

**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 September 30, 2019

**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 AIRWAYS CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State of Other Jurisdiction of Incorporation)

**87-0617894**

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

**27-01 Queens Plaza North**

(Address of principal executive offices)

**Long Island City**

**New York**

**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)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value	JBLU	The NASDAQ Stock Market LLC

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 September 30, 2019, there were 288,694,046 shares outstanding of the registrant's common stock, par value \$0.01.

**JETBLUE AIRWAYS CORPORATION**  
**FORM 10-Q**  
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**PART I. FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS**

**JETBLUE AIRWAYS CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(unaudited, in millions, except per share amounts)

	September 30, 2019	December 31, 2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 695	\$ 474
Investment securities	299	413
Receivables, less allowance (2019-\$2; 2018-\$1)	251	211
Inventories, less allowance (2019-\$21; 2018-\$18)	84	78
Prepaid expenses and other	131	212
Total current assets	1,460	1,388
<b>PROPERTY AND EQUIPMENT</b>		
Flight equipment	9,927	9,525
Predelivery deposits for flight equipment	440	293
Total flight equipment and predelivery deposits, gross	10,367	9,818
Less accumulated depreciation	2,693	2,448
Total flight equipment and predelivery deposits, net	7,674	7,370
Other property and equipment	1,130	1,074
Less accumulated depreciation	511	461
Total other property and equipment, net	619	613
Total property and equipment	8,293	7,983
<b>OPERATING LEASE ASSETS</b>	974	1,056
<b>OTHER ASSETS</b>		
Investment securities	5	3
Restricted cash	62	59
Other	525	470
Total other assets	592	532
<b>TOTAL ASSETS</b>	<b>\$ 11,319</b>	<b>\$ 10,959</b>

See accompanying notes to condensed consolidated financial statements.

**PART I. FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS****JETBLUE AIRWAYS CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(unaudited, in millions, except per share amounts)

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 465	\$ 437
Air traffic liability	1,199	1,035
Accrued salaries, wages and benefits	356	313
Other accrued liabilities	290	298
Current operating lease liabilities	133	133
Current maturities of long-term debt and finance leases	316	309
Total current liabilities	<u>2,759</u>	<u>2,525</u>
<b>LONG-TERM DEBT AND FINANCE LEASE OBLIGATIONS</b>	1,320	1,361
<b>LONG-TERM OPERATING LEASE LIABILITIES</b>	739	798
<b>DEFERRED TAXES AND OTHER LIABILITIES</b>		
Deferred income taxes	1,199	1,112
Air traffic liability - loyalty non-current	494	447
Other	44	31
Total deferred taxes and other liabilities	<u>1,737</u>	<u>1,590</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 7)</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$0.01 par value; 25 shares authorized, none issued	—	—
Common stock, \$0.01 par value; 900 shares authorized, 425 and 422 shares issued and 288 and 306 shares outstanding at September 30, 2019 and December 31, 2018, respectively	4	4
Treasury stock, at cost; 137 and 116 shares at September 30, 2019 and December 31, 2018, respectively	(1,628)	(1,272)
Additional paid-in capital	2,228	2,203
Retained earnings	4,161	3,753
Accumulated other comprehensive (loss)	(1)	(3)
Total stockholders' equity	<u>4,764</u>	<u>4,685</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><b>\$ 11,319</b></u>	<u><b>\$ 10,959</b></u>

See accompanying notes to condensed consolidated financial statements.

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
<b>OPERATING REVENUES</b>				
Passenger	\$ 2,005	\$ 1,941	\$ 5,838	\$ 5,490
Other	81	67	225	200
Total operating revenues	2,086	2,008	6,063	5,690
<b>OPERATING EXPENSES</b>				
Aircraft fuel and related taxes	471	515	1,392	1,423
Salaries, wages and benefits	580	515	1,731	1,500
Landing fees and other rents	125	123	362	355
Depreciation and amortization	134	120	385	345
Aircraft rent	26	28	76	76
Sales and marketing	74	72	215	214
Maintenance materials and repairs	158	168	482	498
Other operating expenses	271	277	833	798
Special items	—	112	14	431
Total operating expenses	1,839	1,930	5,490	5,640
<b>OPERATING INCOME</b>	<b>247</b>	<b>78</b>	<b>573</b>	<b>50</b>
<b>OTHER INCOME (EXPENSE)</b>				
Interest expense	(18)	(18)	(57)	(49)
Capitalized interest	4	2	10	7
Gain on equity method investments	15	—	15	—
Interest income and other	6	6	7	11
Total other income (expense)	7	(10)	(25)	(31)
<b>INCOME BEFORE INCOME TAXES</b>	<b>254</b>	<b>68</b>	<b>548</b>	<b>19</b>
Income tax expense	67	18	140	—
<b>NET INCOME</b>	<b>\$ 187</b>	<b>\$ 50</b>	<b>\$ 408</b>	<b>\$ 19</b>
<b>EARNINGS PER COMMON SHARE:</b>				
Basic	\$ 0.63	\$ 0.16	\$ 1.36	\$ 0.06
Diluted	\$ 0.63	\$ 0.16	\$ 1.35	\$ 0.06

See accompanying notes to condensed consolidated financial statements.

**PART I. FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS****JETBLUE AIRWAYS CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(unaudited, in millions)**

	<b>Three Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>NET INCOME</b>	<b>\$ 187</b>	<b>\$ 50</b>
Changes in fair value of derivative instruments, net of reclassifications into earnings (net of tax benefit/(expense) of \$0 and \$0 in 2019 and 2018, respectively)	(2)	1
Total other comprehensive income (loss)	(2)	1
<b>COMPREHENSIVE INCOME</b>	<b>\$ 185</b>	<b>\$ 51</b>
	<b>Nine Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>NET INCOME</b>	<b>\$ 408</b>	<b>\$ 19</b>
Changes in fair value of derivative instruments, net of reclassifications into earnings (net of tax benefit/(expense) of \$1 and \$0 in 2019 and 2018, respectively)	2	1
Total other comprehensive income	2	1
<b>COMPREHENSIVE INCOME</b>	<b>\$ 410</b>	<b>\$ 20</b>

See accompanying notes to condensed consolidated financial statements.

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

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

	Nine Months Ended September 30,	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 408	\$ 19
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income taxes	87	(1)
Depreciation	349	311
Amortization	36	34
Stock-based compensation	24	20
Impairment of long-lived assets	—	319
Gain on equity method investments	(15)	—
Changes in certain operating assets and liabilities	314	218
Other, net	(5)	4
Net cash provided by operating activities	1,198	924
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(505)	(538)
Predelivery deposits for flight equipment	(172)	(123)
Purchase of held-to-maturity investments	(353)	(250)
Proceeds from the maturities of held-to-maturity investments	495	441
Purchase of available-for-sale securities	(761)	(702)
Proceeds from the sale of available-for-sale securities	730	415
Other, net	(11)	(18)
Net cash used in investing activities	(577)	(775)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of common stock	27	25
Proceeds from issuance of long-term debt	218	540
Repayment of long-term debt and finance lease obligations	(258)	(178)
Acquisition of treasury stock	(381)	(382)
Other, net	(3)	—
Net cash (used in) provided by financing activities	(397)	5
<b>INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>		
Cash, cash equivalents and restricted cash at beginning of period	224	154
Cash, cash equivalents and restricted cash at end of period <sup>(1)</sup>	\$ 757	\$ 513
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash payments for interest (net of amount capitalized)	\$ 50	\$ 46
Cash payments for income taxes (net of refunds)	(54)	11

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

	September 30, 2019	September 30, 2018
Cash and cash equivalents	\$ 695	\$ 454
Restricted cash	62	59
Total cash, cash equivalents and restricted cash	\$ 757	\$ 513

See accompanying notes to condensed consolidated financial statements.

**PART I. FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS**
**JETBLUE AIRWAYS CORPORATION**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(unaudited, in millions)

	Common Shares	Common Stock	Treasury Shares	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
<b>Balance at June 30, 2019</b>	425	\$ 4	129	\$ (1,503)	\$ 2,221	\$ 3,974	\$ 1	\$ 4,697
Net income	—	—	—	—	—	187	—	187
Other comprehensive income	—	—	—	—	—	—	(2)	(2)
Vesting of restricted stock units	—	—	—	—	—	—	—	—
Stock compensation expense	—	—	—	—	7	—	—	7
Stock issued under Crewmember stock purchase plan	—	—	—	—	—	—	—	—
Shares repurchased	—	—	8	(125)	—	—	—	(125)
<b>Balance at September 30, 2019</b>	<b>425</b>	<b>\$ 4</b>	<b>137</b>	<b>\$ (1,628)</b>	<b>\$ 2,228</b>	<b>\$ 4,161</b>	<b>\$ (1)</b>	<b>\$ 4,764</b>
	Common Shares	Common Stock	Treasury Shares	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
<b>Balance at June 30, 2018</b>	421	\$ 4	108	\$ (1,122)	\$ 2,139	\$ 3,533	\$ —	\$ 4,554
Net income	—	—	—	—	—	50	—	50
Other comprehensive income	—	—	—	—	—	—	1	1
Vesting of restricted stock units	—	—	—	—	—	—	—	—
Stock compensation expense	—	—	—	—	6	—	—	6
Stock issued under Crewmember stock purchase plan	—	—	—	—	—	—	—	—
Shares repurchased	—	—	8	(150)	25	—	—	(125)
<b>Balance at September 30, 2018</b>	<b>421</b>	<b>\$ 4</b>	<b>116</b>	<b>\$ (1,272)</b>	<b>\$ 2,170</b>	<b>\$ 3,583</b>	<b>\$ 1</b>	<b>\$ 4,486</b>
	Common Shares	Common Stock	Treasury Shares	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
<b>Balance at December 31, 2018</b>	422	\$ 4	116	\$ (1,272)	\$ 2,203	\$ 3,753	\$ (3)	\$ 4,685
Net income	—	—	—	—	—	408	—	408
Other comprehensive income	—	—	—	—	—	—	2	2
Vesting of restricted stock units	1	—	1	(6)	—	—	—	(6)
Stock compensation expense	—	—	—	—	24	—	—	24
Stock issued under Crewmember stock purchase plan	2	—	—	—	26	—	—	26
Shares repurchased	—	—	20	(350)	(25)	—	—	(375)
<b>Balance at September 30, 2019</b>	<b>425</b>	<b>\$ 4</b>	<b>137</b>	<b>\$ (1,628)</b>	<b>\$ 2,228</b>	<b>\$ 4,161</b>	<b>\$ (1)</b>	<b>\$ 4,764</b>
	Common Shares	Common Stock	Treasury Shares	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
<b>Balance at December 31, 2017</b>	418	\$ 4	97	\$ (890)	\$ 2,127	\$ 3,564	\$ —	\$ 4,805
Net income	—	—	—	—	—	19	—	19
Other comprehensive income	—	—	—	—	—	—	1	1
Vesting of restricted stock units	1	—	—	(7)	—	—	—	(7)
Stock compensation expense	—	—	—	—	20	—	—	20
Stock issued under Crewmember stock purchase plan	2	—	—	—	23	—	—	23
Shares repurchased	—	—	19	(375)	—	—	—	(375)
<b>Balance at September 30, 2018</b>	<b>421</b>	<b>\$ 4</b>	<b>116</b>	<b>\$ (1,272)</b>	<b>\$ 2,170</b>	<b>\$ 3,583</b>	<b>\$ 1</b>	<b>\$ 4,486</b>

See accompanying notes to condensed consolidated financial statements.



**PART I. FINANCIAL INFORMATION**  
**ITEM 1. 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 2018 audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018, or our 2018 Form 10-K.

These condensed consolidated financial statements are unaudited and have been prepared by us following the rules and regulations of the U.S. 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 recast financial information previously filed under Accounting Standards Codification (ASC), or the Codification, Topic 840, *Leases* for the periods presented to reflect the modified retrospective method of transition to Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)* of the Codification. Refer to Note 4 to our consolidated financial statements for more information.

**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 September 30, 2019 were not greater than 24 months. We did not record any significant gains or losses on these securities during the three and nine months ended September 30, 2019 or 2018. The estimated fair value of these investments approximated their carrying value as of September 30, 2019 and December 31, 2018, respectively.

The carrying values of investment securities consisted of the following at September 30, 2019 and December 31, 2018 (in millions):

	September 30, 2019	December 31, 2018
<b>Available-for-sale securities</b>		
Time deposits	\$ 255	\$ 190
U.S. Treasury	—	39
Debt securities	9	7
Total available-for-sale securities	264	236
<b>Held-to-maturity securities</b>		
U.S. Treasury	40	180
<b>Total investment securities</b>	\$ 304	\$ 416

**Other Investments**

Our wholly-owned subsidiary, JetBlue Technology Ventures, LLC, or JTV, has equity investments in emerging companies which do not have readily determinable fair values. In accordance with ASU 2016-01, *Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, we account for these investments using a measurement alternative which allows entities to measure these investments at cost, less any impairment, adjusted for changes from observable price changes in orderly transactions for identifiable or similar investments of the same issuer. The carrying amount of these investments was \$28 million and \$25 million as of September 30, 2019 and December 31, 2018, respectively.

**JETBLUE AIRWAYS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)****Equity Method Investments**

Investments in which we can exercise significant influence are accounted for using the equity method in accordance with Topic 323, *Investments - Equity Method and Joint Ventures* of the Codification. The carrying amount of our equity method investments, which is recorded within other assets on our consolidated balance sheets, was \$39 million and \$11 million as of September 30, 2019 and December 31, 2018, respectively. In September 2019, we recognized a gain of \$15 million on one of our equity method investments related to its fair value measurement upon the closing of a subsequent financing round.

**Recent Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board, or FASB, issued ASU 2016-02, *Leases (Topic 842)* of the Codification, which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Targeted Improvements*; ASU 2018-20, *Narrow-Scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. Under the new standard, a lessee will recognize liabilities on the balance sheet, initially measured at the present value of the lease payments, and right-of-use (ROU) assets representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less at the commencement date, a lessee is permitted to make an accounting policy election not to recognize lease assets and lease liabilities. The new standard also eliminates the build-to-suit lease accounting guidance which results in the derecognition of build-to-suit assets and liabilities that remained on the balance sheet after the end of the construction period.

We adopted the requirements of ASU 2016-02 as of January 1, 2019, utilizing the modified retrospective method of transition for all leases existing at or commencing after the date of initial application. We recorded a \$58 million cumulative adjustment to retained earnings as of January 1, 2017, the beginning of the retrospective reporting period, for the impact of the new accounting standard. The adjustment to retained earnings was driven principally by the derecognition of our existing assets constructed for others and construction obligation related to our Terminal 5 (T5) build-to-suit project at John F. Kennedy International Airport in New York.

We elected to use the package of transition provisions available for expired or existing contracts, which allowed us to carryforward our historical assessment of whether contracts are or contain leases, lease classification, and initial direct costs. Refer to Note 4 to our condensed consolidated financial statements for more information.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The update requires the use of an "expected loss" model on certain types of financial instruments and requires consideration of a broader range of reasonable and supportable information to calculate credit loss estimates. For trade receivables, loans and held-to-maturity debt securities, entities will be required to estimate lifetime expected credit losses. For available-for-sale debt securities, entities will be required to recognize an allowance for credit losses rather than a reduction to the carrying value of the asset. ASU 2016-13 is effective for fiscal years and interim periods beginning after December 15, 2019, with early adoption is permitted. We are still evaluating the full impact of ASU 2016-13 but do not expect the adoption to have a material impact on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The update eliminates, adds, and modifies certain disclosure requirements for fair value measurements. ASU 2018-13 is effective for annual reporting periods beginning after December 15, 2019, with early adoption permitted of the entire standard or only the provisions that eliminate or modify disclosure requirements. We are still evaluating the full impact of adopting ASU 2018-13 on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The update provides guidance for determining if a cloud computing arrangement is within the scope of internal-use software guidance, and would require capitalization of certain implementation costs. ASU 2018-15 is effective for annual reporting periods beginning after December 15, 2019, with early adoption permitted. We adopted the requirements of ASU 2018-15 on April 1, 2019 using the prospective transition method. The adoption of ASU 2018-15 did not have a material impact on our consolidated financial statements.

JETBLUE AIRWAYS CORPORATION  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited)**Note 2— Revenue Recognition**

The Company categorizes the revenues received from contracts with its customers by revenue source as we believe it best depicts the nature, amount, timing, and uncertainty of our revenue and cash flow. The following table provides the revenues recognized by revenue source for the three and nine months ended September 30, 2019 and 2018 (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
<b>Passenger revenue</b>				
Passenger travel	\$ 1,914	\$ 1,865	\$ 5,563	\$ 5,262
Loyalty revenue - air transportation	91	76	275	228
<b>Other revenue</b>				
Loyalty revenue	54	42	146	122
Other revenue	27	25	79	78
<b>Total revenues</b>	<b>\$ 2,086</b>	<b>\$ 2,008</b>	<b>\$ 6,063</b>	<b>\$ 5,690</b>

For the three and nine months ended September 30, 2019, TrueBlue® points earned from ticket purchases are presented as a reduction to *Passenger travel* within passenger revenue. Amounts presented in *Loyalty revenue - air transportation* represent the revenue recognized when TrueBlue points have been redeemed and the travel has occurred. The corresponding amounts within the three and nine months ended September 30, 2018 have been reclassified to be comparable with the current period presentation. These reclassifications do not impact total passenger revenue.

