, or merge, consolidate, or sell assets. As of and for the periods ended March 31, 2018 and December 31, 2017, we did not have a balance outstanding or borrowings under this line of credit.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Morgan Stanley Line of Credit

We have a revolving line of credit with Morgan Stanley for up to approximately \$200 million. This line of credit is secured by a portion of our investment securities held by Morgan Stanley and the amount available to us under this line of credit may vary accordingly. This line of credit bears interest at a floating rate based upon LIBOR, plus a margin. As of and for the periods ended March 31, 2018 and December 31, 2017, we did not have a balance outstanding or borrowings under this line of credit.

Note 4—Earnings Per Share

Basic earnings per share is calculated by dividing net income by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated similarly but includes potential dilution from restricted stock units, the Crewmember stock purchase plan, the exercise of stock options and any other potentially dilutive instruments using the treasury stock method.

The following is a reconciliation of weighted average shares and a calculation of earnings per share (in millions, except per share amounts):

	Three Months Ended March 31,	
	2018	2017
Net Income ⁽¹⁾	\$ 88	\$ 82
Weighted average basic shares	320.6	336.3
Effect of dilutive securities	1.7	1.9
Weighted average diluted shares	322.3	338.2
Earnings per common share		
Basic	\$ 0.28	\$ 0.25
Diluted	0.27	0.24

(1) As discussed in Note 1, we adopted ASC 606, *Revenue from Contracts with Customers* during the first quarter of 2018. The adoption of this standard reduced previously reported net income by approximately \$3 million for the three months ended March 31, 2017.

On March 1, 2018, JetBlue entered into an accelerated share repurchase, or ASR, agreement with Goldman, Sachs & Co. (“GS&Co.”), paying \$125 million for an initial delivery of approximately 4.7 million shares. The term of the ASR concluded on March 23, 2018 with GS&Co. delivering approximately 1.1 million additional shares to JetBlue on March 26, 2018. A total of 5.8 million shares, at an average price of \$21.49 per share, were repurchased under the agreement.

On March 6, 2017, JetBlue entered into an ASR agreement with Barclays Bank PLC, or Barclays, paying \$100 million for an initial delivery of approximately 4.1 million shares. The term of the Barclays ASR concluded on April 24, 2017 with Barclays delivering approximately 0.8 million additional shares to JetBlue on April 27, 2017. A total of 4.9 million shares, at an average price of \$20.23 per share, were repurchased under the agreement.

Note 5—Crewmember Retirement Plan and Profit Sharing

We sponsor a retirement savings 401(k) defined contribution plan, or the Plan, covering all of our Crewmembers where we match 100% of our Crewmembers' contributions up to 5% of their eligible wages. The contributions vest over five years and are measured from a Crewmember's hire date. Crewmembers are immediately vested in their voluntary contributions.

Another component of the Plan is a Company discretionary contribution of 5% of eligible non-management Crewmember compensation, which we refer to as *Retirement Plus*. *Retirement Plus* contributions vest over three years and are measured from a Crewmember's hire date.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Our non-management Crewmembers are eligible to receive profit sharing, calculated as 10% of adjusted pre-tax income before profit sharing and special items up to a pre-tax margin of 18% with the result reduced by *Retirement Plus* contributions. If JetBlue's resulting pre-tax margin exceeds 18% , non-management Crewmembers will receive 20% profit sharing above an 18% pre-tax margin.

Certain Federal Aviation Administration, or FAA-licensed Crewmembers, receive an additional contribution of 3% of eligible compensation, which we refer to as *Retirement Advantage*. Total 401(k) company match, *Retirement Plus*, profit sharing and *Retirement Advantage* expensed for the three months ended March 31, 2018 and 2017 was \$41 million and \$42 million , respectively.

Note 6—Commitments and Contingencies

Flight Equipment Commitments

As of March 31, 2018 , our firm aircraft orders consisted of 8 Airbus A321 aircraft, 25 Airbus A320 new engine option (A320neo) aircraft, 60 Airbus A321neo aircraft, 24 Embraer E190 aircraft and 22 spare engines scheduled for delivery through 2024 . Committed expenditures for these aircraft and related flight equipment, including estimated amounts for contractual price escalations and predelivery deposits, will be approximately \$679 million for the remainder of 2018 , \$1.0 billion in 2019 , \$1.4 billion in 2020 , \$1.5 billion in 2021 , \$1.5 billion in 2022 and \$1.2 billion thereafter. We are scheduled to receive 8 new Airbus A321 aircraft during the remainder of 2018.

Other Commitments

We utilize several credit card processors to process our ticket sales. Our agreements with these processors do not contain covenants, but do generally allow the processor to withhold cash reserves to protect the processor from potential liability for tickets purchased, but not yet used for travel. While we currently do not have any collateral requirements related to our credit card processors, we may be required to issue collateral to our credit card processors, or other key business partners, in the future.

As of March 31, 2018 , we had approximately \$31 million in assets serving as collateral for letters of credit relating to a certain number of our leases. These are included in restricted cash and expire at the end of the related lease terms. Additionally, we had approximately \$27 million pledged related to our workers compensation insurance policies and other business partner agreements which will expire according to the terms of the related policies or agreements.

In April 2014, JetBlue pilots elected to be solely represented by the Air Line Pilots Association, or ALPA. The National Mediation Board, or NMB, certified ALPA as the representative body for JetBlue pilots and we are working with ALPA to reach our first collective bargaining agreement.

In April 2018, JetBlue Inflight Crewmembers elected to be solely represented by the Transport Workers Union of America, or TWU. The NMB certified the TWU as the representative body for JetBlue Inflight Crewmembers and we anticipate working with the TWU to reach a collective bargaining agreement.

Except as noted above, our Crewmembers do not have third party representation.

Legal Matters

Occasionally we are involved in various claims, lawsuits, regulatory examinations, investigations and other legal matters arising, for the most part, in the ordinary course of business. The outcome of litigation and other legal matters is always uncertain. The Company believes it has valid defenses to the legal matters currently pending against it, is defending itself vigorously and has recorded accruals determined in accordance with GAAP, where appropriate. In making a determination regarding accruals, using available information, we evaluate the likelihood of an unfavorable outcome in legal or regulatory proceedings to which we are a party and record a loss contingency when it is probable a liability has been incurred and the amount of the loss can be reasonably estimated. These subjective determinations are based on the status of such legal or regulatory proceedings, the merits of our defenses and consultation with legal counsel. Actual outcomes of these legal and regulatory proceedings may materially differ from our current estimates. It is possible that resolution of one or more of the legal matters currently pending or threatened could result in losses material to our consolidated results of operations, liquidity or financial condition.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

To date, none of these types of litigation matters, most of which are typically covered by insurance, has had a material impact on our operations or financial condition. We have insured and continue to insure against most of these types of claims. A judgment on any claim not covered by, or in excess of, our insurance coverage could materially adversely affect our financial condition or results of operations.

Note 7—Financial Derivative Instruments and Risk Management

As part of our risk management techniques, we periodically purchase over the counter energy derivative instruments and enter into fixed forward price agreements, or FFPs, to manage our exposure to the effect of changes in the price of aircraft fuel. Prices for the underlying commodities have historically been highly correlated to aircraft fuel, making derivatives of them effective at providing short-term protection against sharp increases in average fuel prices. We also periodically enter into jet fuel basis swaps for the differential between heating oil and jet fuel, to further limit the variability in fuel prices at various locations.

In the past, we have periodically entered into interest rate swaps to manage the variability of the cash flows associated with our variable rate debt. We do not hold or issue any derivative financial instruments for trading purposes.

Aircraft fuel derivatives

We attempt to obtain cash flow hedge accounting treatment for each aircraft fuel derivative that we enter into. This treatment is provided for under the *Derivatives and Hedging* topic of the Codification which allows for gains and losses on the effective portion of qualifying hedges to be deferred until the underlying planned jet fuel consumption occurs, rather than recognizing the gains and losses on these instruments into earnings during each period they are outstanding. The effective portion of realized aircraft fuel hedging derivative gains and losses is recognized in aircraft fuel expense in the period during which the underlying fuel is consumed.

Ineffectiveness occurs, in certain circumstances, when the change in the total fair value of the derivative instrument differs from the change in the value of our expected future cash outlays for the purchase of aircraft fuel. Ineffectiveness is recognized immediately in interest income and other. If a hedge does not qualify for hedge accounting, the periodic changes in its fair value are also recognized in interest income and other. When aircraft fuel is consumed and the related derivative contract settles, any gain or loss previously recorded in other comprehensive income is recognized in aircraft fuel expense. All cash flows related to our fuel hedging derivatives are classified as operating cash flows.

Our current approach to fuel hedging is to enter into hedges on a discretionary basis without a specific target of hedge percentage needs. We view our hedge portfolio as a form of insurance to help mitigate the impact of price volatility and protect us against severe spikes in oil prices, when possible.

We did not have any fuel hedging contracts, gross or net of offsetting, outstanding as of March 31, 2018 and December 31, 2017.

The table below reflects quantitative information related to our derivative instruments and where these amounts are recorded in our financial statements (dollar amounts in millions):

	Three Months Ended March 31,	
	2018	2017
Fuel derivatives		
Hedge effectiveness (gains) recognized in aircraft fuel expense	\$ —	\$ (3)
(Gains) losses on derivatives not qualifying for hedge accounting recognized in other expense	—	—
Hedge losses on derivatives recognized in comprehensive income	—	10
Percentage of actual consumption economically hedged	—%	11%

Any outstanding derivative instrument exposes us to credit loss in connection with our fuel contracts in the event of nonperformance by the counterparties to our agreements, but we do not expect that any of our counterparties will fail to meet their obligations. The amount of such credit exposure is generally the fair value of our outstanding contracts for which we are in a receivable position. To manage credit risks we select counterparties based on credit assessments, limit our overall exposure to any single counterparty and monitor the market position with each counterparty. Some of our agreements require cash deposits from either JetBlue or our counterparty if market risk exposure exceeds a specified threshold amount.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

We have master netting arrangements with our counterparties allowing us the right of offset to mitigate credit risk in derivative transactions. The financial derivative instrument agreements we have with our counterparties may require us to fund all, or a portion of, outstanding loss positions related to these contracts prior to their scheduled maturities. The amount of collateral posted, if any, is periodically adjusted based on the fair value of the hedge contracts. Our policy is to offset the liabilities represented by these contracts with any cash collateral paid to the counterparties.

Note 8—Fair Value

Under the *Fair Value Measurements and Disclosures* topic of the Codification, disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

Level 1 quoted prices in active markets for identical assets or liabilities;

Level 2 quoted prices in active markets for similar assets and liabilities and inputs that are observable for the asset or liability; or

Level 3 unobservable inputs for the asset or liability, such as discounted cash flow models or valuations.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a listing of our assets and liabilities required to be measured at fair value on a recurring basis and where they are classified within the fair value hierarchy as of March 31, 2018 and December 31, 2017 (in millions):

	March 31, 2018			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 309	\$ —	\$ —	\$ 309
Available-for-sale investment securities	—	75	—	75
	December 31, 2017			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 173	\$ —	\$ —	\$ 173
Available-for-sale investment securities	—	136	—	136

Refer to Note 3 for fair value information related to our outstanding debt obligations as of March 31, 2018 and December 31, 2017 .

Cash equivalents

Our cash equivalents include money market securities and commercial paper which are readily convertible into cash, have maturities of 90 days or less when purchased and are considered to be highly liquid and easily tradable. These securities are valued using inputs observable in active markets for identical securities and are therefore classified as Level 1 within our fair value hierarchy.

Available-for-sale investment securities

Included in our available-for-sale investment securities are U.S. treasury bills, time deposits, commercial paper and debt securities. The fair value of these instruments are based on observable inputs in non-active markets, which are therefore classified as Level 2 in the hierarchy. We did not record any significant gains or losses on these securities during the three months ended March 31, 2018 and 2017 .

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 9—Accumulated Other Comprehensive Income (Loss)

Comprehensive income (loss) includes changes in fair value of our aircraft fuel derivatives which qualify for hedge accounting. A rollforward of the amounts included in the accumulated other comprehensive income (loss), net of taxes for the three months ended March 31, 2018 and March 31, 2017 are as follows (in millions):

	Aircraft Fuel Derivatives <small>(1)</small>	Total
Balance of accumulated income at December 31, 2017	\$ —	\$ —
Reclassifications into earnings (net of \$0 of taxes)	—	—
Change in fair value (net of \$0 of taxes)	—	—
Balance of accumulated income at March 31, 2018	\$ —	\$ —
Balance of accumulated (losses) income at December 31, 2016	\$ 13	\$ 13
Reclassifications into earnings (net of \$(1) of taxes)	(2)	(2)
Change in fair value (net of \$(4) of taxes)	(6)	(6)
Balance of accumulated (losses) income at March 31, 2017	\$ 5	\$ 5

(1) Reclassified to aircraft fuel expense

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

First Quarter 2018 Results

- We had a \$154 million increase in revenue compared to the first quarter of 2017 due primarily to a 6.8% increase in average fare and a 3.3% increase in capacity.
- We generated \$494 million in cash from operations for the three months ended March 31, 2018 .
- Our operating margin decrease d by 1.6 points to 7.3% , due in part to higher fuel prices.
- Our earnings per diluted share were \$0.27 .
- Operating expense per available seat mile increase d by 8.0% to 11.59 cent s, primarily due to a significant increase in aircraft fuel expenses. Excluding fuel and related taxes, as well as operating expenses related to our non-airline businesses, our cost per available seat mile ⁽¹⁾ increased 3.1% .
- Operating income of \$128 million decrease d \$14 million from the comparable period in 2017.

Balance Sheet

We ended the first quarter of 2018 with unrestricted cash, cash equivalents and short-term investments of \$779 million and undrawn lines of credit of approximately \$625 million.

Our unrestricted cash, cash equivalents and short-term investments is approximately 11% of trailing twelve months revenue. We increased the number of unencumbered aircraft to 125 and spare engines to 37 as of March 31, 2018 .

Outlook for 2018

For the second quarter of 2018, cost per available seat mile, excluding fuel ⁽¹⁾ is expected to increase between 2.0% and 4.0% over the comparable 2017 period. In addition, we expect revenue per available seat mile to range between (3.0)% and 0.0% on an operating capacity increase between 5.0% and 7.0% over the comparable 2017 period.

For the full year 2018, cost per available seat mile, excluding fuel ⁽¹⁾ is expected to range between (1.0)% and 1.0% over the comparable 2017 period. In addition, we expect operating capacity increase between 6.5% and 8.5% over the comparable 2017 period.