**Contract Liabilities**

Our contract liabilities primarily consist of ticket sales for which transportation has not yet been provided, unused credits available to customers, and outstanding loyalty points available for redemption (in millions):

	September 30, 2019	December 31, 2018
<b>Contract liabilities</b>		
Air traffic liability - passenger travel	\$ 1,035	\$ 892
Air traffic liability - loyalty program (air transportation)	647	580
Deferred revenue	11	10
<b>Total contract liabilities</b>	<b>\$ 1,693</b>	<b>\$ 1,482</b>

During the nine months ended September 30, 2019 and 2018, we recognized revenue of \$856 million and \$802 million, respectively, which was included in contract liabilities at the beginning of the respective periods.

The Company elected the practical expedient that allows entities to not 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.

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.

The table below presents the activity of the current and non-current air traffic liability for TrueBlue® points, and includes points earned and sold to participating companies for the nine months ended September 30, 2019 and 2018 (in millions):

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<b>Balance at December 31, 2018</b>	<b>\$</b>	<b>580</b>
TrueBlue® points redeemed		(275)
TrueBlue® points earned and sold		342
<b>Balance at September 30, 2019</b>	<b>\$</b>	<b>647</b>
<b>Balance at December 31, 2017</b>	<b>\$</b>	<b>502</b>
TrueBlue® points redeemed		(228)
TrueBlue® points earned and sold		290
<b>Balance at September 30, 2018</b>	<b>\$</b>	<b>564</b>

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

**Note 3—Long-Term Debt, Short-Term Borrowings, and Finance Lease Obligations**

During the nine months ended September 30, 2019, we made scheduled principal payments of \$258 million on our outstanding long-term debt and finance lease obligations.

In September 2019, we issued \$218 million in fixed rate equipment notes due through 2027, which are secured by ten Airbus A320 aircraft and two Airbus A321 aircraft.

We had pledged aircraft, engines, other equipment, and facilities with a net book value of \$3.1 billion at September 30, 2019 as security under various financing arrangements. At September 30, 2019, scheduled maturities of all of our long-term debt and finance lease obligations were \$64 million for the remainder of 2019, \$313 million in 2020, \$304 million in 2021, \$282 million in 2022, \$262 million in 2023, and \$411 million thereafter.

The carrying amounts and estimated fair values of our long-term debt, net of debt acquisition costs, at September 30, 2019 and December 31, 2018 were as follows (in millions):

	September 30, 2019		December 31, 2018	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
<b>Public Debt</b>				
Fixed rate special facility bonds, due through 2036	\$ 42	\$ 46	\$ 42	\$ 44
<b>Non-Public Debt</b>				
Fixed rate enhanced equipment notes, due through 2023	133	140	151	153
Floating rate equipment notes, due through 2028	211	213	245	245
Fixed rate equipment notes, due through 2028	1,158	1,238	1,125	1,135
<b>Total<sup>(1)</sup></b>	<b>\$ 1,544</b>	<b>\$ 1,637</b>	<b>\$ 1,563</b>	<b>\$ 1,577</b>

(1) Total excludes finance lease obligations of \$92 million for September 30, 2019 and \$107 million for December 31, 2018.

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 enhanced equipment notes and 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 9 to our condensed consolidated financial statements for an explanation of the fair value hierarchy structure.

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We have financed certain aircraft with Enhanced Equipment Trust Certificates, or EETCs. 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 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 consolidated financial statements.

**Short-term Borrowings*****Citibank Line of Credit***

In August 2019, we amended our revolving Credit and Guaranty Agreement with Citibank N.A. as the administrative agent. The amendment increased our borrowing capacity by \$125 million to \$550 million and extended the term of the facility through August 2023. 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 period and are 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 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 September 30, 2019 and December 31, 2018, we did not have a balance outstanding or any borrowings under this line of credit.

***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 September 30, 2019 and December 31, 2018, we did not have a balance outstanding or any borrowings under this line of credit.

**Note 4—Leases**

As discussed in Note 1 to our condensed consolidated financial statements, we adopted ASU 2016-02, *Leases (Topic 842)* of the Codification, as of January 1, 2019. The new standard requires leases with durations greater than twelve months to be recognized on the balance sheet. Our 2018 and 2017 financial statements have been recast to reflect the retrospective application of the new standard.

Operating lease assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

Leases with a term of 12 months or less are not recorded on the balance sheet. Our lease agreements do not contain any residual value guarantees. For facility leases, we account for the lease and non-lease components as a single lease component.

The table below presents the lease-related assets and liabilities recorded on our consolidated balance sheets as of September 30, 2019 and December 31, 2018 (in millions):

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		September 30, 2019	December 31, 2018
<b>Assets</b>	<b>Classification on Balance Sheet</b>		
Operating lease assets	Operating lease assets	\$ 974	\$ 1,056
Finance lease assets	Property and equipment, net	172	181
<b>Total lease assets</b>		<b>\$ 1,146</b>	<b>\$ 1,237</b>
<b>Liabilities</b>	<b>Classification on Balance Sheet</b>		
Current:			
Operating lease liabilities	Current operating lease liabilities	\$ 133	\$ 133
Finance lease liabilities	Current maturities of long-term debt and finance leases	25	18
Long-term:			
Operating lease liabilities	Long-term operating lease liabilities	739	798
Finance lease liabilities	Long-term debt and finance lease obligations	67	89
<b>Total lease liabilities</b>		<b>\$ 964</b>	<b>\$ 1,038</b>
		September 30, 2019	December 31, 2018
<b>Weighted-average remaining lease term (in years)</b>			
Operating leases		11	11
Finance leases		3	4
<b>Weighted-average discount rate</b>			
Operating leases		5.96%	5.95%
Finance leases		4.78%	4.73%

**Flight Equipment Leases**

We operated a fleet of 254 aircraft as of September 30, 2019. Of our fleet, 41 aircraft were under operating leases and six aircraft were under finance leases. Our aircraft leases generally have long durations with remaining terms of nine months to nine years.

The majority of aircraft operating leases can be renewed at rates based on fair market value at the end of the lease term for one or two years. None of our aircraft operating leases have variable rate rent payments. We have purchase options for 41 of our aircraft leases at the end of their lease term. These purchase options are at fair market value and have a one-time option during the term at fixed amounts that were expected to approximate the fair market value at lease inception.

**Facility Leases**

Our facility leases are primarily for space at the airports we serve. These leases are classified as operating leases and reflect our use of passenger terminal service facilities consisting of ticket counters, gate space, operations support area, and baggage service offices. We generally lease space directly or indirectly from the local airport authority on varying terms dependent on prevailing practices at each airport. The remaining terms of our airport leases vary from three months to 16 years. Our leases at certain airports contain provisions for periodic adjustments of rental rates based on the operating costs of the airports or the frequency of use of the facilities. Because of the variable nature of the rates, these leases are not recorded as operating lease assets and operating lease liabilities on our consolidated balance sheets.

We also have leases for our corporate offices, training center, and various hangars and airport support facilities at our focus cities.

**Other Ground Property and Equipment**

We lease certain IT assets, ground support equipment, and various other pieces of equipment. The lease terms of our ground support equipment are less than 12 months, while the amount of other equipment we have is not significant.

**Lease Costs**

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The table below presents certain information related to our lease costs during the three and nine months ended September 30, 2019 and 2018 (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Operating lease cost	\$ 46	\$ 48	\$ 138	\$ 137
Short-term lease cost	1	1	2	2
Finance lease cost:				
Amortization of assets	2	2	7	7
Interest on lease liabilities	1	1	2	3
Variable lease cost	104	102	298	292
Sublease income	(6)	(3)	(14)	(11)
<b>Total net lease cost</b>	<b>\$ 148</b>	<b>\$ 151</b>	<b>\$ 433</b>	<b>\$ 430</b>

**Other Information**

The table below presents supplemental cash flow information related to leases during the three and nine months ended September 30, 2019 and 2018 (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows for operating leases	\$ 33	\$ 36	\$ 109	\$ 116
Operating cash flows for finance leases	2	2	4	4
Financing cash flows for finance leases	6	6	15	14

**Lease Commitments**

The table below presents scheduled future minimum lease payments for operating and finance leases recorded on our consolidated balance sheets, as of September 30, 2019 (in millions):

	As of September 30, 2019	
	Operating Leases	Finance Leases
2019	\$ 34	\$ 3
2020	133	35
2021	127	39
2022	118	10
2023	110	9
Thereafter	682	5
Total minimum lease payments	1,204	101
Less: amount of lease payments representing interest	(332)	(9)
Present value of future minimum lease payments	872	92
Less: current obligations under leases	(133)	(25)
<b>Long-term lease obligations</b>	<b>\$ 739</b>	<b>\$ 67</b>

We do not have any lease commitments that have not yet commenced as of September 30, 2019.

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(unaudited)**Note 5—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, 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 September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
<b>Net income <sup>(1)</sup></b>	\$ 187	\$ 50	\$ 408	\$ 19
<b>Weighted average basic shares</b>	294.0	308.7	300.1	314.8
Effect of dilutive securities	1.9	1.6	1.7	1.6
<b>Weighted average diluted shares</b>	295.9	310.3	301.8	316.4
<b>Earnings per common share</b>				
Basic	\$ 0.63	\$ 0.16	\$ 1.36	\$ 0.06
Diluted	0.63	0.16	1.35	0.06

(1) As discussed in Note 1 to our condensed consolidated financial statements, we adopted ASC 842, *Leases*, as of January 1, 2019. The adoption of this standard did not have a material impact to our previously reported net income for the three and nine months ended September 30, 2018.

On September 6, 2019, JetBlue entered into an accelerated share repurchase agreement, or ASR, paying \$125 million for an initial delivery of 6.0 million shares. The term of the ASR is expected to be completed by the end of the fourth quarter of 2019, and the final number of shares to be received or returned will be determined.

On June 13, 2019, JetBlue entered into an ASR, paying \$125 million for an initial delivery of 5.2 million shares. The term of the ASR concluded on August 13, 2019 with the delivery of 1.5 million additional shares to JetBlue on August 15, 2019. A total of 6.7 million shares, at an average price of \$18.58 per share, were repurchased under the agreement.

On March 11, 2019, JetBlue entered into an ASR, paying \$125 million for an initial delivery of 6.1 million shares. The term of the ASR concluded on May 21, 2019 with the delivery of 1.3 million additional shares to JetBlue on May 22, 2019. A total of 7.4 million shares, at an average price of \$16.93 per share, were repurchased under the agreement.

On August 1, 2018, JetBlue entered into an ASR, paying \$125 million. The term of the ASR concluded on September 28, 2018. A total of 6.7 million shares, at an average price of \$18.69 per share, were repurchased under the agreement.

On May 24, 2018, JetBlue entered into an ASR, paying \$125 million for an initial delivery of 5.3 million shares. The term of the ASR concluded on July 23, 2018 with the delivery of 1.3 million additional shares to JetBlue on July 25, 2018. A total of 6.6 million shares, at an average price of \$18.85 per share, were repurchased under the agreement.

On March 1, 2018, JetBlue entered into an ASR, paying \$125 million. The term of the ASR concluded on March 23, 2018. A total of 5.8 million shares, at an average price of \$21.49 per share, were repurchased under the agreement.

**Note 6—Crewmember Retirement Plan**

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



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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.

Certain Federal Aviation Administration, or FAA, licensed Crewmembers receive an additional contribution of 3% of eligible compensation, which we refer to as *Retirement Advantage*.

Effective August 1, 2018, JetBlue pilots receive a non-elective Company contribution of 15% of eligible pilot compensation per the terms of the finalized collective bargaining agreement between JetBlue and the Air Line Pilots Association, or ALPA, in lieu of the above described 401(k) Company matching contribution, *Retirement Plus*, and *Retirement Advantage* contributions. Refer to Note 11 to our condensed consolidated financial statements for additional information. The Company's non-elective contribution of 15% of eligible pilot compensation vests after three years of service.

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 and the equivalent of *Retirement Plus* contributions for pilots. If JetBlue's resulting pre-tax margin exceeds 18%, non-management Crewmembers will receive 20% profit sharing above an 18% pre-tax margin.

Total 401(k) company matching contribution, *Retirement Plus*, *Retirement Advantage*, pilot retirement contribution, and profit sharing expensed for the three months ended September 30, 2019 and 2018 was \$50 million and \$43 million, respectively, while the total amount expensed for the nine months ended September 30, 2019 and 2018 was \$148 million and \$122 million, respectively.

**Note 7—Commitments and Contingencies**

**Flight Equipment Commitments**

As of September 30, 2019, our firm aircraft orders consisted of 84 Airbus A321neo aircraft and 70 Airbus A220 aircraft, all scheduled for delivery through 2026.

Expenditures for these aircraft and related flight equipment and engines, including estimated amounts for contractual price escalations and predelivery deposits, will be approximately \$781 million for the remainder of 2019, \$1.2 billion in 2020, \$1.4 billion in 2021, \$1.3 billion in 2022, \$1.7 billion in 2023, and \$2.2 billion thereafter.

The amount of committed expenditures stated above represents the current delivery schedule set forth in our Airbus order book as of September 30, 2019. In October 2018 and May 2019, we received notice from Airbus of anticipated delivery delays for the A321neo aircraft. We expect a delivery of a maximum of six A321neo aircraft in 2019 as a result of the delays.

In October 2019, the Office of the U.S. Trade Representative announced a 10% tariff on new commercial aircraft and related parts imported from certain European Union member states, which include aircraft and other parts we are already contractually obligated to purchase, including those noted above. We are working with our business partners, including Airbus, to evaluate the potential financial and operational impact of this announcement on our future aircraft deliveries. The imposition of the tariff could substantially increase the cost of new Airbus aircraft and parts. Please refer to the "Risk Factors" section in Part II, Item 1A of this Report for further details.

**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 September 30, 2019, we had approximately \$25 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 \$34 million in assets 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.

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In April 2014, ALPA was certified by the National Mediation Board, or NMB, as the representative body for JetBlue pilots after winning a representation election. We reached a final agreement for our first collective bargaining agreement which was ratified by the pilots in July 2018. The agreement is a four-year, renewable contract, which became effective August 1, 2018 and included changes to compensation, benefits, work rules, and other policies.

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 are 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 involving suppliers, Crewmembers, customers, and governmental agencies, 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.

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 consolidated results of operations, liquidity, or financial condition.

**Note 8—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. 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 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 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. ASU 2017-12 *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* eliminated the requirement for companies to separately measure and record ineffectiveness after initial qualification. 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.

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The following table illustrates the approximate hedged percentages of our projected fuel usage by quarter as of September 30, 2019 related to our outstanding fuel hedging contracts that were designated as cash flow hedges for accounting purposes.

	Jet fuel call option spread agreements	Total
Fourth Quarter 2019	10%	<b>10%</b>
First Quarter 2020	10%	<b>10%</b>
Second Quarter 2020	10%	<b>10%</b>
Third Quarter 2020	—%	—%

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

	September 30, 2019		December 31, 2018	
<b>Fuel derivatives</b>				
Asset fair value recorded in prepaid expense and other <sup>(1)</sup>	\$	3	\$	—
Longest remaining term (months)		9		6
Hedged volume (barrels, in thousands)		1,572		756
Estimated amount of existing losses expected to be reclassified into earnings in the next 12 months	\$	1	\$	4
	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Fuel derivatives</b>				
Hedge effectiveness losses recognized in aircraft fuel expense	\$	—	\$	1
Hedge losses on derivatives recognized in comprehensive income		2		—
Percentage of actual consumption economically hedged		—%		3%

(1) Gross asset of each contract prior to consideration of offsetting positions with each counterparty and prior to the impact of collateral paid.

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.

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.

There were no offsetting derivative instruments as of September 30, 2019 and December 31, 2018.

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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 September 30, 2019 and December 31, 2018 (in millions):

	September 30, 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash equivalents	\$ 290	\$ —	\$ —	\$ 290
Available-for-sale investment securities	—	264	—	264
Aircraft fuel derivatives	—	3	—	3
	December 31, 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash equivalents	\$ 198	\$ —	\$ —	\$ 198
Available-for-sale investment securities	39	197	—	236
Aircraft fuel derivatives	—	—	—	—

Refer to Note 3 to our condensed consolidated financial statements for fair value information related to our outstanding debt obligations as of September 30, 2019 and December 31, 2018.

**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 U.S. Treasury bills are valued using inputs observable in active markets for identical securities and are therefore classified as Level 1 within the fair value hierarchy. The fair values of the remaining 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 material gains or losses on these securities during the three and nine months ended September 30, 2019 and 2018.

**Aircraft Fuel Derivatives**

Our aircraft fuel derivatives include call option spreads which are not traded on public exchanges. Their fair values are determined using a market approach based on inputs that are readily available from public markets for commodities and energy trading activities; therefore, they are classified as Level 2 in the hierarchy. The data inputs are combined into quantitative models and processes to generate forward curves and volatilities related to the specific terms of the underlying hedge contracts.