Our cost per available seat mile, excluding fuel ⁽¹⁾ is expected to increase in the first half of 2018 between 2.0% and 4.0%, above our previous guidance due to lower completion factor during the first quarter of 2018. For the second half of 2018, we continue to expect our cost per available seat mile, excluding fuel ⁽¹⁾ to decrease between (4.0)% and (2.0)%. The comparable period of 2017 includes higher costs per available seat mile due to hurricanes, and the \$1,000 tax reform bonus for every Crewmember employed as of December 31, 2017.

⁽¹⁾ Refer to our "Regulation G Reconciliation" note below for more information on this non-GAAP measure.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2018 vs. 2017

Overview

We reported net income of \$88 million, an operating income of \$128 million and an operating margin of 7.3% for the three months ended March 31, 2018. This compares to net income of \$82 million, an operating income of \$142 million and an operating margin of 8.9% for the three months ended March 31, 2017. Diluted earnings per share were \$0.27 for the first quarter of 2018 compared to \$0.24 for the same period in 2017.

Approximately 75% of our operations reside in the heavily populated northeast corridor of the U.S., which includes the New York and Boston metropolitan areas. During the first three months of 2018, a series of winter storms impacted this area, which resulted in a capacity growth below the low-end of our guidance range.

On-time performance, as defined by the Department of Transportation, or DOT, is arrival within 14 minutes of scheduled arrival. In the first quarter of 2018, our systemwide on-time performance was 71.5% compared to 75.0% for the same period in 2017. Our on-time performance remains challenged by our concentration of operations in the northeast of the U.S., one of the world's most congested airspaces. Our completion factor was 95.7% in the first quarter of 2018 and 96.5% in the same period in 2017.

Operating Revenues

<i>(Revenues in millions; percent changes based on unrounded numbers)</i>	Three Months Ended March 31,		Year-over-Year Change	
	2018	2017	\$	%
Passenger revenue	\$ 1,692	\$ 1,556	\$ 136	8.7
Other revenue	62	44	18	39.9
Total operating revenues	\$ 1,754	\$ 1,600	\$ 154	9.6
Average Fare	\$ 171.19	\$ 160.23	\$ 10.96	6.8
Yield per passenger mile (cents)	14.26	13.65	0.61	4.4
Passenger revenue per ASM (cents)	12.06	11.46	0.60	5.3
Operating revenue per ASM (cents)	12.50	11.79	0.71	6.1
Average stage length (miles)	1,098	1,079	19	1.8
Revenue passengers (thousands)	9,881	9,711	170	1.8
Revenue passenger miles (millions)	11,866	11,399	467	4.1
Available Seat Miles (ASMs) (millions)	14,025	13,580	445	3.3
Load Factor	84.6%	83.9%		0.7 pts.

Passenger revenue is our primary source of revenue, which includes seat revenue as well as revenue from our ancillary product offerings such as EvenMore™ Space. The increase in passenger revenue of \$136 million, or 8.7%, for the three months ended March 31, 2018, compared to the same period in 2017, was primarily attributable to a 6.8% increase in average fare and a capacity increase of 3.3%. Our passenger revenue was positively impacted by the timing of Easter as the holiday occurred near the end of the first quarter of 2018 as compared to the middle of April during 2017. The increase in other revenue of \$18 million, or 39.9%, for the three months ended March 31, 2018, compared to the same period in 2017, was primarily attributable to an increase in our loyalty revenue for our co-brand credit card agreement with Barclay's.

Operating Expenses

In detail, our operating costs per available seat mile, or ASM, were as follows:

<i>(in millions; per ASM data in cents; percent changes based on unrounded numbers)</i>	Three Months Ended March 31,		Year-over-Year Change		Cents per ASM		
	2018	2017	\$	%	2018	2017	% Change
Aircraft fuel and related taxes	\$ 417	\$ 323	\$ 94	29.2 %	2.97	2.38	25.1 %
Salaries, wages and benefits	499	466	33	7.0	3.56	3.43	3.6
Landing fees and other rents	100	95	5	4.4	0.71	0.70	1.1
Depreciation and amortization	117	105	12	11.7	0.84	0.77	8.1
Aircraft rent	24	26	(2)	(5.2)	0.17	0.19	(8.2)
Sales and marketing	67	61	6	10.8	0.48	0.45	7.3
Maintenance materials and repairs	142	152	(10)	(6.9)	1.01	1.12	(9.8)
Other operating expenses	260	230	30	12.8	1.85	1.70	9.2
Total operating expenses	\$ 1,626	\$ 1,458	\$ 168	11.5 %	11.59	10.74	8.0 %

Aircraft Fuel and Related Taxes

Aircraft fuel and related taxes increased by \$94 million, or 29.2%, for the three months ended March 31, 2018 compared to the same period in 2017. The average fuel price for the first quarter 2018 increased by 23.8% to \$2.09 per gallon. Our fuel consumption increased by 4.4%, or 8 million gallons, due to an increase in the average number of aircraft operating during the first quarter 2018 as compared to the same period in 2017.

Salaries, Wages and Benefits

Salaries, wages and benefits increased \$33 million, or 7.0%, for the three months ended March 31, 2018 compared to the same period in 2017. It was our largest expense for the quarter, representing approximately 31% of our total operating expenses.

Depreciation and Amortization

Depreciation and amortization increased \$12 million, or 11.7%, for the three months ended March 31, 2018 compared to the same period in 2017, primarily driven by a 6.6% increase in the average number of aircraft operating during first quarter of 2018 as compared to the same period in 2017, as well as depreciation on the two lease buyouts since the end of the first quarter of 2017.

Maintenance Materials and Repairs

Maintenance materials and repairs decreased \$10 million, or 6.9%, for the three months ended March 31, 2018 compared to the same period in 2017, primarily driven by timing of our engine maintenance.

Other Operating Expenses

Other operating expenses increased \$30 million, or 12.8%, for the three months ended March 31, 2018 compared to the same period in 2017, primarily due to an increase in passenger on-board supplies resulting from an increased number of passengers flown and airport services.

Income Taxes

Our effective tax rate was 20.0% for the three months ended March 31, 2018 compared to 32.2% for the same period in 2017. Our effective tax rate decreased primarily due to the enactment of the Tax Cuts and Jobs Act of 2017 during the fourth quarter of 2017. We expect an effective annual tax rate between 24% and 26% in 2018.

⁽¹⁾ Refer to our "Regulation G Reconciliation" note below for more information on this non-GAAP measure.

The following table sets forth our operating statistics for the three months ended March 31, 2018 and 2017 :

	Three Months Ended March 31,		Year-over-Year Change
	2018	2017	%
<i>(percent changes based on unrounded numbers)</i>			
Operational Statistics			
Revenue passengers (thousands)	9,881	9,711	1.8
Revenue passenger miles (RPMs) (millions)	11,866	11,399	4.1
Available seat miles (ASMs) (millions)	14,025	13,580	3.3
Load factor	84.6%	83.9%	0.7 pts
Aircraft utilization (hours per day)	11.4	11.9	(4.2)
Average fare	\$ 171.19	\$ 160.23	6.8
Yield per passenger mile (cents)	14.26	13.65	4.4
Passenger revenue per ASM (cents)	12.06	11.46	5.3
Operating revenue per ASM (cents)	12.50	11.79	6.1
Operating expense per ASM (cents)	11.59	10.74	8.0
Operating expense per ASM, excluding fuel ⁽¹⁾	8.55	8.30	3.1
Departures	86,046	85,724	0.4
Average stage length (miles)	1,098	1,079	1.8
Average number of operating aircraft during period	243.9	228.9	6.6
Average fuel cost per gallon, including fuel taxes	\$ 2.09	\$ 1.69	23.8
Fuel gallons consumed (millions)	199	191	4.4
Average number of full-time equivalent employees	17,530	16,722	4.8

(1) Refer to our “Regulation G Reconciliation” note below for more information on this non-GAAP measure.

Historical revenue trends may not continue. Except for the uncertainty related to the direction of fuel prices, we expect our expenses to continue to increase as we acquire additional aircraft, as our fleet ages and as we expand the frequency of flights in existing markets as well as enter into new markets. In addition, we expect our operating results to significantly fluctuate from quarter-to-quarter in the future as a result of various factors, many of which are outside of our control. Consequently, we believe quarter-to-quarter comparisons of our operating results may not necessarily be meaningful; you should not rely on our results for any one quarter as an indication of our future performance.

LIQUIDITY AND CAPITAL RESOURCES

The airline business is capital intensive. Our ability to successfully execute our growth plans is largely dependent on the continued availability of capital on attractive terms. In addition, our ability to successfully operate our business depends on maintaining sufficient liquidity. We believe we have adequate resources from a combination of cash and cash equivalents, investment securities on hand and two available lines of credit. Additionally, as of March 31, 2018, we had 125 unencumbered aircraft and 37 unencumbered spare engines which we believe could be an additional source of liquidity, if necessary.

We believe a healthy liquidity position is crucial to our ability to weather any part of the economic cycle while continuing to execute on our plans for profitable growth and increased returns. Our goal is to continue to be diligent with our liquidity, to maintain financial flexibility and allow for prudent capital spending.

At March 31, 2018, we had unrestricted cash and cash equivalents of \$511 million and short-term investments of \$268 million. We believe our current level of unrestricted cash, cash equivalents and short-term investments of approximately 11% of trailing twelve months revenue, combined with our available lines of credit and portfolio of unencumbered assets provides us with a strong liquidity position and the potential for higher returns on cash deployment.

Analysis of Cash Flows

Operating Activities

We rely primarily on operating cash flows to provide working capital for current and future operations. Cash flows from operating activities were \$494 million and \$432 million for the three months ended March 31, 2018 and 2017, respectively.

Higher earnings, principally driven by an increase in revenue and reduced income taxes expense, contributed to our higher operating cash flows compared to the same period of 2017.

Investing Activities

During the three months ended March 31, 2018, capital expenditures related to our purchase of flight equipment included \$124 million related to the purchase of two Airbus A321 aircraft and one Airbus A321 lease buyout, \$28 million for spare part purchases, \$21 million in work-in-progress relating to flight equipment, and \$19 million for flight equipment deposits. Other property and equipment capital expenditures also included ground equipment purchases and facilities improvements for \$11 million. Investing activities also included the net proceeds of \$122 million from investment securities.

During the three months ended March 31, 2017, capital expenditures related to our purchase of flight equipment included \$170 million related to the purchase of three Airbus A321 aircraft and two Airbus A320 lease buyouts, \$45 million in work-in-progress relating to flight equipment, \$40 million for flight equipment deposits, and \$10 million for spare part purchases. Other property and equipment capital expenditures also included ground equipment purchases and facilities improvements for \$20 million. Investing activities also included the net proceeds of \$20 million from investment securities.

Financing Activities

Financing activities for the three months ended March 31, 2018 primarily consisted of the acquisition of treasury shares totaling \$125 million related to our accelerated share repurchase, or ASR, in March 2018 and the scheduled maturities of \$58 million relating to debt and capital lease obligations.

Financing activities for the three months ended March 31, 2017 primarily consisted of the acquisition of treasury shares totaling \$109 of which \$100 million related to our accelerated share repurchase, or ASR, in March 2017 and the scheduled maturities of \$49 relating to debt and capital lease obligations.

Working Capital

We had a working capital deficit of \$1.2 billion and \$940 million at March 31, 2018 and December 31, 2017, respectively. Working capital deficits can be customary in the airline industry because a significant portion of air traffic liability is classified as a current liability. Our working capital deficit increased by \$252 million due to several factors, primarily due to an overall increase in our air traffic liability.

We expect to meet our obligations as they become due through available cash, investment securities and internally generated funds, supplemented as necessary by financing activities, as they may be available to us. We expect to generate positive working capital through our operations. However, we cannot predict what the effect on our business might be from the extremely competitive environment we operate in or from events beyond our control, such as volatile fuel prices, economic conditions, weather-related disruptions, airport infrastructure challenges, the spread of infectious diseases, restructurings or consolidations, U.S. military actions or acts of terrorism. We believe the working capital available to us will be sufficient to meet our cash requirements for at least the next 12 months.

As part of our efforts to effectively manage our balance sheet and improve Return on Invested Capital, or ROIC, we expect to continue to actively manage our debt balances. Our approach to debt management includes managing the mix of fixed and floating rate debt, annual maturities of debt and the weighted average cost of debt. We intend to continue to opportunistically pre-pay outstanding debt when market conditions and terms are favorable as well as when excess liquidity is available. Additionally, our unencumbered assets allow some flexibility in managing our cost of debt and capital requirements.

Contractual Obligations

Our noncancelable contractual obligations at March 31, 2018, include the following (in millions):

	Payments due in						
	Total	2018	2019	2020	2021	2022	Thereafter
Debt and capital lease obligations ⁽¹⁾	\$ 1,325	\$ 171	\$ 256	\$ 209	\$ 188	\$ 159	\$ 342
Lease commitments	1,113	128	148	129	114	104	490
Flight equipment purchase obligations	7,340	679	1,033	1,375	1,517	1,519	1,217
Other obligations ⁽²⁾	2,120	349	320	299	204	179	769
Total	\$ 11,898	\$ 1,327	\$ 1,757	\$ 2,012	\$ 2,023	\$ 1,961	\$ 2,818

(1) Includes actual interest and estimated interest for floating-rate debt based on March 31, 2018 rates

(2) Amounts include noncancelable commitments for the purchase of goods and services

As of March 31, 2018, we believe we are in compliance with the covenants of our debt and lease agreements. We have approximately \$31 million of restricted cash pledged under standby letters of credit related to certain leases that will expire at the end of the related lease terms.

As of March 31, 2018, we operated a fleet of 55 Airbus A321 aircraft, 130 Airbus A320 aircraft and 60 Embraer E190 aircraft. Of our fleet, 196 are owned by us, of which 125 are unencumbered, 43 are leased under operating leases and six are leased under capital leases. As of March 31, 2018, the average age of our operating fleet was 9.5 years and our firm aircraft order was as follows:

Year	Airbus A320neo	Airbus A321	Airbus A321neo	Embraer E190	Total
2018	—	8	—	—	8
2019	—	—	13	—	13
2020	6	—	7	10	23
2021	16	—	4	7	27
2022	3	—	17	7	27
2023	—	—	14	—	14
2024	—	—	5	—	5
Total	25	8	60	24	117

Committed expenditures for our firm aircraft and spare engines include estimated amounts for contractual price escalations and predelivery deposits. We expect to meet our predelivery deposit requirements for our aircraft by paying cash or by using short-term borrowing facilities for deposits required six to 24 months prior to delivery. Any predelivery deposits paid by the issuance of notes are fully repaid at the time of delivery of the related aircraft.

Dependent on market conditions, we anticipate using a mix of cash and debt financing for aircraft scheduled for delivery in 2018. For deliveries after 2018, although we believe debt and/or lease financing should be available to us, we cannot give any assurance that we will be able to secure financing on attractive terms, if at all. While these financings may or may not result in an increase in liabilities on our balance sheet, our fixed costs will increase regardless of the financing method ultimately chosen. To the extent we cannot secure financing on terms we deem attractive, we may be required to pay in cash, further modify our aircraft acquisition plans or incur higher than anticipated financing costs.

Capital expenditures for non-aircraft such as facility improvements are expected to be between approximately \$150 million and \$200 million for the full year 2018.

Off-Balance Sheet Arrangements

None of our operating lease obligations are reflected on our balance sheet. Although some of our aircraft lease arrangements are with variable interest entities, as defined by the *Consolidations* topic of the Codification, none of them require consolidation in our financial statements. Our decision to finance these aircraft through operating leases rather than through debt was based on an analysis of the cash flows and tax consequences of each financing alternative and a consideration of liquidity implications. We are responsible for all maintenance, insurance and other costs associated with operating these aircraft; however, we have not made any residual value or other guarantees to our lessors.

We have determined that we hold a variable interest in, but are not the primary beneficiary of, certain pass-through trusts. The beneficiaries of these pass-through trusts are the purchasers of equipment notes issued by us to finance the acquisition of aircraft. They maintain liquidity facilities whereby a third party agrees to make payments sufficient to pay up to 18 months of interest on the applicable certificates if a payment default occurs.

We have also made certain guarantees and indemnities to other unrelated parties that are not reflected on our balance sheet, which we believe will not have a significant impact on our results of operations, financial condition or cash flows. We have no other off-balance sheet arrangements.

Critical Accounting Policies and Estimates

See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies and Estimates included in our 2017 Form 10-K. Also see Note 2 to the financial statements contained in Part I, Item 1 of this report for a discussion of the Company's updated accounting policies on revenue recognition.

Forward-Looking Information

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which represent our management's beliefs and

assumptions concerning future events. When used in this document and in documents incorporated herein by reference, the words “expects,” “plans,” “anticipates,” “indicates,” “believes,” “forecast,” “guidance,” “outlook,” “may,” “will,” “should,” “seeks,” “targets” and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve risks, uncertainties and assumptions, and are based on information currently available to us. Actual results may differ materially from those expressed in the forward-looking statements due to many factors, including, without limitation, our extremely competitive industry; volatility in financial and credit markets which could affect our ability to obtain debt and/or lease financing or to raise funds through debt or equity issuances; volatility in fuel prices, maintenance costs and interest rates; our ability to implement our growth strategy; our significant fixed obligations and substantial indebtedness; our ability to attract and retain qualified personnel and maintain our culture as we grow; our reliance on high daily aircraft utilization; our dependence on the New York and Boston metropolitan markets and the effect of increased congestion in these markets; our reliance on automated systems and technology; our being subject to potential unionization, work stoppages, slowdowns or increased labor costs; our reliance on a limited number of suppliers; our presence in some international emerging markets that may experience political or economic instability or may subject us to legal risk; reputational and business risk from information security breaches or cyber-attacks; changes in or additional government regulation; changes in our industry due to other airlines’ financial condition; acts of war or terrorism; global economic conditions or an economic downturn leading to a continuing or accelerated decrease in demand for domestic and business air travel; the spread of infectious diseases; adverse weather conditions or natural disasters; and external geopolitical events and conditions. It is routine for our internal projections and expectations to change as the year or each quarter in the year progresses, and therefore it should be clearly understood that the internal projections, beliefs and assumptions upon which we base our expectations may change prior to the end of each quarter or year.

Given the risks and uncertainties surrounding forward-looking statements, you should not place undue reliance on these statements. You should understand that many important factors, in addition to those discussed or incorporated by reference in this Report, could cause our results to differ materially from those expressed in the forward-looking statements. Potential factors that could affect our results include, in addition to others not described in this Report, those described in Item 1A of our 2017 Form 10-K under “Risks Related to JetBlue” and “Risks Associated with the Airline Industry” and Part II of this Report. In light of these risks and uncertainties, the forward-looking events discussed in this Report might not occur.

Where You Can Find Other Information

Our website is www.jetblue.com. Information contained on our website is not incorporated into this Report. Information we furnish or file with the SEC, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to or exhibits included in these reports are available for download, free of charge, on our website soon after such reports are filed with or furnished to the SEC. Our SEC filings, including exhibits filed therewith, are also available at the SEC’s website at www.sec.gov. You may obtain and copy any document we furnish or file with the SEC at the SEC’s public reference room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the SEC’s public reference facilities by calling the SEC at 1-800-SEC-0330. You may request copies of these documents, upon payment of a duplicating fee, by writing to the SEC at its principal office at 100 F Street, NE, Room 1580, Washington, D.C. 20549.

REGULATION G RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

We sometimes use non-GAAP measures that are derived from the consolidated financial statements, but that are not presented in accordance with generally accepted accounting principles in the U.S., or GAAP. We believe these non-GAAP measures provide a meaningful comparison of our results to others in the airline industry and our prior year results. Investors should consider these non-GAAP financial measures in addition to, and not as a substitute for, our financial performance measures prepared in accordance with GAAP. Further, our non-GAAP information may be different from the non-GAAP information provided by other companies.

Operating Expenses per Available Seat Mile, excluding fuel

Operating expenses per available seat mile, or CASM, is a common metric used in the airline industry. Our CASM for the periods are summarized in the table below. We exclude aircraft fuel and related taxes, and operating expenses related to other non-airline businesses, such as JetBlue Technology Ventures and JetBlue Travel Products, from operating expenses to determine CASM ex-fuel. We believe that CASM ex-fuel provides investors the ability to measure financial performance excluding items beyond our control, such as fuel costs which are subject to many economic and political factors beyond our control, or not related to the generation of an available seat mile, such as operating expense related to other non-airline businesses. We believe this non-GAAP measure is more indicative of our ability to manage airline costs and is more comparable to measures reported by other major airlines.

Reconciliation of Operating Expenses per ASM, excluding fuel

	Three Months Ended March 31,			
	2018		2017	
	\$	per ASM	\$	per ASM
<i>(in millions; per ASM data in cents)</i>				
Total operating expenses	\$ 1,626	11.59	\$ 1,458	10.74
Less:				
Aircraft fuel and related taxes	417	2.97	323	2.38
Other non-airline expenses	9	0.07	8	0.06
Operating expenses, excluding fuel	<u>\$ 1,200</u>	<u>8.55</u>	<u>1,127</u>	<u>8.30</u>

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risks from the information provided in Item 7A. Quantitative and Qualitative Disclosures About Market Risk included in our 2017 Form 10-K, except as follows:

Aircraft Fuel

Our results of operations are affected by changes in the price and availability of aircraft fuel. Market risk is estimated as a hypothetical 10% increase in the March 31, 2018 cost per gallon of fuel. Based on projected fuel consumption for the next 12 months, such an increase would result in an increase to aircraft fuel expense of approximately \$174 million. We did not have any hedge contracts outstanding as of March 31, 2018 .

Interest

Our earnings are affected by changes in interest rates due to the impact those changes have on interest expense from variable-rate debt instruments and on interest income generated from our cash and investment balances. The interest rate is fixed for \$1.0 billion of our debt and capital lease obligations, with the remaining \$0.1 billion having floating interest rates. As of March 31, 2018 , if interest rates were on average 100 basis points higher in 2018 , our annual interest expense would increase by approximately \$2 million. This is determined by considering the impact of the hypothetical change in interest rates on our variable rate debt and capital leases.

If interest rates were to average 10% lower in 2018 than they did during 2017 , our interest income from cash and investment balances would remain relatively constant. These amounts are determined by considering the impact of the hypothetical interest rates on our cash equivalents and investment securities balances at March 31, 2018 and December 31, 2017 .

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed by us in reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer, or CEO, and our Chief Financial Officer, or CFO, to allow timely decisions regarding required disclosure. Management, with the participation of our CEO and CFO, performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2018 . Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of March 31, 2018 .

Changes in Internal Control Over Financial Reporting

Except as discussed below, there were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the evaluation of our controls performed during the fiscal quarter ended March 31, 2018 , that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

During the three months ended March 31, 2018 , we implemented changes to our processes in response to the adoption of ASC 606 that became effective January 1, 2018. This resulted in a material change to our process for accounting for and reporting of our loyalty program and air traffic liability. The operating effectiveness of the controls related to these changes will be evaluated as part of our annual assessment of the effectiveness of internal controls over financial reporting.

PART II. OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

In the ordinary course of our business we are party to various legal proceedings and claims which we believe are incidental to the operation of our business. Refer to Note 6 in our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Report for additional information.

Item 1A. RISK FACTORS

Item 1A Risk Factors contained in our 2017 Form 10-K, includes a discussion of our risk factors which are incorporated herein. There were no material changes from the risk factors associated with our business previously disclosed in Part I, Item 1A "Risk Factors" of our 2017 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In September 2015, the Board of Directors authorized a three-year repurchase program starting in 2016, of up to \$250 million worth of shares. This authorization replaced the 2012 authorization. On December 7, 2016, the Board approved changes to our share repurchase program to increase the aggregate authorization to \$500 million worth of shares, and extend the term of the program through December 31, 2019. This authorization was completed in 2017.

On December 8, 2017, the Board of Directors approved a two year share repurchase authorization starting on January 1, 2018, of up to \$750 million worth of JetBlue common stock. The authorization can be executed through repurchases in open market transactions pursuant to Rules 10b-18 and/or 10b5-1 of the Securities and Exchange Act of 1934, as amended, and/or one or more privately-negotiated accelerated stock repurchase transactions. We may adjust or change our share repurchase practices based on market conditions and other alternatives.

During the three months ended March 31, 2018, the following shares were repurchased under the program (in millions, except for per share data):

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plan or Program
March 2018	5.8	(1)	5.8	\$ 625
Total	5.8		5.8	

(1) On March 1, 2018, JetBlue entered into an accelerated share repurchase, or ASR, agreement with Goldman, Sachs & Co. ("GS&Co."), paying \$125 million for an initial delivery of approximately 4.7 million shares. The terms of the ASR concluded on March 23, 2018 with GS&Co. delivering approximately 1.1 million additional shares to JetBlue on March 26, 2018. A total of 5.8 million shares, at an average price of \$21.49 per share, were repurchased under the agreement. The total shares purchased by JetBlue were based on the volume weighted average prices of JetBlue's common stock during the term of the agreement.

ITEM 6. EXHIBITS**EXHIBIT INDEX**

Exhibit Number	Exhibit
3.1	Amended and Restated Bylaws of JetBlue Airways Corporation, incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K dated on January 8, 2018.
10.1*	Amendment No. 9 to Airbus A320 Family Purchase Agreement, dated as of March 30, 2018, between Airbus S.A.S. and JetBlue Airways Corporation.
10.2	Amendment No. 4 to the V2500 General Terms of Sale between IAE International Aero Engines and New Air Corporation, dated March 30, 2018.
10.3*	Amended and Restated PW100G-JM Engine Purchase and Support Agreement by and between International Aero Engines, LLC and JetBlue Airways Corporation, dated as of March 30, 2018
12.1	Computation of Ratio of Earnings to Fixed Charges
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer
32	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
	* Pursuant to a Confidential Treatment Request under Rule 24b-2 filed with and approved by the SEC, portions of this exhibit have been omitted.

SIGNATURE

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.

JETBLUE AIRWAYS CORPORATION

(Registrant)

Date: April 27, 2018

By: /s/ Alexander Chatkewitz
Vice President, Controller, and Chief Accounting Officer (Principal Accounting Officer)

AMENDMENT NO. 9

to the A320 Family Aircraft Purchase Agreement

Dated as of October 19, 2011

Between

AIRBUS S.A.S.

And

JETBLUE AIRWAYS CORPORATION

This Amendment No. 9 (hereinafter referred to as the “ **Amendment** ”) is entered into as of March 30, 2018 between Airbus S.A.S. a *société par actions simplifiée*, created and existing under French law, having its registered office at 2 Rond-Point Emile Dewoitine, 31700 Blagnac, France and registered with Toulouse Registre du Commerce under number RCS Toulouse 383 474 814 (the “ **Seller** ”) and JetBlue Airways Corporation, a corporation organized under the laws of Delaware having its principal corporate offices at 27-01 Queens Plaza North, Long Island City, New York 11101 (formerly 118-29 Queens Boulevard, Forest Hills, New York 11375), United States of America (the “ **Buyer** ”).

WHEREAS, the Buyer and the Seller entered into an A320 Family Purchase Agreement dated as of October 19, 2011, relating to the sale by the Seller and the purchase by the Buyer of certain firmly ordered Airbus A320 family aircraft, which together with all amendments, exhibits, appendices, and letter agreements attached thereto is hereinafter called the “ **Agreement** ”.

WHEREAS, the Buyer and the Seller wish to amend the Agreement to add, among other things, certain new customization options applicable to certain Aircraft.

NOW THEREFORE, SUBJECT TO THE TERMS AND CONDITIONS SET FORTH HEREIN, IT IS AGREED AS FOLLOWS:

Capitalized terms used herein and not otherwise defined in this Amendment will have the meanings assigned to them in the Agreement. Except as used within quoted text, the terms “herein”, “hereof”, and “hereunder” and words of similar import refer to this Amendment.

1 DEFINITIONS

The “**Airspace Package**” means the following cabin features:

- (1) Airspace fixed XL overhead stowage bins,
- (2) Colored LED lighting,
[***]

[***]

2 AIRSPACE FLEETS

2.1 [***]

2.2 First availability and [***]

The first availability of the Airspace Package [***] is expected to be [***].

Except as otherwise provided herein, the [***] shall be available for linefit introduction for no more than [***] (each an “[***]”), it being understood that there shall be no further limitation for linefit introduction of the [***] delivering from [***] and onward.

The Buyer shall notify the Seller in writing which [***] it selects as an [***] no later than [***]. The Buyer hereby selects its A321 NEO Aircraft configuration [***] to be delivered under the Agreement as the first [***], unless the Buyer otherwise notifies the Seller in accordance with the foregoing.

Except as otherwise provided herein, the Airspace Package shall be available for linefit introduction for no more than [***] (each an “**Airspace** [***]”), it being understood that there shall be no further limitation for linefit introduction of the Airspace Package [***] delivering from [***] and onward.

The Buyer shall notify the Seller in writing which [***] it selects as an Airspace [***] no later than [***]. The Buyer hereby selects its A321 NEO Aircraft configuration known as “MINT” to be delivered

[***] Represents material which has been redacted and filed separately with the Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

under the Agreement as the first Airspace [***], unless the Buyer otherwise notifies the Seller in accordance with the foregoing.