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(unaudited)**Note 10—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 September 30, 2019 and 2018 are as follows (in millions):

	Aircraft Fuel Derivatives <sup>(1)</sup>	Total
<b>Balance of accumulated income at June 30, 2019</b>	<b>\$ 1</b>	<b>\$ 1</b>
Reclassifications into earnings, net of tax benefit \$0	—	—
Change in fair value, net of tax benefit \$0	(2)	(2)
<b>Balance of accumulated (loss) at September 30, 2019</b>	<b>\$ (1)</b>	<b>\$ (1)</b>
<b>Balance of accumulated income at June 30, 2018</b>	<b>\$ —</b>	<b>\$ —</b>
Reclassifications into earnings, net of tax benefit \$0	1	1
Change in fair value, net of tax benefit of \$0	—	—
<b>Balance of accumulated income at September 30, 2018</b>	<b>\$ 1</b>	<b>\$ 1</b>

(1) Reclassified to aircraft fuel expense.

A rollforward of the amounts included in the accumulated other comprehensive income (loss), net of taxes for the nine months ended September 30, 2019 and 2018 are as follows (in millions):

	Aircraft Fuel Derivatives <sup>(1)</sup>	Total
<b>Balance of accumulated (loss) at December 31, 2018</b>	<b>\$ (3)</b>	<b>\$ (3)</b>
Reclassifications into earnings, net of tax benefit \$1	3	3
Change in fair value, net of tax benefit \$0	(1)	(1)
<b>Balance of accumulated (loss) at September 30, 2019</b>	<b>\$ (1)</b>	<b>\$ (1)</b>
<b>Balance of accumulated income at December 31, 2017</b>	<b>\$ —</b>	<b>\$ —</b>
Reclassifications into earnings, net of tax benefit \$0	1	1
Change in fair value, net of tax benefit \$0	—	—
<b>Balance of accumulated income at September 30, 2018</b>	<b>\$ 1</b>	<b>\$ 1</b>

(1) Reclassified to aircraft fuel expense.

JETBLUE AIRWAYS CORPORATION  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited)**Note 11—Special Items**

The following is a listing of special items presented on our consolidated statements of operations for the three and nine months ended September 30, 2019 and 2018 (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
<b>Special Items</b>				
Embraer E190 fleet transition costs <sup>(1)</sup>	\$ (3)	\$ 43	\$ 6	\$ 362
Union contract costs <sup>(2)</sup>	3	69	8	69
<b>Total</b>	<b>\$ —</b>	<b>\$ 112</b>	<b>\$ 14</b>	<b>\$ 431</b>

(1) In July 2018, we announced our decision to exit the Embraer E190 fleet and order 60 Airbus A220-300 aircraft, formerly known as the Bombardier CS300, for expected deliveries beginning in 2020 with the option for 60 additional aircraft. We exercised our option in June 2019 and converted 10 additional A220-300 aircraft into firm order. We expect to transition Embraer E190 aircraft starting in 2020, and we expect the transition to be completed through 2025. Fleet transition costs for the nine months ended September 30, 2019 include certain contract termination costs associated with the transition. For the nine months ended September 30, 2018, fleet transition costs include a \$319 million impairment charge of flight equipment and other property and equipment related to our fleet review and certain contract termination costs associated with the transition. Additional expenses may be recorded in future periods as we continue to work through the transition of our Embraer E190 fleet.

(2) In April 2014, ALPA was certified by NMB as the representative body for JetBlue pilots after winning a representation election. We reached a final agreement for our first collective bargaining agreement which was ratified by the pilots in July 2018. The agreement is a four-year renewable contract, which became effective August 1, 2018 and included changes to compensation, benefits, work rules, and other policies. For the nine months ended September 30, 2019, union contract costs primarily include various one-time costs incurred to implement the provisions of the collective bargaining agreement into our IT systems. Union contract costs for the nine months ended September 30, 2018 include an one-time \$50 million ratification bonus and other negotiated contractual provisions related to our pilots' collective bargaining agreement.

**PART I. FINANCIAL INFORMATION**

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

**OVERVIEW**

**Third Quarter 2019 Results**

- We had a \$78 million increase in revenue compared to the third quarter of 2018 primarily due to a 4.8% increase in capacity and an increase in average fares.
- Operating revenue per available seat mile (RASM) for the three months ended September 30, 2019 decreased by (0.9)% to 12.80 cents. This decline is slightly better than the mid-point of our updated guidance range of (2.0)% to 0.0%.
- Operating expense and operating expense per available seat mile (CASM) for the three months ended September 30, 2019 decreased by 4.7% to \$1.8 billion and 9.1% to 11.29 cents, respectively. Our operating expense for the three months ended September 30, 2018 included \$112 million of special items related to the ratification of our pilots' collective bargaining agreement and our Embraer E190 fleet transition, which contributed 0.72 cents to our unit cost in the prior year. Excluding fuel and related taxes, special items, as well as operating expenses related to our non-airline businesses, our cost per available seat mile (CASM ex-fuel)<sup>(1)</sup> increased by 0.3% to 8.33 cents, better than the low end of our initial guidance range of 0.5% to 2.5%. This improvement is driven by the compounding benefits of our Structural Cost Program, and the favorable timing of certain maintenance expenses that will shift into the fourth quarter of 2019.
- Our reported earnings per diluted share for the third quarter of 2019 were \$0.63. Our results for the three months ended September 30, 2019 include a \$15 million pre-tax gain on an equity method investment. Excluding this gain, our adjusted earnings per diluted share for the third quarter of 2019 were \$0.59.
- We generated \$1.2 billion in cash from operations and \$521 million in free cash flow<sup>(1)</sup> for the nine months ended September 30, 2019.

**Balance Sheet**

We ended the third quarter of 2019 with unrestricted cash, cash equivalents and short-term investments of \$994 million and undrawn lines of credit. Our unrestricted cash, cash equivalents and short-term investments are approximately 12% of trailing twelve months revenue.

**Network**

In September 2019, we announced our intention to launch daily nonstop service between John F. Kennedy International Airport in New York and Cheddi Jagan International Airport in Georgetown, Guyana.

**Fleet**

We placed our first Airbus A321neo aircraft into service in September 2019 and took delivery of our second Airbus A321neo aircraft on October 1, 2019.

<sup>(1)</sup> Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

**PART I. FINANCIAL INFORMATION****ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS****RESULTS OF OPERATIONS***Three Months Ended September 30, 2019 vs. 2018***Overview**

We reported net income of \$187 million, operating income of \$247 million and an operating margin of 11.8% for the three months ended September 30, 2019. This compares to a net income of \$50 million, an operating income of \$78 million and an operating margin of 3.9% for the three months ended September 30, 2018. Diluted earnings per share were \$0.63 for the third quarter of 2019 compared to \$0.16 for the same period in 2018.

Our reported results for the three months ended September 30, 2019 and 2018 included the effects of special items and a gain on an equity method investment. Adjusting for these one-time items<sup>(1)</sup>, our adjusted net income was \$176 million, adjusted operating income was \$247 million, and adjusted operating margin was 11.8% for the third quarter of 2019. This compares to adjusted net income of \$130 million, adjusted operating income of \$190 million, and adjusted operating margin of 9.4% for the third quarter of 2018. Excluding one-time items<sup>(1)</sup>, adjusted diluted earnings per share were \$0.59 and \$0.42 for the third quarter of 2019 and 2018, respectively.

On-time performance, as defined by the Department of Transportation, or DOT, is arrival within 14 minutes of scheduled arrival time. In the third quarter of 2019, our systemwide on-time performance was 73.7% compared to 71.7% for the same period in 2018. 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 increased by 0.4 points to 98.5% in the third quarter of 2019 from 98.1% in the same period in 2018, despite runway closures in several of our focus cities during 2019.

**Operating Revenues**

<i>(Revenues in millions; percent changes based on unrounded numbers)</i>	<b>Three Months Ended September 30,</b>		<b>Year-over-Year Change</b>	
	<b>2019</b>	<b>2018</b>	<b>\$</b>	<b>%</b>
Passenger revenue	\$ 2,005	\$ 1,941	\$ 64	3.3
Other revenue	81	67	14	21.6
<b>Total operating revenues</b>	<b>\$ 2,086</b>	<b>\$ 2,008</b>	<b>\$ 78</b>	<b>3.9</b>
Average Fare	\$ 181.26	\$ 175.66	\$ 5.60	3.2
Yield per passenger mile (cents)	14.39	14.53	(0.14)	(0.9)
Passenger revenue per ASM (cents)	12.30	12.48	(0.18)	(1.4)
Operating revenue per ASM (cents)	12.80	12.91	(0.11)	(0.9)
Average stage length (miles)	1,132	1,093	39	3.6
Revenue passengers (thousands)	11,061	11,050	11	0.1
Revenue passenger miles (millions)	13,930	13,362	568	4.2
Available Seat Miles (ASMs) (millions)	16,296	15,551	745	4.8
Load Factor	85.5%	85.9%		(0.4) pts.

Passenger revenue is our primary source of revenue, which includes seat revenue, and baggage fees, as well as revenue from our ancillary product offerings such as Even More<sup>®</sup> Space. The increase in passenger revenue of \$64 million, or 3.3%, for the three months ended September 30, 2019 compared to the same period in 2018, was primarily attributable to a 3.2% increase in average fare and a 0.1% increase in revenue passengers.

<sup>(1)</sup> Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.



**PART I. FINANCIAL INFORMATION**
**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**
**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>	<b>Three Months Ended September 30,</b>		<b>Year-over-Year Change</b>		<b>Cents per ASM</b>		
	<b>2019</b>	<b>2018</b>	<b>\$</b>	<b>%</b>	<b>2019</b>	<b>2018</b>	<b>% Change</b>
Aircraft fuel and related taxes	\$ 471	\$ 515	\$ (44)	(8.5)%	2.89	3.31	(12.7)%
Salaries, wages and benefits	580	515	65	12.6	3.56	3.31	7.5
Landing fees and other rents	125	123	2	0.7	0.77	0.80	(3.9)
Depreciation and amortization	134	120	14	12.0	0.82	0.77	6.9
Aircraft rent	26	28	(2)	(5.9)	0.16	0.18	(10.2)
Sales and marketing	74	72	2	3.1	0.46	0.46	(1.6)
Maintenance materials and repairs	158	168	(10)	(5.9)	0.97	1.08	(10.2)
Other operating expenses	271	277	(6)	(2.4)	1.66	1.78	(6.8)
Special items	—	112	(112)	(100.4)	—	0.72	(100.3)
<b>Total operating expenses</b>	<b>\$ 1,839</b>	<b>\$ 1,930</b>	<b>\$ (91)</b>	<b>(4.7)%</b>	<b>11.29</b>	<b>12.41</b>	<b>(9.1)%</b>
<b>Total operating expenses excluding special items<sup>(1)</sup></b>	<b>\$ 1,839</b>	<b>\$ 1,818</b>	<b>\$ 21</b>	<b>1.1 %</b>	<b>11.29</b>	<b>11.69</b>	<b>(3.5)%</b>

**Aircraft Fuel and Related Taxes**

Aircraft fuel and related taxes decreased by \$44 million, or 8.5%, for the three months ended September 30, 2019 compared to the same period in 2018. The average fuel price for the three months ended September 30, 2019 decreased by 11.0% to \$2.06 per gallon. Our fuel consumption increased by 2.8%, or 7 million gallons, due to an increase in the average number of aircraft operating during the three months ended September 30, 2019 as compared to the same period in 2018.

**Salaries, Wages and Benefits**

Salaries, wages and benefits increased \$65 million, or 12.6%, for the three months ended September 30, 2019 compared to the same period in 2018, primarily driven by the incremental costs of the new pilots' collective bargaining agreement which became effective on August 1, 2018, and a higher number of full-time equivalent Crewmembers.

**Depreciation and Amortization**

Depreciation and amortization increased \$14 million, or 12.0%, for the three months ended September 30, 2019 compared to the same period in 2018, primarily driven by a 2.3% increase in the average number of aircraft operating during the third quarter of 2019 as compared to the same period in 2018.

**Maintenance Materials and Repairs**

Maintenance materials and repairs decreased \$10 million, or 5.9%, for the three months ended September 30, 2019 compared to the same period in 2018, primarily driven by the timing of heavy maintenance visits and engine maintenance.

**Special Items**

Special items for the three months ended September 30, 2018 consist of \$69 million of one-time costs related to the ratification of our pilots' collective bargaining agreement and \$43 million of one-time costs related to our decision to transition out of the Embraer E190 fleet.

<sup>(1)</sup> Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

**PART I. FINANCIAL INFORMATION****ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS****Nine Months Ended September 30, 2019 vs. 2018****Overview**

We reported net income of \$408 million, operating income of \$573 million and an operating margin of 9.4% for the nine months ended September 30, 2019. This compares to net income of \$19 million, an operating income of \$50 million and an operating margin of 0.9% for the nine months ended September 30, 2018. Diluted earnings per share were \$1.35 for the nine months ended September 30, 2019 compared to \$0.06 for the same period in 2018.

Our reported results for the nine months ended September 30, 2019 and 2018 included the effects of special items in both years and the implementation of new tax reform legislation in 2018. Adjusting for these one-time items<sup>(1)</sup>, our adjusted net income was \$408 million, adjusted operating income was \$587 million, and adjusted operating margin was 9.7% for the nine months ended September 30, 2019. This compares to adjusted net income of \$332 million, operating income of \$481 million, and adjusted operating margin of 8.5% for the nine months ended September 30, 2018. Excluding one-time items<sup>(1)</sup>, adjusted diluted earnings per share were \$1.35 and \$1.05 for the nine months ended September 30, 2019 and 2018, respectively.

**Operating Revenues**

<i>(Revenues in millions; percent changes based on unrounded numbers)</i>	<b>Nine Months Ended September 30,</b>		<b>Year-over-Year Change</b>	
	<b>2019</b>	<b>2018</b>	<b>\$</b>	<b>%</b>
Passenger revenue	\$ 5,838	\$ 5,490	\$ 348	6.3
Other revenue	225	200	25	12.8
<b>Total operating revenues</b>	<b>\$ 6,063</b>	<b>\$ 5,690</b>	<b>\$ 373</b>	<b>6.6</b>
Average Fare	\$ 181.01	\$ 172.36	\$ 8.65	5.0
Yield per passenger mile (cents)	14.43	14.35	0.08	0.6
Passenger revenue per ASM (cents)	12.22	12.28	(0.06)	(0.5)
Operating revenue per ASM (cents)	12.69	12.73	(0.04)	(0.2)
Average stage length (miles)	1,140	1,093	47	4.3
Revenue passengers (thousands)	32,252	31,854	398	1.3
Revenue passenger miles (millions)	40,446	38,271	2,175	5.7
Available Seat Miles (ASMs) (millions)	47,762	44,713	3,049	6.8
Load Factor	84.7%	85.6%		(0.9) pts.

The increase in passenger revenue of \$348 million, or 6.3%, for the nine months ended September 30, 2019 compared to the same period in 2018, was primarily attributable to a 5.0% increase in average fare and a 1.3% increase in revenue passengers.

<sup>(1)</sup> Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

**PART I. FINANCIAL INFORMATION**
**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**
**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>	<b>Nine Months Ended September 30,</b>		<b>Year-over-Year Change</b>		<b>Cents per ASM</b>		
	<b>2019</b>	<b>2018</b>	<b>\$</b>	<b>%</b>	<b>2019</b>	<b>2018</b>	<b>% Change</b>
Aircraft fuel and related taxes	\$ 1,392	\$ 1,423	\$ (31)	(2.1)%	2.92	3.18	(8.4)%
Salaries, wages and benefits	1,731	1,500	231	15.4	3.62	3.36	8.0
Landing fees and other rents	362	355	7	1.9	0.76	0.79	(4.6)
Depreciation and amortization	385	345	40	11.6	0.81	0.77	4.5
Aircraft rent	76	76	—	(0.2)	0.16	0.17	(6.5)
Sales and marketing	215	214	1	0.4	0.45	0.48	(6.0)
Maintenance materials and repairs	482	498	(16)	(3.2)	1.01	1.11	(9.4)
Other operating expenses	833	798	35	4.5	1.74	1.78	(2.2)
Special items	14	431	(417)	(96.9)	0.03	0.97	(97.1)
<b>Total operating expenses</b>	<b>\$ 5,490</b>	<b>\$ 5,640</b>	<b>\$ (150)</b>	<b>(2.6)%</b>	<b>11.50</b>	<b>12.61</b>	<b>(8.9)%</b>
<b>Total operating expenses excluding special items<sup>(1)</sup></b>	<b>\$ 5,476</b>	<b>\$ 5,209</b>	<b>\$ 267</b>	<b>5.1 %</b>	<b>11.47</b>	<b>11.64</b>	<b>(1.6)%</b>

**Aircraft Fuel and Related Taxes**

Aircraft fuel and related taxes decreased by \$31 million, or 2.1%, for the nine months ended September 30, 2019 compared to the same period in 2018. The average fuel price for the nine months ended September 30, 2019 decreased by 6.5% to \$2.09 per gallon. Our fuel consumption increased by 4.6%, or 29 million gallons, due to increases in the average number of operating aircraft and departures during the nine months ended September 30, 2019 as compared to the same period in 2018.