2.3 Exceptions

2.3.1 A320 NEO [***]

As of the date hereof, [***] the A320 NEO Aircraft currently scheduled to be delivered under the Agreement (the “**A320 NEO Fleet**”).

Should the [***], and should the Buyer elect to use one (1) of the [***] for such A320 NEO Fleet, then, notwithstanding Clause 2.1, the Buyer may select the [***] for its [***].

Should the [***] shall be delivered with the Airspace Package [***].

2.3.2 A321 LR [***] in [***]

Should the Buyer elect to convert certain eligible A321 NEO Aircraft delivering [***] into Converted A321 LR Aircraft, in accordance with Clause 2.2 of the Amended and Restated Letter Agreement No. 3 to the Agreement, then the Buyer may use one (1) [***] for such fleet of Converted A321 LR Aircraft, in which case such Converted A321 LR Aircraft shall be delivered with the [***].

Should no [***] remain available to the Buyer, and provided that the Converted A321 LR Aircraft start delivering from [***] onward, then notwithstanding Clause 2.2, [***].

2.3.3 A321 NEO Airspace [***] in [***]

Should the Buyer elect to convert certain eligible A320 NEO Aircraft into A321 NEO Aircraft, in accordance with Clause 2.2 of the Amended and Restated Letter Agreement No. 3 to the Agreement, then the Seller shall, upon written request from the Buyer, [***].

2.4 SCNs

Without prejudice to Clause 2.1, as soon as reasonably practicable, the Seller shall present to the Buyer the applicable Specification Change Notice(s) for the Airspace Package and the [***], for execution by the Buyer with respect to the eligible NEO Aircraft, in accordance with Clause 2 of the Agreement.

3 AIRSPACE AND [***] PRICING CONDITIONS

[***] Represents material which has been redacted and filed separately with the Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

The base price of the Airspace Package for any Airspace Fleet is:

- (i) US\$ [***] (US dollars – [***]) per A321 NEO Aircraft,
 - (ii) US\$ [***] (US dollars – [***]) per Converted A321 LR Aircraft, and
 - (iii) US\$ [***] (US dollars – [***]) per A320 NEO Aircraft.
- [***]

Such base prices are quoted in delivery conditions prevailing in the A320 Family Base Period ([***] delivery conditions) and shall be adjusted up to Delivery of the applicable NEO Aircraft in accordance with the Seller Price Revision Formula, [***].

4 [***]

5 AIRSPACE DISPLAY

The Seller will provide [***] “Airspace”. No later than [***], the Seller will [***]. The Buyer will not [***] for any purpose other than its own promotional activities.

6 [***]

7 [***] AIRSPACE EIS SUPPORT

In accordance with Clause 17 of the Agreement, the Seller shall obtain enforceable and transferable product support agreements from Suppliers of the Supplier Parts included within the Airspace Package (each an “ **Airspace Supplier Part** ”), and such agreements shall include among other things, provisions dealing with warranties, guarantees and spare part procurement (each an “ **Airspace Supplier Agreement** ”). [***]

7.1 Warranties, guarantees and delivery leadtimes

7.1.1 The Airspace Supplier Agreement shall include provisions pertaining to spare part [***].

7.1.2 The Airspace Supplier Agreement shall include warranties for a period of [***].

7.1.3 The Airspace Supplier Agreement shall include the following guarantees with respect to the corresponding Airspace Supplier Part:

[***] Represents material which has been redacted and filed separately with the Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

- [***]
- [***]
- [***]

Such guarantees shall include provisions pertaining to the applicable remedies, [***], the benefit of which shall be transferred to the Buyer in accordance with the Agreement.

7.2 Initial Provisioning

[***]

The Buyer shall proceed with the Initial Provisioning (“**IP**”), by procuring from the relevant Supplier the spare parts [***].

[***]

7.3 [***]

7.4 Technical Data

The Seller shall ensure that the main Supplier technical data due under the Airspace Supplier Agreements (including the Component Maintenance Manual) be delivered to the Seller and the Buyer [***].

The Aircraft Technical Data (including the Aircraft Maintenance Manual and the Illustrated Part Catalog) shall be updated accordingly [***].

8 [***]

9 EFFECT OF THE AMENDMENT

The Agreement will be deemed amended to the extent herein provided, and, except as specifically amended hereby, will continue in full force and effect in accordance with its original terms, including

[***] Represents material which has been redacted and filed separately with the Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

without limitation Clause 12.5 of the Agreement. This Amendment contains the entire agreement between the Buyer and the Seller with respect to the subject matter hereof and supersedes any previous understandings, commitments, or representations whatsoever, whether oral or written, related to the subject matter of this Amendment.

Both parties agree that this Amendment will constitute an integral, nonseverable part of the Agreement and will be governed by its provisions, except that if the Agreement and this Amendment have specific provisions that are inconsistent, the specific provisions contained in this Amendment will govern.

This Amendment will become effective upon its execution.

10 CONFIDENTIALITY

This Amendment is subject to the confidentiality provisions set forth in Clause 22.10 of the Agreement.

11 ASSIGNMENT

Notwithstanding any other provision of this Amendment or of the Agreement, this Amendment will not be assigned or transferred in any manner without the prior written consent of the other party, and any attempted assignment or transfer in contravention of the provisions of this Clause 11 will be void and of no force or effect.

12 COUNTERPARTS

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

13 INTERPRETATION AND LAW

This Amendment is subject to the Interpretation and Law provisions set forth in Clause 22.6 of the Agreement.

*** Represents material which has been redacted and filed separately with the Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

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4819-8171-7603.1

**AMENDMENT NO. 4
DATED AS OF MARCH 30, 2018
TO THE
V2500 GENERAL TERMS OF SALE AGREEMENT
BY AND BETWEEN
IAE INTERNATIONAL AERO ENGINES AG
AND
JETBLUE AIRWAYS CORPORATION
DATED AS OF MAY 4, 1999**

This document contains proprietary information of IAE International Aero Engines AG ("IAE"). IAE offers the information contained in this document on the condition that you not disclose or reproduce the information to or for the benefit of any third party without IAE's written consent. Neither receipt nor possession of this document, from any source, constitutes IAE's permission. Possessing, using, copying or disclosing this document to or for the benefit of any third party without IAE's written consent may result in criminal and/or civil liability.

This document does not contain any export regulated technical data.

This Amendment No. 4, dated as of March 30, 2018 (this “ Amendment No. 4 ”), amends the V2500 General Terms of Sale Agreement dated May 4, 1999 between IAE International Aero Engines AG (“ IAE ”) and JetBlue Airways Corporation (“ JetBlue ”), as amended and supplemented from time to time, such contract being hereinafter referred to as the “ GTA ”).

Unless expressly stated to the contrary, definitions and terms used in this Amendment No. 4 shall have the same meaning given to them in the GTA.

WHEREAS: JetBlue and IAE desire to amend the GTA for the purpose of removing certain purchasing requirements;

NOW, THEREFORE, in consideration of the mutual benefits and obligations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Amendment to Purchasing Requirements

- 1.1 The parties agree that the language in Clauses 3.1.1 and 3.14 of the GTA (as further described in Side Letter 25) are deleted in their entirety.

For the avoidance of doubt, the deletion of Clauses 3.1.1 and 3.14 in the GTA does not negate or otherwise amend similar restrictions in, or set precedence for, any maintenance service agreements between IAE and JetBlue for V2500 engines.

2. The terms and provisions contained in this Amendment No. 4 constitute the entire agreement between the parties with respect to the matters herein described, and supersede all prior understandings and agreements of the parties with respect thereto. No amendment or modification of this Amendment No. 4 shall be binding upon either party unless set forth in a written instrument executed by both parties.
3. This Amendment No. 4 contains matters of a confidential and proprietary nature and is delivered on the express condition that its terms shall not be disclosed to any third party or reproduced in whole or in part for anyone other than the parties hereto without the other party’s prior written consent.
4. The parties hereby agree and acknowledge that there has been full and adequate consideration for the mutual promises contained herein. The terms and conditions of the GTA are incorporated herein by reference. Except as expressly amended hereby, all other terms and conditions of the GTA shall remain unchanged and in full force and effect and are hereby ratified and confirmed in all respects.
5. This Amendment No. 4 may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which when taken together shall constitute the same instrument.

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6. The parties agree that facsimile signatures shall be deemed to be of the same force and effect as an original executed document. If executed by facsimile, the parties agree to provide original signature pages upon request.

[Signatures to follow]

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 4 to be executed in duplicate as of the date last written below.

JETBLUE AIRWAYS CORPORATION

By: s/ Steve Priest

Typed Name: Steve Priest

Title: Chief Financial Officer

Date: _____

IAE INTERNATIONAL AERO ENGINES AG

By: s/ Hendrik J. Deurloo

Typed Name: Hendrik J. Deurloo

Title: Senior Vice President

Date: March 30, 2018

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**AMENDED AND RESTATED
PW1100G-JM ENGINE
PURCHASE AND SUPPORT AGREEMENT
BY AND BETWEEN
INTERNATIONAL AERO ENGINES, LLC
AND
JETBLUE AIRWAYS CORPORATION
DATED AS OF MARCH 30, 2018**

This document contains proprietary information of International Aero Engines, LLC ("IAE LLC") and JetBlue Airways Corporation ("JetBlue"). Each of JetBlue and IAE LLC offers the information contained in this document on the condition that you not disclose or reproduce the information to or for the benefit of any third party without IAE LLC's or JetBlue's written consent. Neither receipt nor possession of this document, from any source, constitutes IAE LLC's and JetBlue's permission. Possessing, using, copying or disclosing this document to or for the benefit of any third party without IAE LLC's and JetBlue's written consent may result in criminal and/or civil liability.

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JetBlue PW1100G-JM NEB-FMP AGMT (2018-3-30) FINAL Execution Version (CT Version - Fully Redacted) 4847-8233-2771 v.1
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4847-8233-2771.1

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[***] Represents material which has been redacted and filed separately with the Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

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[***] Represents material which has been redacted and filed separately with the Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

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This document does not contain any export regulated technical data.

This Amended and Restated PW1100G-JM Engine Purchase and Support Agreement, dated as of March 30, 2018 (this "Agreement"), is entered into by and between IAE and JetBlue.

WHEREAS:

On June 19, 2012, the Parties entered into the Original Agreement for the support of the Engines powering forty (40) Initial Firm Aircraft and the purchase of six (6) Initial Firm Spare Engines;

JetBlue has now entered into a binding agreement with Airbus for the purchase of forty-five (45) Incremental Aircraft. Accordingly, JetBlue desires to amend and restate the Original Agreement to include the Engines powering the Incremental Aircraft and the purchase of seven (7) Incremental Firm Spare Engines;

IAE desires to provide Engines, support and other assistance to power the eighty-five (85) Firm Aircraft, and to sell to JetBlue the thirteen (13) Firm Spare Engines;

JetBlue desires to have all off-wing Engine maintenance services for its fleet of Engines performed by IAE through the IAE Network under the FMP;

IAE has the capability and is willing to become JetBlue's off-wing Engine maintenance provider for JetBlue's fleet of Engines through such FMP; and

The Parties now wish to amend and restate the Original Agreement to express their complete understanding and agreement in connection with JetBlue's selection of the Engines to power the Firm Aircraft, JetBlue's purchase of the Firm Spare Engines and JetBlue's selection of the FMP for the exclusive provision of all off-wing Engine maintenance services.

NOW THEREFORE:

In consideration of the above recitals and the conditions, mutual covenants, and agreements contained in this Agreement and under the FMP, IAE and JetBlue mutually agree as follows:

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This document does not contain any export regulated technical data.

1. DEFINITIONS

Capitalized terms not otherwise defined in this Agreement have the respective meanings in Appendix 1.

2. PURCHASE AND SALE OBLIGATIONS

Upon mutual execution of this Agreement, the Parties agree as follows:

- 2.1 JetBlue has placed or will place a firm purchase order with Airbus for the Firm Aircraft and will take delivery of such Firm Aircraft in accordance with the Delivery Schedule (except as otherwise provided in this Agreement);
- 2.2 IAE will sell, under separate agreements with Airbus, new Engines for installation on the Firm Aircraft;
- 2.3 JetBlue will purchase and take delivery of, and IAE will sell and deliver to JetBlue, the Firm Spare Engines in accordance with the Delivery Schedule and the other terms and conditions of this Agreement; and
- 2.4 this executed Agreement constitutes a valid, binding, and legally enforceable contract by and between IAE and JetBlue for the support of the Engines installed on the Firm Aircraft, the purchase and sale of the Firm Spare Engines, and for the maintenance services as per the FMP, as set out in Appendix 18.

3. AIRFRAME SELECTION FOR INITIAL FIRM AIRCRAFT

- 3.1 This Agreement assumes a fleet of forty (40) PW1127G-JM engine-powered A320neo Initial Firm Aircraft or forty (40) PW1133G-JM engine-powered A321neo Initial Firm Aircraft; [***], in accordance with the following Section 3.2. If there is [***] as set forth in Article 7, then [***].
- 3.2 JetBlue shall provide IAE with written notification of [***] for the Initial Firm Aircraft delivery positions set forth in the Delivery Schedule. JetBlue may [***].

For the avoidance of doubt, the entire fleet of forty-five (45) Incremental Aircraft will consist of PW1133G-JM engine-powered A321neo aircraft.

4. UNIT BASE PRICES/FINANCIAL ASSISTANCE

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4.1 Engine Shipsets

4.1.1 The following table states the Unit Base Price per Engine Shipset for installation on the corresponding A320neo and A321neo aircraft model, along with the financial assistance per Firm Aircraft (“Introductory Assistance Credit”) that IAE shall provide to support JetBlue’s acquisition of each Firm Aircraft.

AIRCRAFT MODEL	ENGINE MODEL	Unit Base Price per Engine Shipset ([***] US) *, ^	Introductory Assistance Credit Per Firm Aircraft ([***] US) ^
A320neo	PW1127G-JM	US\$[***]	US\$[***]
A321neo	PW1133G-JM	US\$[***]	US\$[***]

* The Unit Base Price per Engine Shipset [***].

^ Subject to escalation in accordance with Article 5.

4.2 Firm Spare Engines

4.2.1 The following table sets forth the unit base price per Firm Spare Engine and the financial assistance (“Spare Engine Credit”) that IAE shall provide to support JetBlue’s acquisition of each Firm Spare Engine.

Firm Spare Engine Pricing		
Engine Model	Unit Base Price Per Firm Spare Engine*, ^ ([***] USD)	Spare Engine Credit per Firm Spare Engine^ ([***] USD)
PW1127G-JM	US\$[***]	US\$[***]
PW1133G-JM	US\$[***]	US\$[***]

^ Subject to escalation in accordance with Article 5.

* The Unit Base Price for each Firm Spare Engine [***].

4.2.2 The Unit Base Price per Firm Spare Engine is for a spare Engine [***], as described in the Engine Specification for the applicable spare engine model.

4.2.3 Delivery and Shipping Stand

Each Firm Spare Engine requires a suitable Shipping Stand for delivery. For each Firm Spare Engine purchased, IAE shall provide:[***]. IAE shall make the Shipping Stand and engine cover available at IAE’s designated facility

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[***]. IAE shall deliver each Firm Spare Engine, Shipping Stand, engine cover and any other associated or applicable Additional Equipment Ex Works IAE's designated facility in accordance with Section 15.1.

4.2.4 JetBlue shall place a purchase order for each Firm Spare Engine [***]. IAE will invoice JetBlue and JetBlue will pay to IAE the applicable Invoice Price (net of the applicable Spare Engine Credit) for each Firm Spare Engine and any associated or Additional Equipment purchased under this Agreement in accordance with IAE's Spare Engine Payment Schedule attached as Appendix 7.

4.2.5 [***] The unit base price of the additional spare Engine is the Unit Base Price provided in Section 4.2.1. [***] This additional spare Engine, if purchased, will be delivered to JetBlue in accordance with Section 4.2.3. Issuance of purchase orders and payment terms are in accordance with Section 4.2.4. [***]

4.3 Spare Parts Provisioning and Tooling Credit

IAE shall provide JetBlue with a fixed credit of [***] United States Dollars (US\$[***]) to be applied toward JetBlue's purchase of goods and services from IAE ("Spare Parts Provisioning and Tooling Credit"). IAE will issue and make available to JetBlue [***] United States Dollars (US\$[***]) of the Spare Parts Provisioning and Tooling Credit [***]. IAE will issue to JetBlue the remainder [***] United States Dollars (US\$[***]) of the Spare Parts Provisioning and Tooling Credit [***]. Notwithstanding Section 15.8 of this Agreement, IAE will grant [***]

4.4 [***]

4.5 Credit Issuance and Application

4.5.1 Introductory Assistance Credits: IAE shall issue an Introductory Assistance Credit [***] to JetBlue's account with IAE upon delivery of each Firm Aircraft to JetBlue to (i) apply to subsequent purchases of goods and services from IAE [***].

4.5.2 Unless otherwise stated herein, IAE shall issue the applicable credits described in this Article 4 to JetBlue within [***] business days after: (a)

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delivery to, and acceptance by, JetBlue of the applicable Firm Aircraft, and (b) IAE's receipt of JetBlue's written notice that confirms delivery and acceptance and indicates the serial number of each Engine delivered installed on a Firm Aircraft. Credits issued by IAE to JetBlue's account with IAE will be applied toward goods and services purchased from IAE.

4.5.3 In lieu of a credit to JetBlue's account, JetBlue may, at the time of title transfer of the applicable Firm Aircraft to JetBlue, assign the Introductory Assistance Credit to Airbus to apply to JetBlue's purchase of the applicable Firm Aircraft, provided that:

- a. JetBlue's account with IAE is then current with respect to all undisputed amounts; and
- b. JetBlue supplies IAE with written notice at least [***] days prior to the scheduled delivery date of the applicable Firm Aircraft, in accordance with this Agreement, specifying JetBlue's desire to have this credit assigned.

[***]

4.5.4 Spare Engine Credits. IAE shall apply the applicable Spare Engine Credit to the final invoice of each Firm Spare Engine purchased.

4.6 Notwithstanding any other provision of this Agreement to the contrary, IAE reserves the right to apply any and all credits issuable to JetBlue to any undisputed outstanding and overdue invoices issued by IAE to JetBlue based on this Agreement.

4.7 JetBlue will ensure compliance with any and all requirements (including but not limited to reporting and approval requirements) of any applicable currency control or other law, rule, or regulation relating to any credits issued under this Agreement.

5. ESCALATION

5.1 Escalation

5.1.1 Unit Base Prices per Engine Shipset and Introductory Assistance Credits

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- a. The Unit Base Prices per Engine Shipset and the Introductory Assistance Credits are expressed in [***] United States Dollars and shall escalate [***] in accordance with the Engine Escalation Formula, [***], except that the Introductory Assistance Credits shall escalate in accordance with the Engine Escalation Formula [***] (subject to Section 5.1.2b). IAE shall deliver each Engine Shipset to Airbus in accordance with the time specified in Airbus' purchase order which, unless otherwise mutually agreed between IAE and JetBlue, shall not be earlier than [***].

[***]

5.1.2 [***]

5.1.3 Spare Parts Provisioning and Tooling Credit

The Spare Parts Provisioning and Tooling Credit is a firm, fixed amount, not subject to escalation.

5.1.4 Unit Base Prices per Firm Spare Engine and Spare Engine Credits

The Unit Base Prices per Firm Spare Engine, and the Spare Engine Credits are expressed in [***] United States Dollars and shall escalate to the applicable date of Firm Spare Engine delivery to JetBlue in accordance with the Engine Escalation Formula and this Article 5 [***].

5.1.5 [***]

6. [***]

7. [***]

8. **FLEET MANAGEMENT PROGRAM**

JetBlue agrees that it will adhere to the FMP attached as Appendix 18 to this Agreement based on the terms and conditions contained therein.

9. **GUARANTEE PLANS AND TECHNICAL SUPPORT**

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9.1 Guarantee Plans

IAE will provide JetBlue with the Guarantee Plans described in [***]. The Guarantee Plans are subject to the terms and conditions set forth in the Guarantee Plan Definitions and Conditions attached as Appendix 8. Eligibility under the Guarantee Plans is conditioned upon all PW1100G-JM Engines installed on the Firm Aircraft and the Firm Spare Engines receiving off-wing maintenance in accordance with the terms and conditions of the FMP.

9.2 [***]

9.3 PurePower PW1100G-JM Engine Product Support Plan

IAE will provide JetBlue the benefits of the Product Support Plan for First-Generation Owners/Operators Acquiring New IAE PurePower PW1100G-JM Engines, attached as Appendix 5.

9.4 Warranties and Service Policies for the PW1100G-JM Engine

IAE will provide JetBlue the benefits of the Warranties and Service Policies for the PW1100G-JM Engine attached as Appendix 6.

10. [***]

11. [***]

12. **NOTICES**

All demands, notices, and other communications under this Agreement must be in writing and will be deemed to be duly given when personally delivered or when received by United States mail, confirmation of receipt requested, first-class postage prepaid, or by internationally recognized courier service or sent by facsimile with confirmation, addressed as follows:

To IAE:

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International Aero Engines, LLC 400 Main Street, Mail Stop 121-10 East Hartford, CT 06118 Attention: Legal Counsel Contracts Management (Commercial) E-Fax: (860) 353-2747 E-mail: gppwlegalcomonotices@pw.utc.com	International Aero Engines, LLC 400 Main Street, Mail Stop 132-16 East Hartford, CT 06118 Attention: Senior Director, Fleet Programs Telephone: (860) 565-2348 E-Fax: (860) 353-1582
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To JetBlue:

JetBlue Airways Corporation
27-01 Queens Plaza North
Long Island City, New York 11101

Telephone: (718) 286-7900
Facsimile: (718) 709-3631
Email: BlueFleetStrategy@jetblue.com
Attention: CFO with a copy to General Counsel

or at such other address as may hereafter be furnished in writing by either Party to the other.

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13. SALE OF ENGINES OR PARTS

In the event JetBlue decides to transfer, sell, or otherwise dispose of any of the PW1100G-JM Engines and/or Parts described in the Agreement in an arm's length transaction to a Non Affiliated Third Party, JetBlue will give IAE the right to bid on any such Engine(s) and/or Parts prior to final sale to such third party, and JetBlue will sell any such Engine(s) and/or Parts to IAE if IAE's offer equals or is better than such third party's final offer. This provision will not apply if JetBlue undertakes a sale-leaseback of Engines or sells or undertakes a sale-leaseback, or otherwise disposes of, a Firm Aircraft (with Engines installed) to a Non-Affiliated Third Party.

14. PRICING AND CONCESSION CONTEMPLATION

The Parties acknowledge that the pricing, rates, credits and concessions (e.g. the benefits and other tangible and intangible consideration) set forth in this Agreement are based on the Parties' agreement that IAE will perform all off-wing Engine maintenance services for JetBlue's fleet of Engines in accordance with the FMP and, unless otherwise provided in the FMP, exclusively through the IAE Network. Failure of the Parties to perform their respective obligations as set forth in the FMP will have a negative impact on the economic terms contemplated in this Agreement. Therefore, until such time as all the Firm Aircraft and Firm Spare Engines have been delivered to JetBlue in accordance with the terms of this Agreement, JetBlue's failure to pay any Undisputed Invoices and/or otherwise perform its material obligations set forth in the FMP (except as otherwise allowed therein) shall be reason for IAE to withhold any credits and/or concessions payable and/or made available to JetBlue pursuant to this Agreement until such time as JetBlue is current on all payments and/or has cured any lapse in its performance obligation(s) under the FMP. IAE shall not withhold any credits and/or concessions under this Agreement until it has first provided JetBlue with at least ten (10) days written notice of JetBlue's failure to pay or otherwise fail to perform its material obligations under the FMP and provided JetBlue an opportunity to cure such failure(s). IAE agrees to reinstate and issue any such withheld credits and/or concessions once JetBlue becomes current on all outstanding FMP payments and/or otherwise restores the performance of its obligations under the FMP.

15. TERMS AND CONDITIONS

15.1 Title, Delivery, Risk of Loss and Shipping of the Firm Spare Engines

Title to the Firm Spare Engines sold hereunder by IAE will pass to JetBlue upon [***]

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15.1.1 IAE will make reasonable efforts to execute and deliver to JetBlue, or JetBlue's designee, the Bill of Sale (substantially in the form set out in Appendix 1) [***].

15.1.2 Following the delivery of the Bill of Sale, IAE will cooperate with JetBlue and its designees to register the sale of the Spare Engines to JetBlue on the International Registry as contract of sale.

15.1.3 [***]

15.2 JetBlue's Inspection of Goods

JetBlue will inspect all goods or Equipment within [***] days of receipt from IAE and will notify IAE within [***] thereafter of any visible defects in the material and manufacture of the goods. JetBlue will not bring any claim relating to any visible defects that were or should have been discovered during such inspection and about which JetBlue did not notify IAE within the prescribed time. Nothing in this Section 15.2 shall limit (i) JetBlue's ability to make a warranty claim pursuant to Section 15.3, or (ii) either Party's indemnity obligations to the other Party set forth in this Agreement.

15.3 Warranties, Remedies and Limitations

15.3.1 Notwithstanding the warranties set forth in the Engine Warranty and Service Policy, IAE warrants to JetBlue that the goods or Equipment sold hereunder will be free from defect in material and manufacture when furnished by IAE. Unless set forth in the Engine Warranty and Service Policy attached to this Agreement, this warranty terminates [***] (the "Warranty Period").

15.3.2 If IAE breaches the warranties set forth in Section 15.3.1, IAE will provide to JetBlue the remedy set forth in Section 15.3.3, provided that JetBlue has given written notice of any such breach to IAE [***]. The shop visit required to implement the remedy constitutes an Eligible Shop Visit under Section 5.3 of the FMP.

15.3.3 IAE's liability and JetBlue's remedy under the warranties set forth in Section 15.3.1[***]

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15.3.4 IAE warrants to JetBlue that IAE will convey good title, free and clear of any encumbrances or rights of third parties to the goods or Equipment sold hereunder. IAE's liability and JetBlue's sole remedy under the warranty set forth in this Section 15.3.4 are limited to[***]

15.3.5 In the event any suit, claim or action is brought against JetBlue (or person expressly indemnified by JetBlue) alleging that, without further combination, JetBlue's use or resale of goods, including Engines, directly infringes any patents, IAE will, [***] conduct the entire defense including any and all necessary court action, settlements and appeals.[***] If the use or resale of such goods is finally enjoined, IAE will, at its option: (a) procure for JetBlue the right to use or resell such goods; (b) replace such goods with equivalent non-infringing parts; (c) modify such goods so they become non-infringing but equivalent; or (d) remove such goods and refund the purchase price (less a reasonable allowance for use, damage or obsolescence).

The preceding provision is applicable only if the following conditions are met: (a) the goods, part(s), services, or process involved in the suit, claim or action must have been provided under this Agreement; (b) the alleged infringement (if of a patent) must be a direct infringement of any patents of the nation (i) in which JetBlue's principal place of business is located, or (ii) which is a signatory or has otherwise acceded to the Convention on International Civil Aviation signed by the United States at Chicago, on December 7, 1944, as amended and in effect as of the date of this Agreement (the "Chicago Convention"); (c) JetBlue must provide IAE with timely notice of such suit, claim or action and the full opportunity to assume the entire defense thereof; and (d) JetBlue must provide IAE with all information available to JetBlue and other defendants pertaining to the alleged infringement.

For the avoidance of doubt, this provision will not apply to any suit, claim, or action arising out of (a) any JetBlue-furnished specification or design or the performance of a process not recommended or approved in writing by IAE; or (b) the use or sale of goods delivered hereunder in combination with other goods not delivered to JetBlue by IAE. _If a suit, claim or action is made against JetBlue, as contemplated in this Section 15.3.5, and IAE is defending such suit, claim or action, and it is judicially determined that a JetBlue-furnished specification or design infringes any patent on which such suit,

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claim or action is based, JetBlue will reimburse IAE for actual, reasonable and substantiated costs incurred by IAE to defend such suit, claim or action.

15.3.6 [***]

15.3.7 IAE makes no warranty for goods or Equipment, whether supplied by IAE or not, that were not originally manufactured by or on behalf of IAE, though IAE will, to the extent it has a right to do so, make available to JetBlue the benefit of any warranty provided by such original manufacturer.

15.4 [***]

15.5 Indemnification

IAE will indemnify and hold harmless JetBlue, its directors, officers, employees, agents and subcontractors (“JetBlue Indemnitees”) from and against all claims, liabilities, suits, actions, demands, costs and expenses (including reasonable attorneys’ fees), of third parties arising out of or related to property damage or loss, personal injury or death caused by the negligence, willful misconduct, misrepresentation, fraud, breach of contract, or the failure to comply with any applicable laws or regulations of IAE, its directors, officers, employees, agents or subcontractors (“Liabilities”), except to the extent that such Liabilities arise out of the negligence, willful misconduct, misrepresentation, fraud, breach of contract, or the failure to comply with any applicable laws or regulations of JetBlue. With respect to claims by any representative of IAE, IAE’s obligations hereunder shall not be limited in any way by IAE’s immunity under worker’s compensation acts, disability benefits acts, or other employee benefit laws or regulations and any limitation on the amount or type of damages, compensation, or benefits payable to such representative with respect to any such claim.