**Salaries, Wages and Benefits**

Salaries, wages and benefits increased by \$231 million, or 15.4%, for the nine months ended September 30, 2019 compared to the same period in 2018, primarily driven by the incremental costs of the new pilots' collective bargaining agreement, which became effective on August 1, 2018, and a higher number of full-time equivalent Crewmembers.

**Depreciation and Amortization**

Depreciation and amortization increased \$40 million, or 11.6%, for the nine months ended September 30, 2019 compared to the same period in 2018, primarily driven by a 3.0% increase in the average number of aircraft operating during the nine months ended September 30, 2019 as compared to the same period in 2018. We placed six additional aircraft into service and bought out the leases of two Airbus A320 aircraft since September 30, 2018.

**Maintenance Materials and Repairs**

Maintenance materials and repairs decreased \$16 million, or 3.2%, for the nine months ended September 30, 2019 compared to the same period in 2018, primarily driven by the timing of heavy maintenance visits and engine maintenance.

**Other Operating Expenses**

Other operating expenses decreased \$35 million, or 4.5%, for the nine months ended September 30, 2019 compared to the same period in 2018, primarily due to an increase in airport services resulting from an increased number of departures and customers flown.

<sup>(1)</sup> Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

**PART I. FINANCIAL INFORMATION****ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS****Special Items**

Special items for the nine months ended September 30, 2019 consist of \$6 million of one-time costs related to the Embraer E190 fleet transition and \$8 million of one-time costs related to the implementation of our pilots' collective bargaining agreement. Special items for the same period in 2018 consist of \$362 million of impairment and one-time costs related to our decision to transition the Embraer E190 fleet, and \$69 million of one-time costs related to the ratification of our pilots' collective bargaining agreement.

The following table sets forth our operating statistics for the three and nine months ended September 30, 2019 and 2018:

	<b>Three Months Ended September 30,</b>		<b>Year-over-Year</b>	<b>Nine Months Ended September 30,</b>		<b>Year-over-Year</b>
	<b>2019</b>	<b>2018</b>	<b>Change</b>	<b>2019</b>	<b>2018</b>	<b>Change</b>
<i>(percent changes based on unrounded numbers)</i>						
<b>Operational Statistics</b>						
Revenue passengers (thousands)	11,061	11,050	0.1	32,252	31,854	1.3
Revenue passenger miles (RPMs) (millions)	13,930	13,362	4.2	40,446	38,271	5.7
Available seat miles (ASMs) (millions)	16,296	15,551	4.8	47,762	44,713	6.8
Load factor	85.5%	85.9%	(0.4) pts	84.7%	85.6%	(0.9) pts
Aircraft utilization (hours per day)	11.9	12.0	(0.8)	11.9	11.8	0.8
Average fare	\$ 181.26	\$ 175.66	3.2	\$ 181.01	\$ 172.36	5.0
Yield per passenger mile (cents)	14.39	14.53	(0.9)	14.43	14.35	0.6
Passenger revenue per ASM (cents)	12.30	12.48	(1.4)	12.22	12.28	(0.5)
Operating revenue per ASM (cents)	12.80	12.91	(0.9)	12.69	12.73	(0.2)
Operating expense per ASM (cents)	11.29	12.41	(9.1)	11.50	12.61	(8.9)
Operating expense per ASM, excluding fuel <sup>(1)</sup>	8.33	8.31	0.3	8.48	8.40	1.0
Departures	94,191	95,119	(1.0)	276,467	274,853	0.6
Average stage length (miles)	1,132	1,093	3.6	1,140	1,093	4.3
Average number of operating aircraft during period	253.2	247.5	2.3	253.1	245.7	3.0
Average fuel cost per gallon, including fuel taxes	\$ 2.06	\$ 2.32	(11.0)	\$ 2.09	\$ 2.23	(6.5)
Fuel gallons consumed (millions)	229	222	2.8	666	637	4.6
Average number of full-time equivalent crewmembers				18,528	17,767	

Historical revenue trends may not continue. Runway closures in several of our focus cities may have an adverse impact on our operation in 2019. Except for uncertainty related to the cost of aircraft fuel, 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.

<sup>(1)</sup> Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

**PART I. FINANCIAL INFORMATION**

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

**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.

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 and to maintain financial flexibility to allow for prudent capital spending.

As of September 30, 2019, we had unrestricted cash and cash equivalents of \$695 million and short-term investments of \$299 million. We believe our current level of unrestricted cash, cash equivalents and short-term investments of approximately 12% 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 \$1.2 billion and \$924 million for the nine months ended September 30, 2019 and 2018, respectively. Higher earnings, principally driven by higher operating revenues, partially offset by an increase in salaries, wages and benefits, contributed to the increase in operating cash flows.

***Investing Activities***

During the nine months ended September 30, 2019, capital expenditures related to our purchase of flight equipment included \$188 million related to the purchase of one Airbus A321neo aircraft, one Airbus A320 lease buyout, the purchase of several spare engines, \$165 million in work-in-progress relating to flight equipment, \$41 million for spare part purchases, and \$172 million for flight equipment deposits. Other property and equipment capital expenditures also included ground equipment purchases and facilities improvements for \$111 million. Investing activities also included the net proceeds from investment securities of \$111 million.

During the nine months ended September 30, 2018, capital expenditures related to our purchase of flight equipment included \$287 million related to the purchase of six Airbus A321 aircraft and one Airbus A321 lease buyout, \$97 million for spare part purchases, \$88 million in work-in-progress relating to flight equipment, and \$123 million for flight equipment deposits. Other property and equipment capital expenditures also included ground equipment purchases and facilities improvements for \$67 million. Investing activities also included the net purchase of \$96 million in investment securities.

***Financing Activities***

Financing activities for the nine months ended September 30, 2019 primarily consisted of the acquisitions of treasury shares of \$381 million, of which \$375 million related to our accelerated share repurchases, and scheduled maturities of \$258 million relating to debt and finance lease obligations, partially offset by net proceeds from debt issuance of \$218 million and \$27 million from the issuance of common stock.

Financing activities for the nine months ended September 30, 2018 primarily consisted of acquisitions of treasury shares of \$382 million, of which \$375 million related to our accelerated share repurchases, and scheduled maturities of \$178 million relating to debt and finance lease obligations, partially offset by the issuance of \$540 million of debt and \$25 million of proceeds from the issuance of common stock.

In March 2019, we filed an automatic shelf registration statement with the SEC. Under this shelf registration statement, we may offer and sell from time to time common stock, preferred stock, debt securities, depository shares, warrants, stock purchase contracts, stock purchase units, subscription rights, and pass-through certificates. Through to September 30, 2019, we had not issued any securities under this registration statement. We may utilize this shelf registration statement, or a replacement filed with the SEC, in the future to raise capital to fund the continued development of our products and services, the commercialization of our products and services, to repay indebtedness, or for other general corporate purposes.

<sup>(1)</sup> Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

**PART I. FINANCIAL INFORMATION****ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS****Working Capital**

We had a working capital deficit of \$1.3 billion and \$1.1 billion at September 30, 2019 and December 31, 2018, 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 \$0.2 billion due to several factors, including 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 which 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 in which we operate or from events beyond our control, such as volatile fuel prices, economic conditions, weather-related disruptions, airport infrastructure challenges, the spread of infectious diseases, the impact of other airline bankruptcies, 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. Additionally, our unencumbered assets allow some flexibility in managing our cost of debt and capital requirements.

**Contractual Obligations**

Our contractual obligations at September 30, 2019 include the following (in millions):

	Payments due in						
	Total	2019	2020	2021	2022	2023	Thereafter
Debt and finance lease obligations <sup>(a)</sup>	\$ 1,862	\$ 77	\$ 371	\$ 350	\$ 317	\$ 285	\$ 462
Operating lease obligations	1,204	34	133	127	118	110	682
Flight equipment purchase obligations	8,538	781	1,150	1,433	1,297	1,694	2,183
Other obligations <sup>(b)</sup>	2,813	155	326	361	344	327	1,300
<b>Total</b>	<b>\$ 14,417</b>	<b>\$ 1,047</b>	<b>\$ 1,980</b>	<b>\$ 2,271</b>	<b>\$ 2,076</b>	<b>\$ 2,416</b>	<b>\$ 4,627</b>

(a) Includes actual interest and estimated interest for floating-rate debt based on September 30, 2019 rates

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

As of September 30, 2019, we believe we are in compliance with the covenants of our debt and lease agreements. We have approximately \$25 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.

<sup>(1)</sup> Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

**PART I. FINANCIAL INFORMATION****ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

As of September 30, 2019, we operated a fleet of 130 Airbus A320 aircraft, 64 Airbus A321 aircraft, and 60 Embraer E190 aircraft. Of our fleet, 207 are owned by us, 41 are leased under operating leases, and six are leased under finance leases. As of September 30, 2019, the average age of our operating fleet was 10.5 years and our future aircraft order book was as follows:

Year	Airbus A220	Airbus A321neo	Total
2019	—	12	12
2020	1	14	15
2021	6	17	23
2022	8	15	23
2023	19	14	33
2024	22	12	34
2025	12	—	12
2026	2	—	2
<b>Total</b>	<b>70</b>	<b>84</b>	<b>154</b>

In October 2018 and May 2019, we received notice from Airbus of anticipated delivery delays for the A321neo aircraft. The table above represents the current delivery schedule set forth in our Airbus order book as of September 30, 2019. However, due to delays, we expect a delivery of a maximum of six Airbus A321neo aircraft in 2019.

Expenditures for our 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.

Depending on market conditions, we anticipate using a mix of cash and debt financing for aircraft scheduled for delivery in 2019. For deliveries after 2019, 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.

In October 2019, the Office of the U.S. Trade Representative announced a 10% tariff on new commercial aircraft and related parts imported from certain European Union member states, which include aircraft and other parts we are already contractually obligated to purchase, including those noted above. We are working with our business partners, including Airbus, to evaluate the potential financial and operational impact of this announcement on our future aircraft deliveries. The imposition of the tariff could substantially increase the cost of new Airbus aircraft and parts. Please refer to the "Risk Factors" section in Part II, Item 1A of this Report for further details.

**Off-Balance Sheet Arrangements**

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 condensed consolidated 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.

<sup>(1)</sup> Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

**PART I. FINANCIAL INFORMATION**

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

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**

There have been no material changes to our critical accounting policies and estimates from the information provided in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies and Estimates included in our 2018 Form 10-K.

**Forward-Looking Information**

Forward-Looking Information Statements in this Report (or otherwise made by JetBlue or on JetBlue's behalf) contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which represent our management's beliefs and assumptions concerning future events. These statements are intended to qualify for the "safe harbor" from liability established by the Private Securities Litigation Reform Act of 1995. When used in this Report, 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; our significant fixed obligations and substantial indebtedness; volatility in fuel prices, maintenance costs and interest rates; our reliance on high daily aircraft utilization; our ability to implement our growth strategy; our ability to attract and retain qualified personnel and maintain our culture as we grow; our reliance on a limited number of suppliers, including for aircraft, aircraft engines and parts and vulnerability to delays by those suppliers; 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 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 domestic or foreign government regulation, including new or increased tariffs; 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 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 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, those described in "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Quantitative and Qualitative Disclosures about Market Risk" in this Report and our recently filed periodic report on Forms 10-K and 10-Q, as well as our other filings with the SEC. In light of these risks and uncertainties, the forward-looking events discussed in this Report might not occur. Our forward-looking statements speak only as of the date of this Report. Other than as required by law, we undertake no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise.

**Where You Can Find Other Information**

Our website is [www.jetblue.com](http://www.jetblue.com). Information contained on our website is not part of 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](http://www.sec.gov).

<sup>(1)</sup> Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.



**PART I. FINANCIAL INFORMATION**
**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**
**REGULATION G RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

We sometimes use non-GAAP financial measures in this report. Non-GAAP financial measures are financial measures that are derived from the condensed consolidated financial statements, but that are not presented in accordance with generally accepted accounting principles in the United States, 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 and therefore is useful for investors. 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. The information below provides an explanation of each non-GAAP financial measure and shows a reconciliation of non-GAAP financial measures used in this filing to the most directly comparable GAAP financial measures.

**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, operating expenses related to other non-airline businesses, such as JetBlue Technology Ventures and JetBlue Travel Products, and special items from operating expenses to determine CASM ex-fuel, which is a non-GAAP financial measure. During the periods presented below, special items include one-time transition costs related to the Embraer E190 fleet exit, as well as one-time costs related to the implementation of our pilots' collective bargaining agreement. We believe that CASM ex-fuel is useful for investors because it 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 CASM ex-fuel is more indicative of our ability to manage airline costs and is more comparable to measures reported by other major airlines.

	Reconciliation of Operating Expense per ASM, excluding fuel							
	Three Months Ended September 30,				Nine Months Ended September 30,			
	2019		2018		2019		2018	
	\$	per ASM	\$	per ASM	\$	per ASM	\$	per ASM
<i>(in millions; per ASM data in cents; percentages based on unrounded numbers)</i>								
<b>Total operating expenses</b>	\$ 1,839	\$ 11.29	\$ 1,930	\$ 12.41	\$ 5,490	\$ 11.50	\$ 5,640	\$ 12.61
Less:								
Aircraft fuel and related taxes	471	2.89	515	3.31	1,392	2.92	1,423	3.18
Other non-airline expenses	10	0.07	11	0.07	32	0.07	32	0.06
Special items	—	—	112	0.72	14	0.03	431	0.97
<b>Operating expenses, excluding fuel</b>	<b>\$ 1,358</b>	<b>\$ 8.33</b>	<b>\$ 1,292</b>	<b>\$ 8.31</b>	<b>\$ 4,052</b>	<b>\$ 8.48</b>	<b>\$ 3,754</b>	<b>\$ 8.40</b>

**PART I. FINANCIAL INFORMATION**

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

***Operating Expense, Income before Taxes, Net Income and Earnings per Common Share, excluding special items, gain on equity method investment, and tax reform impact***

Our GAAP results in the applicable periods were impacted by the following: (a) the 2017 tax reform, (b) a gain on an equity method investment, and (c) charges that are deemed special items. We believe the impacts of these items make our results difficult to compare to prior periods as well as future periods and guidance, and, as a result, we exclude these items from the calculation of adjusted operating expense, adjusted income before taxes, adjusted net income, and adjusted earnings per share, which are non-GAAP financial measures. During the periods presented below, special items include one-time transition costs related to the Embraer E190 fleet exit, as well as one-time costs related to the implementation of our pilots' collective bargaining agreement. We believe the impacts of these items distort our overall trends and that our metrics and results are more comparable with the presentation of our results excluding the impact of these items and therefore is more useful for investors. The table below provides a reconciliation of our GAAP reported amounts to the non-GAAP amounts excluding the impacts of these items.

**PART I. FINANCIAL INFORMATION**
**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**
**Reconciliation of Operating Expenses, Income before Taxes, Net Income and Earnings Per Common Share excluding special items, gain on equity method investment, and tax reform impact**

<i>(in millions except per share amounts)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
<b>Total operating expenses</b>	\$ 1,839	\$ 1,930	\$ 5,490	\$ 5,640
Less: Special items	—	112	14	431
<b>Total operating expenses excluding special items</b>	\$ 1,839	\$ 1,818	\$ 5,476	\$ 5,209
<b>Operating income</b>	\$ 247	\$ 78	\$ 573	\$ 50
Add back: Special items	—	112	14	431
<b>Operating income excluding special items</b>	\$ 247	\$ 190	\$ 587	\$ 481
<b>Income before income taxes</b>	\$ 254	\$ 68	\$ 548	\$ 19
Add back: Special items	—	112	14	431
Less: Gain on equity method investment	15	—	15	—
<b>Income before income taxes excluding special items and gain on equity method investment</b>	\$ 239	\$ 180	\$ 547	\$ 450
<b>Income before income taxes excluding special items and gain on equity method investment</b>	\$ 239	\$ 180	\$ 547	\$ 450
Less: Income tax expense	67	18	140	—
Less: Income tax related to special items	—	28	3	107
Less: Income tax related to gain on equity method investment	(4)	—	(4)	—
Less: Tax reform impact	—	4	—	11
<b>Net Income excluding special items, gain on equity method investment, and tax reform impact</b>	\$ 176	\$ 130	\$ 408	\$ 332
<b>Earnings Per Common Share:</b>				
<b>Basic</b>	\$ 0.63	\$ 0.16	\$ 1.36	\$ 0.06
Add back: Special items, net of tax	—	0.27	0.03	1.03
Less: Gain on equity method investment, net of tax	0.04	—	0.04	—
Less: Tax reform impact	—	0.01	—	0.03
<b>Basic excluding special items, gain on equity method investment, and tax reform impact</b>	\$ 0.59	\$ 0.42	\$ 1.35	\$ 1.06
<b>Diluted</b>	\$ 0.63	\$ 0.16	\$ 1.35	\$ 0.06
Add back: Special items, net of tax	—	0.27	0.03	1.02
Less: Gain on equity method investment, net of tax	0.04	—	0.03	—
Less: Tax reform impact	—	0.01	—	0.03
<b>Diluted excluding special items, gain on equity method investment, and tax reform impact</b>	\$ 0.59	\$ 0.42	\$ 1.35	\$ 1.05

**PART I. FINANCIAL INFORMATION****ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS****Free Cash Flow**

The table below reconciles cash provided by operations determined in accordance with GAAP to Free Cash Flow, a non-GAAP financial measure. Management believes that Free Cash Flow is a relevant metric in measuring our financial strength and is useful to investors in assessing our ability to fund future capital commitments and other obligations. Investors should consider this non-GAAP financial measure in addition to, and not as a substitute for, our financial measures prepared in accordance with GAAP.

**Reconciliation of Free Cash Flow**

<i>(in millions)</i>	<b>Nine Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
Net cash provided by operating activities	\$ 1,198	\$ 924
Less: Capital expenditures	(505)	(538)
Less: Predelivery deposits for flight equipment	(172)	(123)
<b>Free Cash Flow</b>	<b>\$ 521</b>	<b>\$ 263</b>

**PART I. FINANCIAL INFORMATION**

**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 2018 Form 10-K.

**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 September 30, 2019 cost per gallon of fuel. Based on projected fuel consumption for the next 12 months, including the impact of our hedging position, such an increase would result in an increase to aircraft fuel expense of approximately \$182 million. As of September 30, 2019, we had hedged approximately 10% of our projected fuel requirement for the remainder of 2019. All hedge contracts existing at September 30, 2019 settle by June 30, 2020. 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. Refer to Note 8 to our condensed consolidated financial statements, included in Part I, Item 1 of this Quarterly Report on Form 10-Q, for additional information.

**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 \$1.4 billion of our debt and finance lease obligations, with the remaining \$0.2 billion having floating interest rates. As of September 30, 2019, if interest rates were on average 100 basis points higher in 2019 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 finance leases.

If interest rates were to average 100 basis points lower in 2019 than they did during 2018, 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 for the trailing twelve month period.

**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 September 30, 2019. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of September 30, 2019.

**Changes in Internal Control Over Financial Reporting**

In September 2019, we completed the technical upgrade of our enterprise resource planning ("ERP") system from SAP's ERP Central Component ("ECC") to S/4 HANA. As part of the technical upgrade, the Company implemented controls and procedures ensuring the completeness and accuracy of the data migration from ECC to S/4 HANA.

Except with respect to the technical upgrade of our ERP system, 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 September 30, 2019, that have materially affected, or are reasonably likely to materially affect, the Company's internal control 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 7 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

**ITEM 1A. RISK FACTORS**

Part I, Item 1A "Risk Factors" of our 2018 Form 10-K, includes a discussion of our risk factors which are incorporated herein. The information presented below updates, and should be read in conjunction with, the risk factors and information disclosed in our Form 10-K. Except as presented below, there have been no material changes from the risk factors associated with our business previously disclosed in our Form 10-K.

*Tariffs imposed on commercial aircraft and related parts imported from outside the United States, or tariffs that may be escalated over time, may have a material adverse effect on our fleet, business, financial condition and results of operations.*

Certain of the products and services that we purchase, including aircraft and related parts, are sourced from suppliers located outside the United States, and the imposition of new tariffs, or any increase in existing tariffs, by the U.S. government on the importation of such products or services could materially increase the amounts we pay for them. On October 2, 2019, the World Trade Organization ruled that the United States could impose \$7.5 billion in retaliatory tariffs in response to European Union subsidies to Airbus. On October 18, 2019, the United States imposed these tariffs on certain imports from the European Union, including an ad valorem duty of 10% on commercial aircraft and related parts. These tariffs apply to aircraft and other parts that we are already contractually obligated to purchase. The imposition of these tariffs could substantially increase the cost of, among other things, new Airbus aircraft and parts, which in turn could have a material adverse effect on our fleet, business, financial condition and results of operations. We may also seek to postpone or cancel delivery of certain aircraft currently scheduled for delivery, and we may choose not to purchase in the future as many aircraft as we intended. In addition, should additional or different retaliatory tariffs be imposed, our business could be harmed. Any such action could have a material adverse effect on the size of our fleet, business, financial condition and results of operations.

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

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 2017 authorization will be completed after the execution and settlement of the September 2019 share repurchase agreement, or ASR.

On September 19, 2019, the Board of Directors authorized the repurchase of up to \$800 million worth of JetBlue common stock beginning on October 1, 2019 and ending on December 31, 2021. The stock repurchase program includes authorization for repurchases in open market transactions pursuant to Rules 10b-18 and/or 10b5-1 of the Exchange Act, and/or one or more accelerated stock repurchase programs through privately-negotiated accelerated stock repurchase transactions. The timing, price, and volume of any repurchases will be based on market conditions and other relevant factors.

During the three months ended September 30, 2019, the following shares were repurchased under the program (in millions):

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
July 2019	—		—	\$ 125
August 2019	1.5	(1)	1.5	\$ 125
September 2019	6.0	(2)	6.0	\$ —
<b>Total</b>	<b>7.5</b>		<b>7.5</b>	

(1) On June 13, 2019, JetBlue entered into an ASR, paying \$125 million for an initial delivery of 5.2 million shares. The term of the ASR concluded on August 13, 2019 with delivery of 1.5 million additional shares to JetBlue on August 15, 2019. A total of 6.7 million shares, at an average price of \$18.58 per share, were repurchased under the agreement.

**PART II. OTHER INFORMATION**

(2) On September 6, 2019, JetBlue entered into an ASR, paying \$125 million for an initial delivery of 6.0 million shares. The term of the ASR is expected to be completed by the end of the fourth quarter of 2019. The total number of shares to ultimately be purchased by JetBlue will be based on the average volume weighted average prices of JetBlue's common stock during the term of the ASR, less a discount.

**ITEM 6. EXHIBITS**

See accompanying Exhibit Index included after the signature page of this Report for a list of the exhibits filed or furnished with this Report.

**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: October 25, 2019

By: /s/ Alexander Chatkewitz

*Vice President, Controller, and Chief Accounting Officer  
(Principal Accounting Officer)*



**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Exhibit</b>
10.1†*	<a href="#">Separation Agreement and General Release dated July 15, 2019 by and between Martin St. George and JetBlue Airways Corporation.</a>
10.2*	<a href="#">First Amendment, dated August 1, 2019, to the Amended and Restated Credit and Guaranty Agreement, dated as of April 6, 2017, among JetBlue Airways Corporation, as Borrower, the Subsidiaries of the Borrower party thereto as Guarantors, the Lenders party thereto and Citibank, N.A., as Administrative Agent</a>
31.1*	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer</a>
31.2*	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer</a>
32**	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL 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
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)
	† Compensatory plans in which directors and executive officers of JetBlue participate.
	* Filed herewith.
	** Furnished herewith.

**SEPARATION AGREEMENT AND GENERAL RELEASE**

This Separation Agreement and General Release (hereinafter, the "Agreement") is offered to Martin St. George ("Executive") by JetBlue Airways Corporation (the "Company") as of the date set forth on the signature page hereto.

WHEREAS, Executive understands that this Agreement is being executed in conjunction with the benefits offered hereunder and timely acceptance, without modification and without revocation, is required as a pre-condition to receipt of such benefits;

WHEREAS, the parties have determined that Executive shall relinquish his role as Executive Vice President, Chief Commercial Officer effective June 7, 2019;

WHEREAS, the Company desires and Executive agrees to remain as a Senior Advisor on an at will basis during the Advisory Period (as defined below), unless terminated by either party sooner;

WHEREAS, Executive's employment during the Advisory Period (as defined below) with the Company shall terminate on January 1, 2020, or sooner as provided herein; and

NOW THEREFORE, in consideration of the payments and other benefits provided and as described in general terms below, and intending to be legally bound thereby, the Company and Executive covenant and agree as follows:

1. Advisory Period. (i) Executive shall separate from his position of Executive Vice President Chief Commercial Officer of the Company as of June 7, 2019 and will be employed in the alternate full-time position of Senior Advisor from June 8, 2019 through January 1, 2020 (the "Advisory Period"). As a senior advisor, Executive will assist with the transition and advise the new Vice President of Loyalty and shall have no other paid employment other than as provided in Section 10(e).

(ii) The Company may terminate Executive's employment as a Senior Advisor as provided in Section 12.

(iii) Executive may terminate Executive's employment as a Senior Advisor at any time. If Executive voluntarily terminates the Advisory Period no earlier than 120 days from the commencement of the Advisory Period with the Company's consent (as set forth in Section 10(a)), the Executive's Advisory Period early termination with the Company's consent shall commence the provision of benefits under Sections 3(b)-(j). To the extent that any of those benefits are time limited, they shall conclude as of an earlier time as triggered by the early termination of the Advisory Period.

For the avoidance of doubt, for example, if Executive were to voluntarily terminate the Advisory Period on November 15, 2019 in accordance with the provisions of Section 10 and with Company consent, salary continuation and medical and dental benefits coverage would commence on November 16, 2019 and the applicable medical and dental benefit

coverage would conclude on November 30, 2020 (subject to Executive's right to elect continuation coverage under COBRA).

If Executive terminates the Executive's employment as a Senior Advisor within 120 days from the commencement of the Advisory Period or without the Company's consent as provided in Section 10(a), the Company's obligation to make or continue future payments and benefits under this Agreement shall terminate, and Executive shall be required to repay to the Company any payments and benefits previously paid to him (other than amounts required by law and \$1.00) under this Agreement within three business days of such termination.

(iv) Should Executive die or become disabled during the Advisory Period, the Company shall include any remaining salary payments due to him through the Termination Date (as defined below) into a lump sum payment, less all applicable withholdings and deductions, to be made within 15 business days of Executive's execution and non-revocation of the Bring Down Release attached as Appendix A payable to Executive (or his designated beneficiary). In addition, the amounts otherwise payable subsequent to the Termination Date under this agreement and the Severance Plan shall remain payable to Executive or his beneficiaries, following submission to the Company of proof of such death or disability, with the date of such termination thereafter being utilized for all purposes as a Termination Date pursuant to the Severance Plan. If Executive is unable to execute a Bring Down Release due to death, any payments otherwise conditioned on such execution will be paid to his designated beneficiary.

2. Termination. Executive acknowledges that Executive's service with the Company will terminate on the earlier of the termination of the Advisory Period or January 1, 2020 (the "Termination Date"). Executive shall be deemed to have resigned from all positions with or on behalf of the Company and any affiliate of the Company as of the Termination Date, and hereby agrees to execute and deliver any document or other instrument and take such further actions as the Company deems necessary or advisable to effect the termination of each such position. After the Termination Date, Executive shall not represent himself as being a current employee, officer, agent or representative of the Company or any of its subsidiaries or affiliates for any purpose. Whether Executive signs this Agreement or not, Executive will receive all amounts required to be paid to him by law.

3. Consideration and Benefits. In consideration for Executive's obligations hereunder, the Company shall provide Executive the following consideration and benefits:

(a) During the Advisory Period, Executive shall continue to be actively employed by the Company with duties to be mutually agreed upon by the parties, and will be paid his annual Base Salary of FOUR HUNDRED THIRTY FIVE THOUSAND DOLLARS (\$435,000.00), less all applicable withholdings and deductions.

(b) Salary Continuation. Following the Termination Date, the Company shall pay Executive 24 months of salary continuation in accordance with the Company's normal payroll cycles, equaling EIGHT HUNDRED SEVENTY THOUSAND

DOLLARS (\$870,000) dollars in total. The salary continuation payments provided in this Section 3(b) shall commence on the first payroll cycle following the Effective Date of the Bring Down Release included in Annex A (through the final payment, the “Salary Continuation Period”); provided, however, that if the Consideration Period for the Bring Down Release together with the Revocation Period (as each is defined in Annex A) begins in one calendar year and ends in a later calendar year, such payments shall commence no earlier than the first payroll cycle to occur in such later calendar year. The first salary continuation payment shall include all amounts for the period from the Termination Date to the date of such payment.

(c) Pro-rated Annual Bonus. The Company shall pay Executive a pro-rated annual bonus for the year of Executive’s termination, which if the Termination Date is January 1, 2020, would be in the amount of ONE HUNDRED FORTY SIX THOUSAND EIGHT HUNDRED FIFTY DOLLARS (\$146,850.00), which shall be paid at the same time that bonus payments are made to executive’s generally, but no later than March 15 of the calendar year following the year in which the Termination Date occurs.

(d) Restricted Stock Units/Performance Share Units. The Company agrees that outstanding restricted stock unit awards and performance share unit awards held by Executive shall vest per the terms and conditions of the applicable plans and agreements for retirees.

(e) Medical/Dental Benefits. If Executive is a participant in the group medical and dental benefits sponsored by the Company on the day before the Termination Date, the Company shall provide continued medical and dental benefits in accordance with the terms and conditions of the governing medical and dental benefit plan documents through January 31, 2021, subject to Executive’s continued payment of premiums at the active rates. If enrolled in the Company’s health, dental, and welfare plans as of the Termination Date, Executive and any eligible dependents will be eligible to elect continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). Details about specific plan coverages, electing COBRA coverage, premium rates, conversion and distribution eligibility will be provided separately.

(f) Unemployment Benefits. The Company shall not contest Executive’s application for unemployment benefits.

(g) Career Transition Consulting Services. The Company will pay up to FORTY THOUSAND (\$40,000) for career counseling and career transition consulting services for Executive from a firm selected by the Company, in accordance with Company policy, during a period of one (1) year following the Effective Date. Executive must contact Nik Sakkas, Director, Crew and Values Relations, in order to initiate any such services. The Company shall pay the consulting firm directly for such services up to the amount specified above, and shall not pay Executive cash in lieu of such services.

(h) Travel Privileges. In addition to the Severance Plan benefits set forth in Section 3 above, the Company shall also provide Executive the travel privileges set forth in this Section 3(h). Notwithstanding Article IV.7 of the Severance Plan, the benefits set forth in this Section shall not offset or in any way reduce the Severance Plan benefits to which Executive is entitled. During the Salary Continuation Period set forth in Section 3(b) above, Executive shall receive flight benefits in effect prior to the Termination Date, subject to the terms and conditions of the Company's pass travel programs, including, but not limited to, any changes as may be required by Section 409A (as defined below). Following the Salary Continuation Period, Executive shall be eligible for lifetime positive space flight benefits on JetBlue, and standby travel benefits on OALs, subject to the terms and conditions of the Company's pass travel programs and any future changes to those programs, including, but not limited to any changes as may be required by Section 409A. As set forth in the JetBlue Pass Riding Guide, as may be amended from time to time, violation of the Company's pass riding guidelines shall result in the termination of all benefits set forth in this Section.

(i) OAL Retiree Flight Privileges. The Company agrees to use reasonable efforts to assist Executive in obtaining OAL retiree flight privileges (and badge, to the extent JetBlue issues such badges) upon Executive meeting the requirements of age plus years of service (minimum 10 years) adding up to 65.

(j) Executive Physical. Executive shall be eligible to have one annual executive physical pursuant to the Company's existing program through June 30, 2020.

4. Executive Representations. Executive hereby affirms that: (a) except for the consideration and benefits provided for in Section 3 above and payments required by law (which Executive acknowledges that Executive is only eligible to receive if Executive signs, returns and does not revoke this Agreement), Executive is not entitled to any other consideration or benefits of any kind from the Company, including, but not limited to, any claims for salary, bonuses, leave, severance pay, or any other payments or benefits whatsoever under any other Company plan or program; (b) Executive has no known workplace injuries or occupational diseases for which a claim for workers' compensation benefits could be made or an award of benefits could be issued and has not been denied any leave requested, whether paid or unpaid, under the Family and Medical Leave Act or any other law; (c) Executive, as of the date of Executive's execution of this Agreement, has neither filed nor caused to be filed any claim against the Company in any forum; (d) Executive finally affirms that Executive has not made any reports or filed any complaints that the Company engaged in any type of corporate fraud, wrongdoing or other unlawful policy or practice and Executive is not aware of nor has Executive observed any such fraud, wrongdoing or other unlawful policy or practice; and (e) the Company has no debts to Executive.

5. Release. In consideration of the obligations of the Company herein, specifically the payments and benefits described in Section 3 of this Agreement, of which Executive acknowledges that Executive is not otherwise entitled, Executive (on behalf of Executive and Executive's heirs, administrators, executors, administrators and assigns) hereby fully and forever unconditionally

releases and discharges the Company and all of its past or present subsidiaries, affiliates, predecessors, successors and assigns, and, with respect to each and all of the foregoing entities (including the Company), all of their respective present and former officers, directors, employees, insurers, agents (hereinafter referred to collectively as the “Releasees”), individually and in their official capacities, from any and all manner of actions and causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, claims and demands whatsoever which Executive, Executive’s heirs, executors, administrators and assigns has against the Releasees arising out of or by reason of any cause, matter or thing whatsoever occurring on or before the date Executive executes this Agreement, whether known or unknown, suspected or claimed, specifically mentioned herein or not, including, but not limited to, any or all matters relating to Executive’s employment by the Company and the separation thereof, Executive’s benefits, and all matters arising under any international, federal, state, or local statute, rule or regulation or principle of contract law or common law, in law or in equity, including, but not limited to, claims arising under Title VII of the Civil Rights Act of 1964, the Employee Retirement Income Security Act of 1974 (“ERISA”), the Older Workers Benefit Protection Act, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act of 1993 and the Age Discrimination in Employment Act of 1967, all as amended; all New York state labor and employment laws, including, but not limited to, New York Executive Law § 296 et al. and New York Labor Law Section 201 D; all New York City labor and employment laws, including, but not limited to, the New York City Administrative Code § 8-107 et al.; and any other international, federal, state or local law; provided, however, that nothing in this Section shall be construed as a release or waiver of any claim or right to payment under this Agreement, or any claim the release of which is expressly barred by law or that may arise after the execution of this Agreement (“Excluded Claims”). On the Termination Date, Executive will be provided with a Bring Down Release in the form attached as Annex A for execution as a condition to the severance payments provided in Section 3.