JetBlue will indemnify and hold harmless IAE, its directors, officers, employees, agents and subcontractors (“IAE Indemnities”) from and against all claims, liabilities, suits, actions, demands, costs and expenses (including reasonable attorneys’ fees) of third parties arising out of or related to damages, loss, injury or death caused by the negligence, willful misconduct, misrepresentation, fraud, breach of contract, or the failure to comply with any applicable laws or regulations of JetBlue, its directors, officers or employees (“Liabilities”), except to the extent that such Liabilities arise out of the negligence, willful misconduct, misrepresentation, fraud, breach of contract, or the failure to comply with any applicable laws or regulations of IAE. With respect to claims by any representative of JetBlue, JetBlue’s obligations

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hereunder shall not be limited in any way by JetBlue's immunity under worker's compensation acts, disability benefits acts, or other employee benefit laws or regulations and any limitation on the amount or type of damages, compensation, or benefits payable to such representative with respect to any such claim.

Each Party's indemnification obligations set forth above are contingent upon compliance with the following conditions by the other Party: (a) providing prompt written notice of a claim, provided that a failure or delay or alleged delay in providing such notice does not adversely affect the indemnitee's right to indemnification hereunder, unless and then only to the extent that such failure or delay or alleged delay has resulted in actual prejudice to the indemnitor; (b) providing all information and evidence within its control and necessary for the other Party to conduct a defense; and (c) providing the other Party with sole control of the defense and all related settlement negotiations (provided that (i) to the extent that other claims related to or unrelated to this Agreement are part of the same proceeding involving such claim, that the other claims are severed from such claim, and if not so severed, the other Party may assume joint control thereof with such indemnifying Party; and (ii) that no such claim shall be compromised on a basis that admits any criminal violation, gross negligence or willful misconduct on the part of the other Party without such Party's express written consent.

15.6 Changes

No modification of this Agreement will be binding unless agreed to in writing and signed by both JetBlue and IAE.

15.7 Taxes and Other Charges

15.8 Financial Provisions

15.8.1 If IAE determines (in good faith and based on reliable commercial data) since the date of execution of this Agreement, that there has been any material adverse change in the financial condition or business operation of JetBlue that will render JetBlue financially unable to perform its obligations pursuant to this Agreement, IAE will so notify JetBlue of its concern and request reasonable assurances of JetBlue's ability to perform its obligations. If such assurances are not satisfactory to IAE, acting reasonably, then IAE

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may, at its option and without prejudice to any of its other remedies at law or in equity, (i) suspend performance under this Agreement including performance of any Maintenance Services and/or (ii) specify alternative payment terms. As soon as JetBlue is objectively able to perform its obligations again, the Parties shall continue to perform according to this Agreement as if no such material adverse change had occurred.

- 15.8.2 Except as otherwise set forth in Section 4.3 of this Agreement, invoices, if not disputed, are due and payable net cash, [***] following IAE's submission of an invoice to InvoiceWorks or JetBlue's then current invoicing system ("Due Date"). If IAE does not receive payment of any amount owed by JetBlue by the Due Date, IAE shall provide written notice to JetBlue that JetBlue is in arrears and therefore IAE may charge interest on the overdue amount at the rate of [***] (but not more than the maximum rate of interest allowed by applicable law), from the day following the Due Date until the date on which IAE receives payment in full. JetBlue and IAE will work to ensure that the Parties can effectively process InvoiceWorks.
- 15.8.3 If JetBlue reasonably disputes any portion of an invoice, JetBlue may withhold payment on such invoice and IAE will provide an invoice for the undisputed portion ("Undisputed Invoice") of the original invoice and an invoice for the disputed portion ("Disputed Invoice") of the original invoice. JetBlue will be required to pay the Undisputed Invoice by the due date of the original invoice or immediately upon receipt of the Undisputed Invoice, whichever is later, and interest on the Disputed Invoice only will be waived until the dispute is resolved.
- 15.8.4 JetBlue agrees that if it fails to pay when due any undisputed amount owed to IAE, JetBlue will also reimburse IAE for all reasonable costs that IAE incurs to collect such unpaid amount.
- 15.8.5 IAE may set off any overdue and undisputed amount that JetBlue owes IAE against any credits, deposits or other amount that IAE owes JetBlue. Any credits available to JetBlue under this Agreement shall expire [***] from the date such credit was earned and, if applicable, any and all remaining unclaimed credits are null and void at the conclusion of such [***] period whether or not this Agreement is still in full force and effect. For the purposes

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of this Agreement, a credit is earned on the date JetBlue is eligible to request the issuance of the credit and IAE becomes obligated to pay such credit. Unless otherwise specified in this Agreement, credits shall not be subject to escalation or interest.

15.9 Excusable Delays

Neither Party will hold the other Party responsible for any delay to perform or failure to perform an obligation under this Agreement to the extent such delay or failure is caused by circumstances beyond such other Party's reasonable control including, without limitation, those caused by the first Party, the airframe manufacturer, suppliers (where such supplier(s) adversely impact the ability to procure materials in a timely manner and such other Party could not reasonably have prevented such occurrence through reasonable mitigating efforts to secure an alternate source supplier(s) without material economic hardship; excluding [***], unless their delay or failure is due to force majeure), force majeure or the public enemy, the hostile act of any person, compliance in good faith with any applicable foreign or domestic governmental regulation or order not in existence as of the date of this Agreement, whether or not it proves to be invalid, fires, riots, labor disputes, litigation, court order or other legal action or unusually severe weather (each of the foregoing, an "Excusable Delay").

15.10 Export

15.10.1 The Parties agree to comply with any and all applicable export, import, sanctions and U.S. anti-boycott laws, regulations, orders and authorizations that apply to their respective activities and obligations set forth in this Agreement (collectively "Export Laws"), including but not limited to the International Traffic in Arms Regulations (22 CFR 120-130) ("ITAR"), the Export Administration Regulations (15 CFR 730 et seq.) ("EAR") and any regulations and orders administered by the Treasury Department's Office of Foreign Assets Control Regulations (31 CFR Chapter V). Nothing in this Agreement shall be construed as requiring a Party to perform an obligation that is noncompliant with any Export Laws. Furthermore, any Party that receives any technology, commodity, technical data, software, goods and services (including products derived from or based on such technical data) information or any other item subject to any applicable

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Export Laws, shall adhere to and comply with those laws, regulations, orders and authorizations.

15.10.2 The Parties shall use best efforts to apply for, obtain, comply with and maintain all export, re-export, and transfer authorizations, including approvals, consents, licenses, agreements, registrations and other authorizations (collectively "Export Licenses") that are required or may be required to perform the activities and obligations set forth in this Agreement. No ITAR regulated items, technical data, or defense services will be provided without obtaining the proper authorization or Export Licenses.

15.10.3 Prior to the transfer of any U.S. origin technical data, item or document, controlled by the EAR or ITAR, the transferring Party shall provide to the receiving Party the Export Control Classification Number (ECCN) or the ITAR category of such technical data and shall clearly indicate such on the technical data, item or document.

15.10.4 The Parties to this Agreement shall not knowingly or unknowingly divert or cause to be diverted, any commodities, technical data, software, goods and services (including products derived from or based on such technical data) subject to the Export Laws to any (i) person, (ii) entity, (iii) country or (iv) any entity located or incorporated in a country, that is on any denied party list or list of sanctioned countries, pursuant to either the Export Laws or any other applicable governing regulations.

15.10.5 If ITAR or EAR controlled technical data or items are transferred to a U.S. entity, then that entity must only allow access to that technical data or items by the following personnel: (i) U.S. citizens, or (ii) U.S. permanent resident alien, or (iii) who have U.S. protected individual status as defined by 8 USC 1324b(a) (3), or (iv) who are working under a valid U.S. export authorization. Upon request of the transferring Party, the receiving Party shall provide appropriate documentation evidencing the aforementioned requirements.

15.10.6 The Parties shall not export, re-export, transfer, disclose or otherwise provide physical or electronic access to technical data controlled under the

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Export Laws to any person (including unauthorized third-party information technology (“IT”) service providers) not authorized to receive said technical data under existing Export Laws and/or Export Licenses.

15.10.7 Neither Party shall modify or divert the other Party’s technical data controlled by the Export Laws to any military application, unless (i) such Party receives advance, written authorization from the other Party and (ii) such modification or diversion is done in compliance with all applicable Export Laws. Neither Party shall modify or divert the other Party’s technical data controlled by the Export Laws to any military application or other end-use prohibited by applicable Export Laws.

15.10.8 Customer represents that it is aware that all sales and distribution of IAE’s Products, which include all tangible items and related software, technology or services (together “Products and Services”), may constitute an export, re-export, or retransfer of such Products and Services. Customer certifies that such sales and distribution will be conducted in accordance with applicable Export Laws, which may require prior approval and/or prohibit transactions with sanctioned countries/regions or designated parties/entities/individuals. Customer shall not sell, transfer, export, or re-export the Products and Services, or provide any warranty, repair, replacement, or guarantee services for end-use in Cuba, Iran, North Korea, Sudan and/or Syria.

15.10.9 Each Party agrees to indemnify and hold the other Party harmless against any claims, suits, obligations, liabilities, damages, losses and judgments, injury, or expense (including attorneys’ fees and expenses) of the United States government arising from any breach of the indemnifying Party’s obligations under this Section 15.10, except to the extent of the other Party’s negligence or willful misconduct.

15.11 Press Release

Either Party or its designated affiliate may issue a press release announcing that JetBlue has selected IAE or its designated affiliate to supply the goods and Equipment described in this Agreement provided that such press release and its date is mutually agreed to by the Parties.

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15.12 Confidentiality

Each Party agrees that the terms of this Agreement and any information exchanged thereunder (including invoices issued under this Agreement) are confidential unless otherwise agreed in writing (“Confidential Information”). Each Party agrees to limit disclosures of such Confidential Information only to persons who have a need to know within their own organizations, outside auditors, outside advisors, government agencies and third parties that are suppliers of IAE or participate with IAE in the manufacture, sale and support of IAE engines and propulsion systems. Should either Party be subject to a legal action or proceeding or a requirement under applicable government or stock exchange regulations to disclose such Confidential Information (“Obligated Party”), the Obligated Party shall notify the other Party, and upon the request of the other Party, cooperate with the other Party in contesting such disclosure or, if the Obligated Party is mandated by law to disclose such Confidential Information, the Obligated Party will immediately inform the other Party about such mandatory disclosure and limit the disclosure to the extent legally permissible.

Notwithstanding anything to the contrary herein, “Confidential Information” shall not include any item of information which the Obligated Party can demonstrate with written evidence: (a) is or becomes available to the public through no breach of this Agreement; (b) was previously known by the Obligated Party without any

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obligation to hold it in confidence; (c) is received from a third party free to disclose such information without restriction; or (d) is independently developed by the Obligated Party without the use of Confidential Information.

15.13 Assignment

Neither Party may assign its rights or delegate its obligations under this Agreement, in whole or in part, without the prior written consent of the other Party, except that:

- (a) IAE may assign its rights and/or delegate its obligations under this Agreement to any subsidiary or affiliate of United Technologies Corporation;
- (b) IAE may assign its rights and/or delegate its obligations under this Agreement in connection with the merger, consolidation, reorganization or voluntary sale or transfer of its assets, except that IAE may not make such an assignment if the successor entity (or an affiliate thereof) is in the business of providing scheduled passenger air transportation; and
- (c) JetBlue may assign its rights and/or delegate its obligations under this Agreement in connection with the merger, consolidation, reorganization or voluntary sale or transfer of its assets, except that JetBlue may not make such assignment if the successor entity (or an affiliate thereof) is a competitor to IAE or IAE is legally prohibited from doing business with such entity.

Any assignment or delegation made in contravention of this Section 15.13 will be invalid.

Any assignment of this Agreement, whether by consent of the other Party or pursuant to the foregoing exceptions, shall be subject to: (a) the completion of assignment and assumption documentation in form and substance reasonably satisfactory to the non-assigning Party; and (b) any such assignment shall not increase either Party's obligations nor decrease either Party's rights as set forth in this Agreement.

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15.14 Insurance

IAE and/or United Technologies Corporation shall, [***] carry and maintain, or cause to be carried and maintained, with insurers of recognized responsibility, the following coverages for the entire term of this Agreement:

[***]

Not less than [***] days prior to the scheduled delivery of the first Firm Aircraft per the Delivery Schedule, as applicable, and not less than [***] days prior to the expiration or other termination of any such insurance, IAE shall furnish to JetBlue certificates evidencing that IAE and/or United Technologies Corporation has the insurance required hereby. All insurance required to be carried by IAE and/or United Technologies Corporation hereunder shall be effected under valid and enforceable policies issued by reputable and independent insurers permitted to do business in the applicable jurisdictions.

15.15 Dispute Resolution and Governing Law

15.15.1 Escalation of Disputes

If any dispute between the Parties arises out of this Agreement, the Parties shall endeavor to resolve the matter on an amicable basis. If one Party serves formal written notice on the other that a material dispute has arisen with regard to this Agreement and the Parties are unable to resolve such dispute within a period of thirty (30) days (or such other agreed upon timeframe within this Agreement that affords the offending Party the opportunity to cure) after receipt of such notice, the matter shall be referred to a committee consisting of the Vice President Technical Operations of JetBlue and the Vice President Marketing & Sales, The Americas of IAE. If no unanimous recommendation is made by the committee within sixty (60) days, or such other mutually agreed upon timeframe, the matter will be referred to each of the appropriate chief

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executive officers of JetBlue and IAE for resolution within ninety (90) days, or such other mutually agreed upon timeframe. No recourse for legal action by one Party against the other Party pursuant to this Agreement shall take place until such procedure has been completed.

15.15.2 Governing Law and Jurisdiction

This Agreement will be governed by and construed and enforced in accordance with the substantive laws of the State of New York, United States of America, other than its conflict of laws rules, except that Sections 5-1401 and 5-1402 of the New York General Obligations law will apply and except that the United Nations Convention on Contracts for the International Sale of Goods dated April 11, 1980, as amended to date, will not apply. Each Party irrevocably and unconditionally submits to the exclusive jurisdiction of and venue in a Federal District Court located in New York, New York, U.S.A. for any suit, action or proceeding arising under this Agreement. Each Party irrevocably waives any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding relating to this Agreement in Federal District Courts located in New York, New York, U.S.A. and further irrevocably waives any claim that a Federal District Court located in New York, New York, U.S.A. is not a convenient forum for any such suit, action or proceeding. If either Party or any of its respective property is entitled to any immunity from legal action on the grounds of sovereignty or otherwise, such Party hereby waives and agrees not to plead such immunity in any legal action arising out of this Agreement.