6. Covenant Not to Sue. Executive represents and agrees that Executive has not filed any claim, charge, allegation, or complaint for monetary damages, whether formal, informal, or anonymous, with any governmental agency, department or division, whether federal, state or local, relating to any Releasee in any manner, including without limitation, any Releasee’s business or employment practices. Except as provided in Section 13, Executive covenants and agrees never, individually or with any person or entity or in any way, to commence, aid in any way, prosecute or cause or permit to be commenced or prosecuted against any Releasee any action or other proceeding, including, without limitation, an arbitration or other alternative dispute resolution procedure, based upon any claim, demand, cause of action, obligation, damage, or liability that is the subject of the general release of claims contained in Section 5 of this Agreement or the Bring Down Release (collectively, the “Releases”) or is in connection with Executive’s employment or service with any Releasee or the termination thereof, excluding the Excluded Claims. If Executive takes any action to commence, aid in any way, prosecute or cause to permit to be commenced or prosecuted any action or proceeding against the Releasee that is the subject of the Releases or is in connection with Executive’s employment or service with any Releasee or the termination thereof, excluding the Excluded Claims, or if Executive breaches this Agreement in any way, the Company’s obligation to provide any payments pursuant to Section 3 shall immediately cease and, promptly after the date of such action by Executive, Executive must repay to the Company (other than \$100.00) any portion of the payments made pursuant to Section 3 previously paid. Executive also agrees to pay the

attorneys' fees and costs, or the proportions thereof, incurred by the applicable Releasee in defending against those claims. Notwithstanding the foregoing, nothing in this Agreement precludes Executive from challenging the validity of the Release under the requirements imposed by the Age Discrimination in Employment Act ("ADEA"), and Executive shall not be responsible for reimbursing the attorneys' fees and costs of any Releasee in connection with a challenge under the ADEA to the validity of the Release. However, Executive acknowledges that the Releases apply to all claims that he has under the ADEA, and that unless the Releases are held to be invalid, all such ADEA claims shall be extinguished.

7. Company Property. Executive shall return, on or prior to the Termination Date, all Company property in Executive's possession, including, but not limited to, credit cards, security key cards, telephone cards, mobile phone, computer software, electronic equipment, Company identification cards, laptop computers, Company records and copies of records, correspondence and copies of correspondence, and other books and manuals issued by the Company. After giving effect to such return, Executive represents and warrants that Executive has no Company records or copies of records or correspondence or copies of correspondence. Notwithstanding the foregoing, the Company has agreed that Executive shall retain his Company-issued cell phone and port the number to his personal account and, following such transfer, assume all responsibility for the bills associated with such cell phone use.

8. Protection of Confidential Information. Executive hereby acknowledges that Executive remains subject to and agrees to abide by any and all existing duties and obligations respecting confidential and/or proprietary information of the Company.

9. Confidentiality of the Agreement. Executive agrees that the terms and conditions of this Agreement are confidential and that Executive will not disclose the existence of this Agreement or any of its terms to any third party, other than to Executive's attorney, accountant or spouse or domestic partner, or as required by law or as may be necessary to enforce this Agreement or until the filing of this agreement with the U.S. Securities and Exchange Commission.

10. Restrictive Covenants.

(a) Non-Compete. (i) For a period of not less than four (4) months and up to six (6) months, to run concurrently with the Advisory Period and through the Termination Date, Executive agrees that Executive shall not, directly or indirectly, and whether as principal or investor or as an Executive, officer, director, manager, partner, consultant, agent or otherwise, alone or in association with any other person, firm, corporation or other business organization, carry on a Competing Business (as hereinafter defined) in any geographic area in which the Company is engaged. Notwithstanding the foregoing, upon Executive's written notice to the Company of Executive's desire to terminate the Advisory Period at least 120 days after the commencement of the Advisory Period and the reason for such early termination, with the prior written consent of the Company such consent to not be unreasonably withheld, Executive may terminate the Advisory Period after 120 days from the commencement of the Advisory Period.

(ii) For purposes of this agreement, a "Competing Business" is any enterprise which is engaged in any business competitive with that which the Company or any of its

wholly owned subsidiaries is at the time conducting; provided, however, that nothing herein shall limit Executive's right to own not more than 1% of any of the debt or equity securities of any business organization that is then filing reports with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended. For avoidance of doubt, "Competing Business" does not include the hotel industry, the car rental industry, vacation packaging entities (such as, for example, Expedia), cargo carriers or airlines based outside of the United States.

(b) Non-Solicit. The Executive acknowledges and agrees that the Executive will not, at any time during the Advisory Period and for twelve (12) months following the Termination Date, attempt to directly or indirectly (i) induce any crewmember of JetBlue Airways or its subsidiaries to be employed or perform services elsewhere, or (ii) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company or its affiliates to cease doing business with the Company or its affiliates, or in any way interfere with the relationship between the Company or its affiliates and any of their respective customers, suppliers, licensees or other business relations. As used herein, the term "indirectly" includes Executive using other individuals or entities to interfere with existing business relationships of the Company and Executive's permitting the use of Executive's name by any competitor of the Company to induce or interfere with any employee or business relationship of the Company. Positive statements concerning a new employer shall not be considered to violate this section 10(b) (ii) so long as none of the Company nor its employees are referenced or indicated.

(c) Remedies. Executive acknowledges that, in view of the nature of the Company's business and his prior position with the Company, the restrictions contained in Sections 10(a) and 10(b) of this Agreement are reasonable and necessary to protect the Company's legitimate business interests and that any violation of those provisions would result in irreparable injury to the Company. In the event of a breach, the Company shall be entitled to all available legal and equitable remedies of law, including, but not limited to a temporary restraining order and injunctive relief restraining Executive from the commission of any breach (without proving actual damages or posting a bond or other security).

(d) The courts shall be entitled to modify the duration and scope of any restriction contained in Section 10 of this Agreement to the extent such restriction would otherwise be unenforceable, and such restriction as modified shall be enforceable.

(e) The Parties understand and agree that notwithstanding Executive's duties hereunder, both during the Advisory Period and thereafter, he may (i) consult as a subject matter expert or executive research resource on a compensated basis so long as the compensation is de minimus and the expertise provided is industry-related (not Company-specific); (ii) teach at universities and (iii) serve on corporate and non-profit boards (so long as the corporate boards are not in the airline industry).

11. Non-Disparagement. Executive agrees that Executive will not publish or communicate to any person or entity Disparaging (as defined herein) remarks, comments or statements concerning the Releasees. The Company's officers shall not publish or communicate to any person or entity Disparaging remarks concerning Executive. "Disparaging" remarks,



comments, or statements are those that impugn the character, honesty, integrity, morality, or business acumen or abilities in connection with any aspect of the operation of the Company's business. Public comments concerning an airline other than the Company or the industry landscape in general shall not be considered to violate this provision; public comments negatively referencing the parties to this agreement would violate this provision.

12. Violation of this Agreement. Should Executive fail to provide prompt notice of alternate employment, violate the restrictive covenants in Section 10(a), 10(b) or 11; or if Executive is terminated for Cause (as defined in the JetBlue Airways Severance Plan) during the Advisory Period, Executive's employment shall terminate, the Company's obligation to make or continue future payments and benefits under this Agreement or under the Plan shall terminate, and Executive shall be required to repay to the Company any payments and benefits previously paid to him (other than amounts required by law and \$1.00) under this Agreement within three business days of him engaging in the Competing Business activity. Executive must notify JetBlue Airways Corporation, 27-01 Queens Plaza North, Long Island City, New York 11101, Attention: General Counsel within 5 business days of his intent to resign his employment during the Advisory Period. Any rights to vested (non-severance plan) retirement benefits shall be controlled by the governing plan documents.

13. Non-Assignment of Rights. Executive warrants that Executive has not assigned or transferred any right or claim described in the general release given in Section 5 above.

14. Protected Rights. Notwithstanding any other provision of this Agreement, nothing herein is intended to prevent Executive from disclosing information to any federal, state or local government agency under any whistleblower or similar statute. Executive may do so without disclosure to the Company, and the Company may not retaliate against Executive for such activity. For the sake of clarity and notwithstanding anything in this Separation Agreement to the contrary, no provision of this Separation Agreement shall be construed or enforced in a manner that would limit or restrict Executive from exercising any legally protected whistleblower rights (including, without limitation, pursuant to Rule 21F under the Securities Exchange Act of 1934). Further, Executive shall not be held criminally or civilly liable under any federal, state or local law for any disclosure of a trade secret that: (a) is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, in each case where such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the Company's trade secrets to Executive's attorney and use the applicable trade secret information in the court proceeding if Executive files any document containing the trade secret under seal and does not disclose the trade secret except pursuant to court order. No provision of this Agreement shall prevent Executive from filing a charge with, participating in any proceeding by or before the Equal Employment Opportunity Commission or comparable state or local agency to the extent permitted by law; provided, however, that Executive acknowledges and agrees that Executive hereby waives any and all right to any monetary or personal relief or recovery resulting from such proceeding or any other proceeding related to any cause or matter settled or waived pursuant to this Agreement.

15. Consideration Period. Executive acknowledges that Executive may take up to 21 calendar days from the date hereof to review and to consider whether or not Executive will accept this Agreement (the "Consideration Period"). To the extent that Executive has elected to enter into this Agreement prior to the end of the Consideration Period, Executive has done so voluntarily and has knowingly waived any remainder of the Consideration Period.

16. Acknowledgements. Executive acknowledges that Executive: (a) has carefully read this Agreement in its entirety; (b) has had an opportunity to consider it fully for up to 21 days; (c) has been, and is hereby, advised by the Company in writing to consult with an attorney of Executive's own choosing in connection with this Agreement; (d) fully understands the significance of all of the terms and conditions of this Agreement and has discussed them with an independent attorney of Executive's own choosing or has had a reasonable opportunity to do so; (e) has had answered to Executive's satisfaction any questions Executive has asked with regard to the meaning and significance of any of the terms or provisions of this Agreement; and (f) is signing this Agreement voluntarily and of Executive's own free will and agrees to all the terms and conditions contained herein.

17. Revocation Period and Effective Date. Executive may accept this Agreement by signing it and returning it (by overnight or hand delivery) to JetBlue Airways Corporation, 27-01 Queens Plaza North, Long Island City, New York 11101 (attn: Mike Elliott, Chief People Officer, JetBlue Airways Corporation) prior to the end of the Consideration Period. Executive may revoke this Agreement for a period of seven (7) calendar days after its execution (the "Revocation Period") by delivering to the Company at the above address a notarized written notice of Executive's desire to revoke the Agreement that is received by no later than 5:00 PM Eastern Time on the last day comprising the Revocation Period; provided, that if the last day of the Revocation Period would otherwise fall on a Saturday, Sunday or legal holiday, the last day of the Revocation Period shall instead be deemed to be the next business day. This Agreement shall become effective and irrevocable automatically upon the expiration of the Revocation Period, if Executive does not revoke it in the aforesaid manner (the "Effective Date"). In the event that Executive does not accept this Agreement within the Consideration Period as set forth above, or Executive revokes it during the Revocation Period, the terms of this Agreement shall immediately become null and void and Executive will not be eligible for the payments described herein.

18. Duty to Cooperate. In the event that any non-party to this Agreement, including, but not limited to, any current or former crewmember of, or applicant/candidate for employment with, the Company, or any governmental agency, issues a subpoena to, or requests information or documents from, Executive relating to Executive's employment at the Company, Executive agrees that, within five (5) days of receiving any such subpoena or request, Executive will notify Brandon Nelson, General Counsel and Corporate Secretary, 27-01 Queens Plaza North, Long Island City, New York 11101 of such subpoena or Request and shall make no disclosure until the Company has had a reasonable opportunity to contest the right of the requesting person or entity to such disclosure. Executive further agrees to provide full and reasonable cooperation with the Company and its counsel in connection with any investigation, administrative proceeding or litigation relating to any matter in which Executive was involved during Executive's employment with the Company or of which Executive has knowledge, including by meeting with the Company and its counsel and/or

providing testimony after being provided with reasonable notice. The Company shall work with Executive on reasonably scheduling any meetings and/or appearances. Following Executive's Termination Date, the Company will reimburse Executive for all reasonable business expenses incurred by Executive in connection with such cooperation or in assisting the Company under this provision for non-testimonial activities, including investigations, trial preparation and document reviews.

19. No Admission of Liability. It is understood and agreed that the execution of this Agreement by the Company is not to be construed as an admission of any liability on its part to Executive other than to comply with the terms of this Agreement.

20. Tax Liability. All amounts payable and benefits provided under this Agreement shall be subject to deductions for taxes and other withholdings as required by applicable law. Executive acknowledges that Executive bears the responsibility to pay all taxes on the payments described in Section 3 above.

21. Section 409A

(a) General Compliance. This Agreement will be interpreted and administered in a manner consistent with Section 409A of the Internal Revenue Code of 1986, as amended, and Department of the Treasury regulations and other interpretive guidance promulgated thereunder (together, "Section 409A"). Notwithstanding any other provision of this Agreement, payments provided under this Agreement will be made only upon an event and in a manner that complies with Section 409A or an applicable exemption therefrom. Each payment or separate installment made to Executive pursuant to this Agreement will be designated as a separate payment for purposes of Section 409A. Any payments to be made upon termination of employment will be made only upon a "separation from service" within the meaning of Section 409A. Notwithstanding this Section 20, the Company makes no representation that the payments and benefits provided under this Agreement will comply with Section 409A, and in no event will the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Executive on account of noncompliance with Section 409A. The Company may modify the payments and benefits provided under this Agreement at any time solely as necessary to avoid adverse tax consequences under Section 409A; provided, however, that this Section 21(a) shall not create any obligation on the part of the Company to do so.

(b) Specified Employees. If at any time the Company determines that Executive is a "specified employee" within the meaning of Section 409A, any amounts of nonqualified deferred compensation payable to Executive by reason of termination of employment, pursuant to this Agreement or otherwise, will not be paid until the earlier of the first payroll date to occur following the six-month anniversary of Executive's separation from service or, if earlier, following Executive's death. The aggregate amount of any payments that would otherwise have been made before such date will be paid to Executive, without interest, in a lump sum on such payroll

date, and thereafter, any remaining payments will be paid without delay in accordance with the original schedule of payment.

(c) Reimbursements and In-Kind Benefits. The amount of any in-kind benefits provided or expenses for which Executive is eligible to receive reimbursement during any calendar year will not affect the amount of any in-kind benefits provided or expenses for which Executive is eligible to receive reimbursement during any other calendar year, and any rights to reimbursement or in-kind benefits will not be subject to liquidation or exchange for any other benefit.

22. Governing Law; Jurisdiction. This Agreement shall be governed by and construed in all respects in accordance with the laws of the State of New York applicable to contracts fully executed and performed entirely in such State. Any legal action or proceeding with respect to this Agreement shall be brought in the state and federal courts encompassing Long Island City, New York. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts with respect to any legal action or proceeding with respect to this Agreement. The parties also agree to waive any right to a jury trial in connection with alleged breach of this Agreement.

23. Entire Agreement. This Agreement constitutes the sole and entire agreement between the Company and Executive regarding the terms and conditions of Executive's separation from the Company, and supersedes any and all prior or simultaneous representations, discussions, negotiations, plans, programs and agreements, whether written or oral, if any, regarding the terms and conditions of Executive's separation from the Company.

24. Modification. No provision of this Agreement shall be amended, waived or modified except by an instrument in writing signed by the parties hereto that explicitly states the intent of the parties to supplement the terms of this Agreement.

25. Counterparts. This Agreement may be executed in separate counterparts (including by electronic signature or transmission), each of which shall be considered an original and all of which together shall constitute one and the same instrument.

\* \* \* \*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

**JetBlue Airways Corporation**

/s/ Mike Elliott  
By: Mike Elliott  
Title: *Chief People Officer*

July 15, 2019  
Date

**Accepted and Agreed:**

/s/ Martin St. George  
Martin St. George

July 15, 2019  
Date

[Signature page to Separation Agreement and General Release]

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**ANNEX A****Bring Down Release**

This Bring Down Release forms a part of the Separation Agreement and General Release (the "Separation Agreement") between Martin St. George ("Executive") by JetBlue Airways Corporation (the "Company"), dated \_\_\_\_\_, 2019.

1. In consideration of the obligations of the Company in the Separation Agreement, specifically the payments and benefits described in Section 3 of the Separation Agreement, of which Executive acknowledges that Executive is not otherwise entitled, Executive (on behalf of Executive and Executive's heirs, administrators, executors, administrators and assigns) hereby fully and forever unconditionally releases and discharges the Company and all of its past or present subsidiaries, affiliates, predecessors, successors and assigns, and, with respect to each and all of the foregoing entities (including the Company), all of their respective present and former officers, directors, employees, insurers, agents (hereinafter referred to collectively as the "Releasees"), individually and in their official capacities, from any and all manner of actions and causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, claims and demands whatsoever which Executive, Executive's heirs, executors, administrators and assigns has against the Releasees arising out of or by reason of any cause, matter or thing whatsoever occurring on or before the date Executive executes this Agreement, whether known or unknown, suspected or claimed, specifically mentioned herein or not, including, but not limited to, any or all matters relating to Executive's employment by the Company and the separation thereof, Executive's benefits, and all matters arising under any international, federal, state, or local statute, rule or regulation or principle of contract law or common law, in law or in equity, including, but not limited to, claims arising under Title VII of the Civil Rights Act of 1964, the Employee Retirement Income Security Act of 1974 ("ERISA"), the Older Workers Benefit Protection Act, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act of 1993 and the Age Discrimination in Employment Act of 1967, all as amended; all New York state labor and employment laws, including, but not limited to, New York Executive Law § 296 et al. and New York Labor Law Section 201 D; all New York City labor and employment laws, including, but not limited to, the New York City Administrative Code § 8-107 et al.; and any other international, federal, state or local law; provided, however, that nothing in this Section shall be construed as a release or waiver of any claim or right to payment under the Separation Agreement, or any claim the release of which is expressly barred by law or that may arise after the execution of this Bring Down Release ("Excluded Claims").

2. Executive acknowledges that Executive may take up to 21 calendar days from the date hereof to review and to consider whether or not Executive will accept this Bring Down Release (the "Consideration Period"). To the extent that Executive has elected to enter into this Bring Down Release prior to the end of the Consideration Period, Executive has done so voluntarily and has knowingly waived any remainder of the Consideration Period.

3. Executive acknowledges that Executive: (a) has carefully read this Bring Down Release in its entirety; (b) has had an opportunity to consider it fully for up to 21 days; (c) has been, and is hereby, advised by the Company in writing to consult with an attorney of Executive's own choosing in connection with this Bring Down Release; (d) fully understands the significance of all of the terms and conditions of this Bring Down Release and has discussed them with an independent attorney of Executive's own choosing or has had a reasonable opportunity to do so; (e) has had answered to Executive's satisfaction any questions Executive has asked with regard to the meaning and significance of any of the terms or provisions of this Bring Down Release; and (f) is signing this Bring Down Release voluntarily and of Executive's own free will and agrees to all the terms and conditions contained herein.

4. Executive may accept this Bring Down Release by signing it and returning it (by overnight or hand delivery) to JetBlue Airways Corporation, 27-01 Queens Plaza North, Long Island City, New York 11101 (attn: Mike Elliott, Chief People Officer, JetBlue Airways Corporation) prior to the end of the Consideration Period. Executive may revoke this Agreement for a period of seven (7) calendar days after its execution (the "Revocation Period") by delivering to the Company at the above address a notarized written notice of Executive's desire to revoke the Agreement that is received by no later than 5:00 PM Eastern Time on the last day comprising the Revocation Period; provided, that if the last day of the Revocation Period would otherwise fall on a Saturday, Sunday or legal holiday, the last day of the Revocation Period shall instead be deemed to be the next business day. This Bring Down Release shall become effective and irrevocable automatically upon the expiration of the Revocation Period, if Executive does not revoke it in the aforesaid manner (the "Effective Date"). In the event that Executive does not accept this Bring Down Release within the Consideration Period as set forth above, or Executive revokes it during the Revocation Period, Executive will not be eligible for any further payments under the Separation Agreement.

5. All other provisions of the Separation Agreement remain in full force and effect.

**Accepted and Agreed:**

Martin St. George

Date

FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT (this “First Amendment”), dated as of August 1, 2019 among JETBLUE AIRWAYS CORPORATION, a Delaware corporation (the “Borrower”), CITIBANK, N.A., as administrative agent for the Lenders party to the Credit Agreement referred to below (in such capacity, together with its successors and permitted assigns in such capacity, the “Administrative Agent”) and as Issuing Lender and the Consenting Lenders (as defined below). Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the respective meanings provided to such terms in the Credit Agreement referred to below (as amended by this First Amendment).

WITNESSETH:

WHEREAS, the Borrower and certain of its subsidiaries from time to time, as guarantors, the Lenders and the Administrative Agent are parties to the Amended and Restated Credit and Guaranty Agreement dated as of April 6, 2017 (as amended, modified and supplemented and in effect on the date hereof, the “Credit Agreement”) consisting of a \$425,000,000 revolving credit facility;

WHEREAS, the Borrower has proposed to (i) extend the Revolving Facility Maturity Date to August 1, 2023, (ii) upsize the existing Revolving Commitments by \$125,000,000 to a Total Revolving Commitment of \$550,000,000 and (iii) make certain other changes as described herein, in each case on the terms and conditions set forth herein; and

WHEREAS, each Revolving Lender immediately prior to the effectiveness of this First Amendment (each, a “Consenting Lender”) desires to consent to the amendments set forth herein.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1 - Credit Agreement Amendments.

(a) Subject to the satisfaction of the conditions set forth in Section 2 hereof, the Credit Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken-text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached hereto as Exhibit A.

SECTION 2 - Conditions to Effectiveness. This First Amendment shall become effective on the date when each of the following conditions specified below shall have been satisfied (the “First Amendment Effective Date”):



(a) Executed Amendment. The Administrative Agent shall have received signed signature pages to this First Amendment from the Borrower, Citibank, N.A. (as Administrative Agent, Lender and Issuing Lender) and the Consenting Lenders.

(b) Supporting Documents. The Administrative Agent shall have received in form and substance reasonably satisfactory to the Administrative Agent:

(i) from the Borrower, a certificate of the Secretary of State of the state of Delaware, dated as of a recent date, as to the good standing of that entity and as to the charter documents on file in the office of such Secretary of State;

(ii) from the Borrower, a certificate of the Corporate Secretary or an Assistant Corporate Secretary (or similar officer) of such entity dated the First Amendment Effective Date and certifying (A) that attached thereto is a true and complete copy of the certificate of incorporation and the by-laws of that entity as in effect on the date of such certification, (B) that attached thereto is a true and complete copy of resolutions adopted by the board of directors of that entity authorizing the execution, delivery and performance by it of this First Amendment, (C) that the certificate of incorporation of that entity has not been amended since the date of the last amendment thereto indicated on the certificate of the Secretary of State furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer of that entity executing this First Amendment or any other document delivered by it in connection herewith (in each case to the extent such entity is a party to such document) (such certificate to contain a certification by another officer of that entity as to the incumbency and signature of the officer signing the certificate referred to in this clause (ii)); and

(iii) from the Borrower, an Officer's Certificate certifying (A) as to the truth in all material respects of the representations and warranties set forth in Section 3 of this First Amendment as though made by it on the First Amendment Effective Date, except to the extent that any such representation or warranty relates to a specified date, in which case as of such date (provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects as of the applicable date, before and after giving effect to this First Amendment) and (B) as to the absence of any event occurring and continuing, or resulting from the transactions contemplated hereby to occur on the First Amendment Effective Date, that constitutes a Default or an Event of Default.

(c) Opinions of Counsel. The Administrative Agent shall have received:

(i) a written opinion of Brandon Nelson, General Counsel for the Borrower, dated the First Amendment Effective Date, in form and substance reasonably satisfactory to the Administrative Agent; and

(ii) a written opinion of Debevoise & Plimpton LLP, special New York counsel to the Borrower, dated the First Amendment Effective Date, in form and substance reasonably satisfactory to the Administrative Agent.

(d) Payment of Expenses. The Borrower shall have paid all reasonable and documented out-of-pocket expenses of the Administrative Agent (including reasonable attorneys' fees of Milbank LLP) for which invoices have been presented at least one Business Day prior to the First Amendment Effective Date.

(e) Representations and Warranties. All representations and warranties of the Borrower set forth in Section 3 of this First Amendment shall be true and correct in all material respects on and as of the First Amendment Effective Date, before and after giving effect to the transactions contemplated hereby to occur on the First Amendment Effective Date, as though made on and as of such date (except to the extent any such representation or warranty by its terms is made as of a different specified date, in which case as of such specified date); provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to the transactions contemplated hereby to occur on the First Amendment Effective Date.

(f) No Default or Event of Default. Before and after giving effect to the transactions contemplated hereby to occur on the First Amendment Effective Date, no Default or Event of Default shall have occurred and be continuing on the First Amendment Effective Date.

The Administrative Agent shall promptly notify the parties hereto and the other Lenders of the occurrence of the First Amendment Effective Date.

SECTION 3 - Representations and Warranties. In order to induce the other parties hereto to enter into this First Amendment, the Borrower represents and warrants to each of such other parties that on and as of the date hereof after giving effect to this First Amendment:

(a) no Event of Default has occurred and is continuing or would result from giving effect to the First Amendment; and

(b) the representations and warranties contained in the Credit Agreement and the other Loan Documents (other than the representations and warranties set forth in Sections 3.05(b), 3.06 and 3.09(a) of the Credit Agreement), are true and correct in all material respects on and as of the date hereof with the same effect as if made on and as of the date hereof except to the extent that such representations and warranties expressly relate to an earlier date and in such case as of such date; provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to the First Amendment.

SECTION 4 - Reference to and Effect on the Credit Agreement; Ratification. At and after the effectiveness of this First Amendment, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this First Amendment. The Credit Agreement and each of the other Loan Documents, as specifically amended by this First Amendment, and the obligations of the Borrower hereunder and

thereunder, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. The parties hereto confirm and agree that the term “Obligations” as used in the Credit Agreement shall include all obligations of the Borrower under the Credit Agreement, as amended by this First Amendment. This First Amendment shall be deemed to be a “Loan Document” for all purposes of the Credit Agreement and the other Loan Documents. The execution, delivery and effectiveness of this First Amendment shall not, except as expressly provided herein, operate as an amendment or waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute an amendment or waiver of any provision of any of the Loan Documents.

SECTION 5 - Execution in Counterparts. This First Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This First Amendment shall become effective as set forth in Section 2, and from and after the First Amendment Effective Date shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted transferees and permitted assigns. Delivery of an executed counterpart of a signature page of this First Amendment by facsimile or electronic .pdf copy shall be effective as delivery of a manually executed counterpart of this First Amendment.

SECTION 6 - Governing Law. THIS FIRST AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS FIRST AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 7 - Waiver of Notice. The Administrative Agent and each Consenting Lender waives the requirement for it to receive the notice specified in Sections 2.27(a) and 2.28(d) with respect to the transactions contemplated by this First Amendment.

[REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed and delivered as of the day and year above written.

CITIBANK, N.A.,  
as Administrative Agent, Lender and  
Issuing Lender

By: /s/ Meghan O'Connor  
Name: Meghan O'Connor  
Title: Vice President

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JETBLUE AIRWAYS CORPORATION

By: /s/ Stephen J. Priest  
Name: Stephen J. Priest  
Title: Chief Financial Officer

#4835-7899-9450v13

#4834-7509-9972

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APPLE BANK FOR SAVINGS, as Lender

By: /s/ Dana Richard MacKinnon

Name: Dana Richard MacKinnon

Title: First Vice President, Export Credit and Corporate Finance

BANK OF AMERICA, N.A., as Lender

By: /s/ Prathamesh Kshirsagar  
Name: Prathamesh Kshirsagar  
Title: Vice President

BARCLAYS BANK PLC, as Lender

By: /s/ Sean Duggan

Name: Sean Duggan

Title: Vice President



BNP PARIBAS, as Lender

By: /s/ Thomas C. Iacono  
Name: Thomas C. Iacono  
Title: Vice President

By: /s/ Melissa Dyki  
Name: Melissa Dyki  
Title: Director

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as Lender

By: /s/ Alexander Averbukh  
Name: Alexander Averbukh  
Title: Managing Director

By: /s/ Brian Bolotin  
Name: Brian Bolotin  
Title: Managing Director

COLUMBIA STATE BANK, as Lender

By: /s/ Colin Duffy

Name: Colin Duffy

Title: Senior Vice President

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GOLDMAN SACHS BANK USA, as Lender

By: /s/ Ryan Durkin

Name: Ryan Durkin

Title: Authorized Signatory

MORGAN STANLEY SENIOR FUNDING, INC., as Lender

By: /s/ Michael King  
Name: Michael King  
Title: Vice President

MORGAN STANLEY BANK, N.A., as Lender

By: /s/ Michael King  
Name: Michael King  
Title: Authorized Signatory

Exhibit A

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AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

dated as of April 6, 2017

among

JETBLUE AIRWAYS CORPORATION,

as Borrower,

THE SUBSIDIARIES OF THE BORROWER PARTY HERETO,

as Guarantors,

THE LENDERS PARTY HERETO,

and

CITIBANK, N.A.,

as Administrative Agent



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SCHEDULE 3.06 – Subsidiaries

AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT, dated as of April 6, 2017, among JETBLUE AIRWAYS CORPORATION, a Delaware corporation (“the Borrower”), the direct and indirect Domestic Subsidiaries of the Borrower from time to time party hereto, each of the several banks and other financial institutions or entities from time to time party hereto (the Lenders), and CITIBANK, N.A. (“Citibank”), as administrative agent for the Lenders (together with its permitted successors in such capacity, the Administrative Agent”).

### INTRODUCTORY STATEMENT

The Borrower, the various lenders party thereto (the Existing Lenders) and the Administrative Agent are parties to a Credit and Guaranty Agreement, dated as of April 23, 2013, as amended by the First Amendment to Credit and Guaranty Agreement, dated as of November 3, 2014 (the Existing Credit Agreement”).

Each of the Existing Lenders and each other lender party hereto shall become or continue as a “Lender” under the Existing Credit Facility as amended and restated by this Agreement.

The Borrower has applied to the Lenders for a revolving credit and revolving letter of credit facility in an aggregate principal amount not to exceed \$425,000,000 as set forth herein.

The proceeds of the Loans will be used for working capital and other general corporate purposes of the Borrower and its Subsidiaries.

To provide guarantees and security for the repayment of the Loans, the reimbursement of any draft drawn under a Letter of Credit and the payment of the other obligations of the Borrower and the Guarantors hereunder and under the other Loan Documents, the Borrower and the Guarantors will, among other things, provide to the Administrative Agent and the Lenders the following (each as more fully described herein):

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(a) a guaranty from each Guarantor of the due and punctual payment and performance of the Obligations of the Borrower pursuant to Section 9 hereof; and

(b) a security interest in or mortgages (or comparable Liens) with respect to the Collateral from the Borrower and each other Guarantor (if any) pursuant to the Collateral Documents.

Accordingly, the parties hereto hereby agree as follows:

## SECTION 1.

### DEFINITIONS

#### Section 1.01. Defined Terms.

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, is bearing interest at a rate determined by reference to the Alternate Base Rate.

“Account” shall mean all “accounts” as defined in the UCC, and all rights to payment for interest (other than with respect to debt and credit card receivables).

“Account Control Agreements” shall mean each three-party security and control agreement entered into by any Grantor, the Administrative Agent and a financial institution which maintains one or more deposit accounts or securities accounts that have been pledged to the Administrative Agent as Collateral hereunder or under any other Loan Document, in each case giving the Administrative Agent exclusive control over the applicable account and in form and substance reasonably satisfactory to the Administrative Agent and as the same may be amended, restated, modified, supplemented, extended or amended and restated from time to time.

“Account Debtor” shall mean the Person obligated on an Account.

“Additional Collateral” shall mean (a) cash that is denominated in Dollars and Cash Equivalents pledged to the Administrative Agent (and subject to an Account Control Agreement), (b) any Eligible Aircraft, Eligible Engines and Eligible Spare Parts of the Borrower or any Grantor, (c) Slots of the Borrower at any Eligible Airport (which shall include any Gate Leaseholds necessary for servicing the scheduled air carrier service utilizing such Slots) and (d) Flight Simulators, and all of which assets shall (i) (other than Additional Collateral of the type described in clause (a) above and new spare Engines subject to proviso (iii) in the first sentence of Section 5.07) be valued by a new Appraisal at the time the Borrower designates such assets as Additional Collateral and (ii) as of any date of addition of such assets as Collateral, be subject, to the extent purported to be created by the applicable Collateral Document, to a perfected first priority Lien and/or mortgage (or comparable Lien), in favor of the Administrative Agent and otherwise subject only to Permitted Liens (excluding those referred to in clauses (5) and (11) of

the definition of “Permitted Lien” and, until the time such assets actually become subject to such Lien on such date, clause (2) of the definition of “Permitted Liens”).

“Administrative Agent” shall have the meaning set forth in the first paragraph of this Agreement.

“Administrator” shall have the meaning given it in the Regulations and Procedures for the International Registry.

“Affiliate” shall mean, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, a Person (a “Controlled Person”) shall be deemed to be “controlled by” another Person (a “Controlling Person”) if the Controlling Person possesses, directly or indirectly, power to direct or cause the direction of the management and policies of the Controlled Person whether by contract or otherwise.

“Agreement” shall mean this Amended and Restated Credit and Guaranty Agreement, as the same may be amended, restated, modified, supplemented, extended or amended and restated from time to time.

“Aggregate Exposure” shall mean, with respect to any Lender at any time, an amount equal to the amount of such Lender’s Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender’s Revolving Extensions of Credit then outstanding.