15.16 Survival

Notwithstanding anything in this Agreement to the contrary, the following provisions shall survive the expiration or early termination of this Agreement Article 13 (Sale of Engines or Parts), Section 15.3 (Warranties, Remedies, and Limitations); [***]; Section 15.5 (Indemnification); Section 15.7 (Taxes and Other Charges); Section 15.8 (Financial Provisions); Section 15.10 (Export); Section 15.12 (Confidentiality); Section 15.15 (Dispute Resolution and Governing Law); Appendix 18, Section 3.7 (Invoicing); Appendix 18, Section 3.8 (Payment); and this Section 15.16 (Survivability). The Product Support Plan shall survive termination according to its own terms. The termination or expiration of this Agreement shall not relieve either Party hereto of any obligation or liability accruing prior to the effective date of such termination or expiration. All other rights and obligations of the Parties, unless expressly provided otherwise, will cease upon termination or expiration of this Agreement.

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15.17 Definitions and Miscellaneous Provisions

Except for JetBlue's designation of delivery location for the Firm Spare Engines, terms and conditions on JetBlue's purchase orders will have no effect.

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16. MISCELLANEOUS

- 16.1 All appendices and attachments attached hereto and referred to in this Agreement form an integral part of this Agreement and are hereby incorporated and made a part of this Agreement for all purposes.
- 16.2 Interpretation of this Agreement shall be governed by the following rules of construction: (a) Captions and headings used in this Agreement are for convenience of reference only and will not be interpreted as in any way limiting or extending the meaning of the provisions to which such captions may refer; (b) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires; and (c) the word "including" and words of similar import shall mean "including, without limitation."
- 16.3 If any provision of this Agreement is for any reason held invalid, such invalidity will not affect the validity of the remainder of the terms of this Agreement. Such invalid provision will be changed and interpreted to accomplish the objectives of such provision to the greatest extent possible under applicable law.
- 16.4 No Party will be deemed to have waived any of its rights under this Agreement except by a written waiver signed by such Party's authorized representative.
- 16.5 Failure to complain of any action or inaction by the other Party or to declare the other Party in default under this Agreement, regardless of the duration of such failure, will not constitute a waiver of any of the rights of the non-defaulting party.
- 16.6 The relationship between the Parties created by this Agreement is that of independent contractors and not agents, employees, partners, joint venturers, or any other cooperative business arrangement and neither Party shall have the power or authority to obligate or bind the other Party in any manner whatsoever.
- 16.7 IAE shall be permitted to engage subcontractors to perform its obligations under this Agreement (upon obtaining the prior written consent of JetBlue); provided that IAE shall remain primarily liable for its obligations hereunder and shall be responsible for any subcontractor's performance thereof.
- 16.8 This Agreement may only be amended by a written instrument signed by IAE and JetBlue. Except as provided in Section 15.17, the Parties specifically agree that any language or provisions contained on either Party's website, or contained in any purchase order, shall be of no force and effect and shall not in any way supersede, modify or amend this Agreement.

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17. ENTIRE AGREEMENT

This Agreement, including its appendices and attachments, contains the entire understanding between the Parties with respect to the subject matter hereof and supersedes in their entirety all prior or contemporaneous oral or written communications, agreements or understandings between the Parties with respect to the subject matter hereof. In the event that there exists any conflict between any term, condition or provision contained within this Agreement and any term, condition or provision contained within any exhibit, schedule, Appendix or annex hereto, the term, condition or provision contained in this Agreement shall control, unless otherwise explicitly stated. This Agreement may be executed in one or more counterparts, each of which will be considered an original but all of which together constitute one and the same instrument.

18. PARTICIPATION OF PARTIES

The Parties hereto acknowledge that this Agreement and all matters contemplated herein have been negotiated between the Parties and that the Parties have, from the commencement of negotiations to the execution hereof, participated in the drafting and preparation of this Agreement. No provision of this Agreement will be interpreted in favor of, or against, either of the Parties hereto by reason of the extent to which any such Party or its counsel participated in the drafting hereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof.

Facsimile or electronically transmitted signatures will be deemed to be of the same force and effect as an original executed document. If executed by facsimile or electronic transmission, the Parties agree to provide original signature pages upon request.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date entered above.

JETBLUE AIRWAYS CORPORATION

By /s/ Steve Priest

Name Steve Priest

Title Chief Financial Officer

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By _____

Name _____

Title _____

INTERNATIONAL AERO ENGINES, LLC

By /s/ Hendrik J. Deurloo

Name Hendrik J. Deurloo

Title Senior Vice President

Appendix 1

**AMENDED AND RESTATED PW1100G-JM ENGINE
PURCHASE AND SUPPORT AGREEMENT**

DEFINITIONS

For all purposes of this Agreement, the following capitalized terms have the meanings set forth below:

1. "Accepted Technical Data" is OEM data, JetBlue data recommendations, or information that has been provided by the OEM that is not "Approved Technical Data" (as defined herein). This includes but is not limited to all operator wires; special instructions; JetBlue generation ECs, information notices, technical service items, temporary revisions; illustrated parts catalogs; and CACTUS wires.
2. [***]
3. "AD(s)" means an Aviation Authority-issued Engine airworthiness directive.

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4. "Additional Equipment" means any item identified as Additional Equipment in the Engine Specification applicable to a particular Engine model, and categorized as either EBU 1 or EBU 2.
5. "Airbus" means Airbus S.A.S.
6. "AMM" means the published Airbus Aircraft Maintenance Manual.
7. "AMP" means JetBlue's Aircraft Maintenance Program, as revised from time to time.
8. "AOG Event" or "Aircraft-on-Ground Event" is a situation in which a Firm Aircraft is unavailable for operational service solely because a FMP Engine installed on such Firm Aircraft is unserviceable and incapable of continued operation after JetBlue has performed reasonable on-wing Engine corrective action and no replacement Engine is available. An AOG Event will terminate upon correction of the condition that renders the FMP Engine unserviceable or at the time a replacement Engine becomes available for operational service, whichever first occurs.
9. "Approved Technical Data" is technical data that has been approved by the applicable Aviation Authority or by an applicable Aviation Authority DER or by IAE, and accepted by JetBlue, such acceptance not to be unreasonably withheld.
10. "Aviation Authority" means the FAA or any other authorities, government departments, committees, or agencies which (a) under the laws of the State of Registration of the relevant Firm Aircraft or of the country where the Firm Aircraft is manufactured and/or certified have control or supervision of civil aviation in that state; or (b) have jurisdiction over the registration, airworthiness or operation of, or other matters relating to a Firm Aircraft, as long as it is substantially similar to the FAA requirements.
11. "BFE" means "Buyer Furnished Equipment" which is the aircraft manufacturer supplied or buyer furnished engine-mounted accessories (typically including such items as integrated drive generator, quick accessory disconnect adapter, hydraulic pumps, shut-off valve, and pressure regulating valve).
12. "Build Group" means a portion of a FMP Engine that can be a nonserialized major assembly, as designated by the Air Transport Association.
13. [***]

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14. "CEMP" means the program for engine maintenance established by IAE and JetBlue in accordance with Section 5.5.1 of the FMP, as may be amended from time to time.
15. "CMM" means component maintenance manual.
16. "Commencement Date" means the date on which JetBlue accepts delivery of its first PW1100G-JM Engine-powered Firm Aircraft in accordance with the Delivery Schedule.
17. [***]
18. [***]
19. [***]
20. [***]
21. "Delivery Schedule" means the delivery schedule attached as Appendix 2, which may be amended from time to time in accordance with the terms of this Agreement.
22. "DER" means Designated Engineering Representative.
23. "Due Date" has the meaning set forth in Section 15.8.2.
24. "EBU 1" means the equipment identified as EBU 1 in the Additional Equipment section of each Engine Specification.
25. "EBU 2" means the equipment identified as EBU 2 in the Additional Equipment section of each Engine Specification.
26. "Economically Repairable" generally means that the cost of the repair, exclusive of modification and transportation costs, will be equal to or less than [***] of the IAE commercial price of such new part at the time the repair is considered.
27. "EHM" has the meaning set forth in Section 5.5.5 of the FMP.
28. "EIS" means the entry into service of a Firm Aircraft.
29. "Eligible Engines" has the meaning set forth in Appendix 8.
30. "Eligible Shop Visit" means a shop visit covered by the FMP Rate, as more particularly described in Section 5.3 of the FMP.

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31. "Engine(s)" means the PW1127G-JM engines or PW1133G-JM engines, as applicable, each as described in the Standard Equipment section of the Engine Specification applicable to each engine model, sold by IAE for commercial aviation use, whether installed as new equipment on Firm Aircraft or delivered directly to JetBlue from IAE as Firm Spare Engine, or as otherwise made subject to this Agreement by mutual consent of the Parties.
32. "Engine Build Up" or "EBU" refers to either the EBU 1 or EBU 2, as applicable, as each is described in the Additional Equipment section of the Engine Specification applicable to each Engine model.
33. [***]
34. "Engine Escalation Formula" means the PW1100G-JM Engine Price Escalation Formula for PW1100G-JM Engines attached to this Agreement as Appendix 4.
35. "Engine Shipset" means two (2) new Engines delivered by IAE to Airbus for installation on a Firm Aircraft.
36. "Engine Specification" means the engine specification for each engine model, attached as Appendix 3, which is subject to revision prior to Engine delivery.
37. "Engine Warranty and Service Policy" or "Service Policy" means the Warranties and Service Policies for the PW1100G-JM Engine attached as Appendix 6.
38. "Equipment" means engines, modules, parts, components and EBU and similar engine mounted hardware as well as any nacelle or aircraft parts, including as to each of the aforementioned, any and all parts or details of such parts that comprise such Equipment.
39. "[***]" has the meaning set forth in Section 5.1.1c.
40. [***]
41. "Exchange Parts" has the meaning set forth in Section 13.1.4 of the FMP.
42. "Excusable Delay(s)" has the meaning set forth in Section 15.9.
43. "External Equipment" means any accessory, component, or part that is mounted, directly or indirectly, to the outside of any engine case, case flange, or to the main gearbox, including Engine accessory components, line replacement units, BFE, EBU parts and hardware, nacelle propulsion system components and any related mounting hardware, wiring

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harnesses, plumbing, brackets, and kit-and bin material associated with any such components, but excluding the components set forth in 0. External Equipment also includes accessories or components that are maintained per the manufacturer's CMM and any related mounting hardware, wiring harnesses, plumbing, brackets, and kit and-bin material associated with any such accessories or components.

44. "Extreme Environmental Conditions" means atmospheric conditions typical of a severe environment, including but not limited to, high concentrations of particulates such as, volcanic ash, or those found in sand storms.
45. "Ex Works" has the meaning set forth in Incoterms 2010, as promulgated by the International Chamber of Commerce.
46. "FAR" means the then current Federal Aviation Regulations as established by the FAA.
47. [***]
48. "FAA" means the Federal Aviation Administration of the United States of America or any successor agency thereto.
49. "Firm Aircraft" means any of the Initial Firm Aircraft or the Incremental Aircraft.
50. "Firm Spare Engine" means any of the Initial Firm Spare Engines or the Incremental Firm Spare Engines.
51. "FMP" means the Fleet Management Program set out in Appendix 18.
52. "FMP Engine(s)" means any of the Engines to be covered under the FMP as set out in Article 1 of the FMP.
53. [***]
54. "FMP Rate" has the meaning set out in Section 3.1 of the FMP
55. "FOD" or [***] means [***].
56. "GMM" means JetBlue's General Maintenance Manual, as revised from time to time, which outlines JetBlue's maintenance policies and procedures.

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57. "Guarantee Plan Specific Conditions" means the operating conditions set forth in Appendix 8, Article 2.
58. "Guarantee Plan(s)" means [***].
59. "IAE" means International Aero Engines, LLC, a limited liability company organized and existing under the laws of Delaware, which has an office located at 400 Main Street, East Hartford, Connecticut 06118.
60. "IAE Invoice Price" means, for purposes of calculating the [***], the Invoice Price of an Engine Shipset installed on a Firm Aircraft.
61. "IAE Network" means IAE's designated network of maintenance, repair, and/or overhaul facilities as agreed to and approved by JetBlue, such approval not to be unreasonably withheld. For purposes of Section 10.50 of the FMP, the "Initial IAE Network" shall only include facilities in: USA, Singapore, Japan, and Germany.
62. "Incremental Aircraft" means any of the forty-five (45) new firm-ordered PW1133G-JM Engine-powered A321neo aircraft identified in the Delivery Schedule as "Incremental Aircraft."
63. "Incremental Firm Spare Engines" means any of the seven (7) new firm-ordered spare PW1133G-JM Engines identified in the Delivery Schedule as an "Incremental Spare Engine."
64. "Initial Firm Aircraft" means any of the forty (40) new firm-ordered PW1127G-JM Engine-powered A320neo aircraft or new firm-ordered PW1133G-JM Engine-powered A321neo aircraft identified in the Delivery Schedule as "Initial Firm Aircraft," subject to Section 7.2.
65. "Initial Firm Spare Engine" means any of the six (6) new firm-ordered spare PW1127G-JM Engines or PW1133G-JM Engines, as applicable, identified in the Delivery Schedule as an "Initial Firm Spare Engine," subject to Section 7.2.
66. "Introductory Assistance Credit" means the credit per Firm Aircraft that IAE will provide to JetBlue, as more particularly described in Article 4 of this Agreement.
67. "Invoice Price" means the Unit Base Price per Engine Shipset or the Unit Base Price per Firm Spare Engine, escalated in accordance with the Engine Escalation Formula from the

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base month and year of the applicable Unit Base Price to the applicable time specified in this Agreement.

68. "JetBlue" means JetBlue Airways Corporation, a corporation organized and existing under the laws of Delaware, United States, which has an office located at 27-01 Queens Plaza North, Long Island City, New York 11101.
69. "LLPs" or "Life Limited Parts" means those rotating Parts which have a Parts Life Limit. For purposes of this Agreement, LLPs do not include static, non-rotating LLPs.
70. [***]

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71. "Maintenance Services" has the meaning set forth in Section 13.1.1 of the FMP.
72. "Minimum LLP Build Standard" has the meaning set forth in the Specific Conditions, and may be modified by the CEMP in consultation with JetBlue.
73. "Minimum Spare Engine Ratio" means the minimum ratio of spare Engines-to-installed Engines in JetBlue's fleet maintained solely for JetBlue's operational use, set forth in 0 to the FMP.
74. "Missing Part" means any part, including, but not limited to, accessories, that was not installed on an Engine at the time of induction or was not subsequently provided to IAE by JetBlue for such FMP Engine's shop visit.
75. "Non-Affiliated Third Party" means a third party who is not an 'Affiliate' as defined by the Securities Act of 1933.
76. "Obligated Party" has the meaning set forth in Section 15.12.
77. "OEM" means original equipment manufacturer.
78. "Off-Wing" means the removal of a FMP Engine from a Firm Aircraft for Maintenance Services covered under the FMP Rate. For the avoidance of doubt, for purposes of this FMP, "Off-Wing" shall not mean the removal of a FMP Engine from a Firm Aircraft to facilitate the performance of work (not covered under the FMP Rate or T&M Rates and Charges) on such FMP Engine by JetBlue or JetBlue's designated service provider within a JetBlue facility or a facility designated by JetBlue.
79. "Operational Parameters" has the meaning set forth in 0 of the FMP.
80. "Original Agreement" means the PurePower® PW1100G-JM Engine Purchase Support Agreement, dated as of June 19, 2012, as amended, modified or supplemented from time to time.
81. "PAH" or "Production Approval Holder" means an entity holding a production certificate issued under the authority of the FAA.

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- 82. “Parts” means Engine parts sold by IAE and delivered as original equipment in an Engine or Engine parts sold and delivered by IAE as new spare parts in support of an Engine.
- 83. “Parts Life Limit” means the maximum allowable total parts time or total parts cycles for specific Parts, including re-operation if applicable, as established by IAE and the applicable Airworthiness Authority. Parts Life Limits are published in the Airworthiness Limitations section of the applicable Instructions for Continued Airworthiness.
- 84. “Party” or “Parties” means IAE or JetBlue individually or both collectively, respectively.
- 85. “Performance Restoration Shop Visit” means a shop visit at which maintenance is performed to enable an FMP Engine to achieve its next full interval in accordance with the CEMP.
- 86. [***]
- 87. “PMA” or “Parts Manufacturer Approval” means the authority granted by the FAA to manufacture parts for installation in type-certificated products.
- 88. [***]
- 89. “Product Support Plan” means the Product Support Plan for First-Generation Owners/Operators Acquiring New IAE PurePower® PW1100G-JM Engines, attached as Appendix 5.
- 90. “Program Coordinator” has the meaning set forth in Section 5.5.3 of the FMP.
- 91. “Program Manager” has the meaning set forth in Section 5.5.3 of the FMP.
- 92. [***]
- 93. [***]
- 94. [***]
- 95. “Qualifying Performance Restoration Shop Visit” means a Performance Restoration Shop Visit performed at an IAE Network maintenance facility.
- 96. [***]

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97. "Records" has the meaning set forth in Section 12.2.3 of the FMP.
98. [***]
99. [***]
100. "SB(s)" means an IAE-issued Engine service bulletin.
101. "Scrapped" means those parts determined by IAE to be unserviceable and not Economically Repairable.
102. "Shipping Stand" means an operable shipping stand, suitable for road shipment of spare PW1100G-JM Engines.
103. "Spare Engine Credit" means the credit per Firm Spare Engine that IAE will provide to JetBlue, as more particularly described in Article 4 of this Agreement.
104. "Spare Parts Provisioning and Tooling Credit" means the credit that IAE will provide to JetBlue, as more particularly described in Section 4.3 of this Agreement.
105. "Specific Conditions" are the operating conditions set forth in 0 to the FMP, upon which the FMP Rate is predicated.
106. "Standard Equipment" means any item identified under the Standard Equipment section of the applicable Engine Specification, Appendix 3.
107. "State of Registration" means the country in which the Firm Aircraft are registered.
108. "T&M Rates and Charges" are those rates and charges contained in 0 for Maintenance Services not covered under the FMP Rate.
109. [***]
110. "TCH" or "Type Certificate Holder" means an entity holding a type certificate issued under the authority of the FAA or EASA.
111. "Term" has the meaning set forth in Article 2 of FMP.
112. "TSM" has the meaning set forth in Section 5.3.4 of FMP.
113. "Unit Base Price" means the respective IAE unit base price set forth in Article 4.

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114. "United States Prime Rate" means the base rate on corporate loans posted by at least seventy-five percent (75%) of the nation's thirty (30) largest banks then in effect and listed in the eastern print edition of The Wall Street Journal.

115. [***]

[***] Represents material which has been redacted and filed separately with the Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

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BASE TYPE	SCHEDULED DELIVERY MONTH/QUARTER	SCHEDULED DELIVERY YEAR
A320NEO	[***]	2021
A320NEO	[***]	2021
A320NEO	[***]	2022
A320NEO	[***]	2022
A320NEO	[***]	2022
A321NEO	[***]	2022
A321NEO	[***]	2022
A321NEO	[***]	2022
A321NEO	[***]	2022
A321NEO	[***]	2022
A321NEO	[***]	2023
A321NEO	[***]	2023
A321NEO	[***]	2023
A321NEO	[***]	2023
A321NEO	[***]	2023

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BASE TYPE	SCHEDULED DELIVERY MONTH/QUARTER	SCHEDULED DELIVERY YEAR
A321NEO	***	2023
A321NEO	***	2023
A321NEO	***	2023
A321NEO	***	2023
A321NEO	***	2023
A321NEO	***	2023
A321NEO	***	2024
A321NEO	***	2024
A321NEO	***	2024
A321NEO	***	2024
A321NEO	***	2024

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FIRM SPARE ENGINES

QUANTITY	DELIVERY DATE	FIRM SPARE ENGINE
1	[***]2019	Initial Spare Engine
1	[***]2019	Incremental Spare Engine
1	[***]2019	Incremental Spare Engine
1	[***]2020	Initial Spare Engine
1	[***]2020	Incremental Spare Engine
1	[***]2020	Incremental Spare Engine
1	[***]2020	Initial Spare Engine
1	[***]2021	Initial Spare Engine
1	[***]2021	Incremental Spare Engine
1	[***]2021	Initial Spare Engine
1	[***]2021	Incremental Spare Engine
1	[***]2021	Initial Spare Engine
1	[***]2022	Incremental Spare Engine

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Appendix 3

**AMENDED AND RESTATED PW1100G-JM ENGINE
PURCHASE AND SUPPORT AGREEMENT**

ENGINE SPECIFICATION

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Appendix 4

AMENDED AND RESTATED PW1100G-JM ENGINE PURCHASE AND SUPPORT AGREEMENT

PW1100G-JM ENGINE PRICE ESCALATION FORMULA

1. BASE AMOUNT

The Unit Base Price and any other amounts subject to escalation in accordance with this Appendix 4 are expressed in delivery conditions (“DC”) [***] (the “Base Year”) United States Dollars (each individually referred to hereinafter as the “Unit Base Amount” and collectively as the “Unit Base Amounts”) and are subject to adjustment for changes in economic conditions as measured by data obtained from the United States Department of Labor, Bureau of Labor Statistics, and in accordance with the provisions hereof.

2. BASE PERIOD AND BASE POINT

The Unit Base Amounts have been established in accordance with the average economic conditions prevailing in the 11th, 12th, and 13th months preceding a theoretical delivery in the Base Year as identified in Article 1 herein (the “Base Point”) as defined by [***] index values indicated hereafter (the “Base Period”).

3. INDEXES

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

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

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Index code for access on the Website of the United States Bureau of Labor Statistics: CIU20232110000001.

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

Index code for access on the Website of the United States Bureau of Labor Statistics: WPU03THRU15.

Metal Index: Metals and metal products "Code 10" (hereinafter referred to as "C10") as published in "PPI Detailed Report" (found in Table 6. "Producer price indexes and percent changes for commodity and service groupings and individual items not seasonally adjusted" or such other names that may be from time to time used for the publication title and/or table). [***]

Index code for access on the Website of the United States Bureau of Labor Statistics: WPU10.

4. ESCALATION FORMULA

[***]

5. GENERAL PROVISIONS

5.1 Roundings

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

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

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

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

5.2 Substitution of Indexes for Escalation Formula

If:

- 5.2.1 the United States Department of Labor substantially revises the methodology of calculation of the Labor Index, the Material Index, or the Metal Index as used in the Price Escalation Formula, or
- 5.2.2 the United States Department of Labor discontinues, either temporarily or permanently, such Labor Index, such Material Index, or such Metal Index, or
- 5.2.3 the data samples used to calculate such Labor Index, such Material Index, or such Metal Index are substantially changed, the Seller shall select a substitute index for inclusion in the Price Escalation Formula (the "Substitute Index").

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

As a result of the selection of the Substitute Index, the Parties shall mutually agree on an appropriate adjustment to the Price Escalation Formula to combine the successive utilization of the original Labor Index, Material Index, or Metal Index (as the case may be) and of the Substitute Index.

5.3 Final Index Values

The Index values as defined in Article 4 above shall be considered final and no further adjustment to the escalated Base Amounts as revised at delivery (or payment of such Escalated Amounts, as the case may be) shall be respectively made after delivery (or payment of such Escalated Amounts, as the case may be) for any subsequent changes in the published Index values.

[***]

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6. SAMPLE ESCALATION FORMULA CALCULATION

[***]

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Appendix 5

**AMENDED AND RESTATED PW1100G-JM ENGINE
PURCHASE AND SUPPORT AGREEMENT**

PRODUCT SUPPORT PLAN

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Appendix 6

**AMENDED AND RESTATED PW1100G-JM ENGINE
PURCHASE AND SUPPORT AGREEMENT**

WARRANTIES AND SERVICE POLICIES

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Appendix 7

**AMENDED AND RESTATED PW1100G-JM ENGINE
PURCHASE AND SUPPORT AGREEMENT**

SPARE ENGINE PAYMENT SCHEDULE

Payments for each Firm Spare Engine and other associated equipment shall be made in accordance with the following payment schedule:

[***]

All payments shall be paid according to Section 15.8 of the Agreement.

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Appendix 8

AMENDED AND RESTATED PW1100G-JM ENGINE PURCHASE AND SUPPORT AGREEMENT

GUARANTEE PLAN DEFINITIONS AND CONDITIONS

[***]

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Appendix 9

AMENDED AND RESTATED PW1100G-JM ENGINE PURCHASE AND SUPPORT AGREEMENT

[***]

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Appendix 10

AMENDED AND RESTATED PW1100G-JM ENGINE PURCHASE AND SUPPORT AGREEMENT

[***]

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Appendix 11

**AMENDED AND RESTATED PW1100G-JM ENGINE
PURCHASE AND SUPPORT AGREEMENT**

[*]**

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Appendix 12

AMENDED AND RESTATED PW1100G-JM ENGINE PURCHASE AND SUPPORT AGREEMENT

[***]

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Appendix 13

**AMENDED AND RESTATED PW1100G-JM ENGINE
PURCHASE AND SUPPORT AGREEMENT**

[*]**

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Appendix 14

**AMENDED AND RESTATED PW1100G-JM ENGINE
PURCHASE AND SUPPORT AGREEMENT**

[*]**

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Appendix 15

AMENDED AND RESTATED PW1100G-JM ENGINE PURCHASE AND SUPPORT AGREEMENT

[***]

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Appendix 16

**AMENDED AND RESTATED PW1100G-JM ENGINE
PURCHASE AND SUPPORT AGREEMENT**

[*]**

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Appendix 17

**AMENDED AND RESTATED PW1100G-JM ENGINE
PURCHASE AND SUPPORT AGREEMENT**

[*]**

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Appendix 18

**AMENDED AND RESTATED PW1100G-JM ENGINE
PURCHASE AND SUPPORT AGREEMENT**

[*]**

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Appendix 19

BILL OF SALE

The undersigned as the owner of the full legal and beneficial title of the aircraft engine described as follows:

Manufacturer: International Aero Engines, LLC

Type:

Serial Number: _____

including all appliances, equipment, components, parts, furnishings and accessories installed on such engine on its delivery date together with the respective engine documents (collectively the "Engine"), certifies that in fulfillment of the purchase agreement between **INTERNATIONAL AERO ENGINES, LLC** and **JETBLUE AIRWAYS CORPORATION**, dated _____, 20__ (the "Contract") the undersigned has granted, transferred and delivered all of its right, title and interest in and to such Engine unto the following entity and its successors and assigns forever:

**JETBLUE AIRWAYS CORPORATION
("JETBLUE")**

The undersigned hereby confirms to JetBlue and its successors and assigns that it had the good and lawful right to sell, deliver and transfer title to the Engine to JetBlue and that there was conveyed to JetBlue good, legal and valid title to the Engine, free and clear of all liens, claims, charges, encumbrances and rights of others and that the undersigned will warrant and defend such title forever against all claims and demands whatsoever.

This Bill of Sale is governed by and shall be construed in accordance with the laws of the State of New York.

In testimony whereof the undersigned has caused this Bill of Sale to be duly executed on this ____ day of _____ 20.

INTERNATIONAL AERO ENGINES, LLC

By: _____

Name:

Title:

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JETBLUE AIRWAYS CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(in millions, except ratios)

	Three Months Ended March 31,	
	2018	2017
Earnings:		
Income before income taxes ⁽²⁾	\$ 110	\$ 121
Less: Capitalized interest	(2)	(2)
Add:		
Fixed charges	42	48
Amortization of capitalized interest	1	1
Adjusted earnings ⁽²⁾	\$ 151	\$ 168
Fixed charges:		
Interest expense	\$ 21	\$ 24
Amortization of debt costs	1	1
Rent expense representative of interest	20	23
Total fixed charges	\$ 42	\$ 48
Ratio of earnings to fixed charges ⁽¹⁾⁽²⁾	3.63	3.50

(1) All ratios shown in the above table have been calculated using unrounded numbers.

(2) Prior period results recasted to reflected the adoption of ASC 606 *Revenue from Contracts with Customers* .

Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer

I, Robin Hayes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of JetBlue Airways Corporation;
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 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 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: April 27, 2018

By: /s/ ROBIN HAYES

Chief Executive Officer

Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer

I, Steve Priest, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of JetBlue Airways Corporation;
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 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 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: April 27, 2018

By: /s/ STEVE PRIEST

Chief Financial Officer

JetBlue Airways Corporation

SECTION 1350 CERTIFICATIONS

In connection with the Quarterly Report of JetBlue Airways Corporation on Form 10-Q for the period ended March 31, 2018 , as filed with the Securities and Exchange Commission on April 27, 2018 (the "Report"), the undersigned, in the capacities and on the dates indicated below, each hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of JetBlue Airways Corporation.

Date: April 27, 2018

By: /s/ ROBIN HAYES
Chief Executive Officer

Date: April 27, 2018

By: /s/ STEVE PRIEST
Chief Financial Officer