“Aggregate Exposure Percentage” shall mean, with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

“Aircraft” means any contrivance invented, used, or designed to navigate, or fly in, the air.

“Aircraft and Spare Engine Mortgage” means the Mortgage and Security Agreement, in substantially the form of Exhibit E, entered into by the Borrower and the Administrative Agent, as the same may be amended, restated, modified, supplemented, extended or amended and restated from time to time.

“Aircraft Appraiser” shall mean (i) MBA, (ii) IBA, (iii) Ascend or (iv) any other independent appraisal firm appointed by the Borrower and reasonably satisfactory to the Administrative Agent.

“Aircraft Protocol” means the official English language text of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements and revisions thereto, as in effect in the United States.

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“Airport Authority” shall mean any city or any public or private board or other body or organization chartered or otherwise established for the purpose of administering, operating or managing airports or related facilities, which in each case is an owner, administrator, operator or manager of one or more airports or related facilities.

“Alternate Base Rate” shall mean, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the sum of the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the sum of the One-Month LIBOR in effect on such day plus 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the One-Month LIBOR shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the One-Month LIBOR, respectively.

“Amendment No. 1 Effective Date” means [August 1, 2019](#).

“Anti-Corruption Laws” means all laws, rules and regulations of the United States applicable to the Borrower or its Subsidiaries from time to time intended to prevent or restrict bribery or corruption.

“Appliance” shall mean any instrument, equipment, apparatus, part, appurtenance, or accessory used, capable of being used, or intended to be used, in operating or controlling Aircraft in flight, including a parachute, communication equipment, and another mechanism installed in or attached to Aircraft during flight, and not a part of an Aircraft, Engine, or Propeller.

“Applicable Margin” shall mean (a) for ABR Loans, 1.00% and (b) for Eurodollar Loans, 2.00%.

“Appraisal” means (i) the Initial Appraisal and (ii) any other appraisal, dated the date of delivery thereof, prepared by (A) in the case of Aircraft or Engines, the Aircraft Appraiser, (B) in the case of Slots, MBA or another independent appraisal firm appointed by the Borrower and reasonably satisfactory to the Administrative Agent or, (C) in the case of Spare Parts or Flight Simulators, ICF or another independent appraisal firm appointed by the Borrower and reasonably satisfactory to the Administrative Agent, which certifies, at the time of determination, in reasonable detail the Appraised Value of Collateral and (x) in the case of Aircraft or Engines, is a “desk-top” appraisal of the fair market value assuming half-life condition, except that any such equipment that is Stored shall have an assumed value of zero, (y) in the case of FAA Slots, Gate Leaseholds or Spare Parts, whose methodology and form of presentation are consistent in all material respects with the methodology and form of presentation of the Initial Appraisal applicable to such type of Collateral and (z) in the case of any Collateral, which is addressed to the Administrative Agent and otherwise in form and substance reasonably satisfactory to the Administrative Agent.

“Appraised Value” shall mean, as of any date of determination, with respect to any Collateral (other than cash and Cash Equivalents pledged as Collateral), the aggregate fair market value of such Collateral as reflected in the most recent Appraisal delivered to the



Administrative Agent in respect of such Collateral in accordance with this Agreement as of that date (for the avoidance of doubt, except in the case of Pledged Spare Parts, calculated after giving effect to any additions to or eliminations from the Collateral since the date of delivery of such Appraisal), provided that:

(i) in the case of any Appraisal of Aircraft or Engines delivered after the Closing Date, (x) such Appraisal shall, at the Borrower's expense, be prepared by the Aircraft Appraiser and (y) the Borrower shall have the right to obtain two additional Appraisals from two other appraisal firms named on Annex B (or other appraisal firms appointed by the Borrower and reasonably satisfactory to the Administrative Agent) no later than 30 days after the Appraisal referred to in the preceding clause (x) shall have been delivered to the Administrative Agent, in which case the Appraised Value of the applicable Aircraft or Engines shall be the average of the three Appraisals;

(ii) if any Pledged Slots at an airport have been added to or eliminated from the Collateral since the most recent Appraisal of the Pledged Slots at such airport and such Appraisal assigned differing Appraised Values to Pledged Slots at such airport based on criteria set forth therein, such added or eliminated Pledged Slots at such airport shall be assigned an Appraised Value in accordance with such criteria set forth in such Appraisal for purposes of determining the Appraised Value of all remaining Pledged Slots; and

(iii) if any new spare Engine added to the Collateral within 90 days after delivery from the manufacturer to Borrower is an Existing Engine Type, the initial Appraised Value for such new spare Engine shall be the higher of (x) the highest Appraised Value for any pledged spare Engines then included in the Collateral of such Existing Engine Type, determined using the most recent Appraisal delivered to the Administrative Agent in respect of the applicable pledged spare Engine, or (y) if the Borrower elects to provide a new Appraisal with respect to any new spare Engine being added to the Collateral, the Appraised Value given to such new spare Engine in such initial Appraisal, in each case at the Borrower's election.

“Approved Fund” shall have the meaning given such term in Section 10.02(b).

“ARB Indebtedness” shall mean, with respect to the Borrower or any of its Subsidiaries, without duplication, all Indebtedness or obligations of the Borrower or such Subsidiary created or arising with respect to any limited recourse revenue bonds issued for the purpose of financing or refinancing improvements to, or the construction or acquisition of, airport and other related facilities and equipment, the use or construction of which qualifies and renders interest on such bonds exempt from certain federal or state taxes.

“Ascend” shall mean Ascend FG Advsiory.

“Assignment and Acceptance” shall mean an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.02), and accepted by the Administrative Agent, substantially in the form of Exhibit C.

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“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Banking Product Obligations” means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of such Person in respect of any treasury, depository and cash management services, netting services and automated clearing house transfers of funds services, including obligations for the payment of fees, interest, charges, expenses, attorneys’ fees and disbursements in connection therewith.

“Bankruptcy Code” shall mean The Bankruptcy Reform Act of 1978, as heretofore and hereafter amended, and codified as 11 U.S.C. Section 101 et seq.

“Bankruptcy Event” shall mean, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Bankruptcy Law” means the Bankruptcy Code or any similar federal or state law for the relief of debtors.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

[“BHC Act Affiliate” of a party means an “affiliate” \(as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841\(k\)\) of such party.](#)

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“Board” shall mean the Board of Governors of the Federal Reserve System of the United States.

“Board of Directors” means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;
- (2) with respect to a partnership, the Board of Directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members, manager or managers or any controlling committee of managing members or managers thereof; and
- (4) with respect to any other Person, the board or committee of such Person serving a similar function.

“Borrower” shall have the meaning set forth in the first paragraph of this Agreement.

“Borrowing” shall mean the incurrence, conversion or continuation of Loans of a single Type made from all the Revolving Lenders on a single date and having, in the case of Eurodollar Loans, a single Interest Period.

“Borrowing Base” shall mean, as of any date of determination, the sum of:

- (a) 62.5% of the aggregate Appraised Value of the Pledged Slots and Pledged Gate Leaseholds, plus
- (b) 60.0% of the aggregate Appraised Value of the Flight Simulators included in the Collateral at such time (provided that the Appraised Value of Flight Simulators included in the Borrowing Base shall not exceed 15% of the aggregate Appraised Value of all Collateral), plus
- (c) 75% of the aggregate Appraised Value of the Pledged Engines, plus
- (d) 75% of the aggregate Appraised Value of the Pledged Aircraft, plus
- (e) 75% of the aggregate Appraised Value of the Pledged Spare Parts, plus
- (f) the sum of (i) 100% of the amount of cash and Cash Equivalents of the type described in clause (1) of the definition thereof pledged at such time as Collateral and (ii) 62.5% of the amount of Cash Equivalents of the type described in clauses (2) through (11) of the definition thereof pledged at such time as Collateral (excluding any cash used to Cash Collateralize LC Exposure pursuant to Section 2.02(j));

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determined (i) in the case of clauses (a)-(e) above, using the most recent Appraisal delivered to the Administrative Agent in respect of the applicable Collateral and (ii) in each case, excluding the Appraised Value of any Collateral that is not Eligible Collateral.

“Business Day” shall mean any day other than a Saturday, Sunday or other day on which commercial banks in New York City are required or authorized to remain closed (and, for a Letter of Credit, other than a day on which the Issuing Lender issuing such Letter of Credit is closed); provided, however, that when used in connection with the borrowing or repayment of a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in Dollar deposits on the London interbank market.

“Cape Town Convention” shall mean the official English language text of the Convention on International Interests in Mobile Equipment, adopted on November 16, 2001 at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements and revisions thereto, as in effect in the United States.

“Cape Town Treaty” shall mean, collectively, (a) the Cape Town Convention, (b) the Aircraft Protocol, and (c) all rules and regulations (including but not limited to the Regulations and Procedures for the International Registry) adopted pursuant thereto and all amendments, supplements and revisions thereto.

“Capital Lease Obligation” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized and reflected as a liability on a balance sheet prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“Capital Markets Offering” means any offering of “securities” (as defined under the Securities Act) in (a) a public offering registered under the Securities Act, or (b) an offering not required to be registered under the Securities Act (including, without limitation, a private placement under Section 4(2) of the Securities Act, an exempt offering pursuant to Rule 144A and/or Regulation S of the Securities Act and an offering of exempt securities).

“Capital Stock” means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“Cash Collateralization” or “Cash Collateralized” shall have the meaning given such term in Section 2.02(j).

“Cash Equivalents” means:

(1) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States), in each case maturing within one year from the date of acquisition thereof;

(2) direct obligations of state and local government entities, in each case maturing within one year from the date of acquisition thereof, which have a rating of at least A- (or the equivalent thereof) from S&P or A3 (or the equivalent thereof) from Moody’s;

(3) obligations of domestic or foreign companies and their subsidiaries (including, without limitation, agencies, sponsored enterprises or instrumentalities chartered by an Act of Congress, which are not backed by the full faith and credit of the United States), including, without limitation, bills, notes, bonds, debentures, and mortgage-backed securities, in each case maturing within one year from the date of acquisition thereof;

(4) Investments in commercial paper maturing within 365 days from the date of acquisition thereof and having, at such date of acquisition, a rating of at least A-2 (or the equivalent thereof) from S&P or P-2 (or the equivalent thereof) from Moody’s;

(5) Investments in certificates of deposit (including Investments made through an intermediary, such as the certificated deposit account registry service), banker’s acceptances, time deposits, eurodollar time deposits and overnight bank deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any other commercial bank of recognized standing organized under the laws of the United States or any State thereof that has a combined capital and surplus and undivided profits of not less than \$250.0 million;

- (6) fully collateralized repurchase agreements with a term of not more than six months for underlying securities that would otherwise be eligible for investment;
- (7) Investments in money in an investment company registered under the Investment Company Act of 1940, as amended, or in pooled accounts or funds offered through mutual funds, investment advisors, banks and brokerage houses which invest its assets in obligations of the type described in clauses (1) through (6) above. This could include, but not be limited to, money market funds or short-term and intermediate bonds funds;
- (8) money market funds that (A) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (B) are rated AAA (or the equivalent thereof) by S&P and Aaa (or the equivalent thereof) by Moody's and (C) have portfolio assets of at least \$5.0 billion;
- (9) deposits available for withdrawal on demand with commercial banks organized in the United States having capital and surplus in excess of \$100.0 million;
- (10) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A- by S&P or A3 by Moody's; and
- (11) any other securities or pools of securities that are classified under GAAP as cash equivalents or short-term investments on a balance sheet.

“Change in Law” shall mean, after the Restatement Effective Date, (a) the adoption of any law, rule or regulation after the Restatement Effective Date (including any request, rule, regulation, guideline, requirement or directive promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel II or Basel III) or (b) compliance by any Lender or Issuing Lender (or, for purposes of Section 2.14(b), by any lending office of such Lender or Issuing Lender through which Loans and/or Letters of Credit are issued or maintained or by such Lender's or Issuing Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the ~~the~~ Restatement Effective Date.

“Change of Control” means the occurrence of any of the following:

- (1) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of

all or substantially all of the properties or assets of the Borrower and its Subsidiaries taken as a whole to any Person (including any “person” (as that term is used in Section 13(d)(3) of the Exchange Act)); or

(2) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person (including any “person” (as defined above)) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Borrower (measured by voting power rather than number of shares), other than (A) any such transaction where the Voting Stock of the Borrower (measured by voting power rather than number of shares) outstanding immediately prior to such transaction constitutes or is converted into or exchanged for a majority of the outstanding shares of the Voting Stock of such Beneficial Owner (measured by voting power rather than number of shares), or (B) any merger or consolidation of the Borrower with or into any Person (including any “person” (as defined above)) which owns or operates (directly or indirectly through a contractual arrangement) a Permitted Business (a “Permitted Person”) or a Subsidiary of a Permitted Person, in each case, if immediately after such transaction no Person (including any “person” (as defined above)) is the Beneficial Owner, directly or indirectly, of more than 50% of the total Voting Stock of such Permitted Person (measured by voting power rather than number of shares).

“Change of Control Offer” shall have the meaning given such term in Section 2.12(g).

“Citibank” has the meaning set forth in the first paragraph of this Agreement.

“Closing Date” shall mean April 23, 2013.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” means (i) the assets and properties of the Grantors upon which Liens have been granted to the Administrative Agent to secure the Obligations, including without limitation any Additional Collateral and all of the “Collateral” as defined in the Collateral Documents, but excluding all such assets and properties released from such Liens pursuant to the applicable Collateral Document, and (ii) each of the Letter of Credit Account and the Collateral Proceeds Account, together with all amounts on deposit therein and all proceeds thereof.

“Collateral Coverage Ratio” shall mean, as of any date, the ratio of (i) the Borrowing Base of the Eligible Collateral as of such date to (ii) the sum, without duplication, of (x) the Total Revolving Extensions of Credit then outstanding (other than LC Exposure that has been Cash Collateralized in accordance with Section 2.02(j)), plus (y) the aggregate amount of all Designated Hedging Obligations that constitute “Obligations” then outstanding (such sum, the “Total Obligations”).

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“Collateral Documents” shall mean, collectively, the Slot and Gate Security Agreement, the Aircraft and Spare Engine Mortgage (if executed and delivered by the Borrower hereunder), the Spare Parts Security Agreement (if executed and delivered by the Borrower hereunder), the Account Control Agreements and other agreements, instruments or documents that create or purport to create a Lien in favor of the Administrative Agent for the benefit of the Secured Parties, in each case so long as such agreement, instrument or document shall not have been terminated in accordance with its terms.

“Collateral Material Adverse Effect” shall mean a material adverse effect on the value of the Collateral, taken as a whole.

“Collateral Proceeds Account” shall mean a segregated account or accounts held by or under the control of the Administrative Agent into which the Net Proceeds of any Collateral Sale or Recovery Event may be deposited in accordance with the provisions of this Agreement.

“Collateral Sale” shall mean any sale of Collateral or series of related sales of Collateral having an Appraised Value in excess of \$25,000,000.

“Commitment” shall mean, as to any Revolving Lender or Issuing Lender at any time, the Revolving Commitment of such Revolving Lender or Issuing Lender, as the case may be, at such time.

“Commitment Fee” shall have the meaning set forth in Section 2.20.

“Commitment Fee Rate” shall mean 0.35% per annum.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

“Covered Entity” means any of the following:

(i) [a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82\(b\);](#)

(ii) [a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3\(b\); or](#)

(iii) [a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2\(b\).](#)

“Default” means any event that, unless cured or waived, is, or with the passage of time or the giving of notice or both would be, an Event of Default.

[“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.](#)



“Defaulting Lender” shall mean, at any time, any Revolving Lender that (a) has failed, within two (2) Business Day of the date required to be funded or paid by it hereunder, to fund or pay (x) any portion of the Revolving Loans or (y) any other amount required to be paid by it hereunder to the Administrative Agent or any other Lender (or its banking Affiliates), unless, in the case of clause (x) above, such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower, the Administrative Agent or any other Lender in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations (i) under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or (ii) generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by the Administrative Agent, any other Lender or the Borrower, acting in good faith, to provide a confirmation in writing from an authorized officer or other authorized representative of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans under this Agreement, which request shall only have been made after the conditions precedent to borrowings have been met, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent’s, such other Lender’s or the Borrower’s, as applicable, receipt of such confirmation in form and substance satisfactory to it and the Administrative Agent, (d) has become, or has had its Parent Company become, the subject of a Bankruptcy Event or Bail-In Action; provided that a Revolving Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Revolving Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Revolving Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Revolving Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Revolving Lender. If the Administrative Agent determines that a Revolving Lender is a Defaulting Lender under any of clauses (a) through (d) above, such Revolving Lender will be deemed to be a Defaulting Lender upon notification of such determination by the Administrative Agent to the Borrower, and the Revolving Lenders.

“Designated Banking Product Agreement” means any agreement evidencing Designated Banking Product Obligations entered into by the Borrower and any Person that, at the time such Person entered into such agreement, was a Lender or a banking Affiliate of a Lender, in each case designated by the relevant Lender and the Borrower, by written notice to the Administrative Agent, as a “Designated Banking Product Agreement”; provided that, so long as any Revolving Lender is a Defaulting Lender, such Revolving Lender shall not have any rights hereunder with respect to any Designated Banking Product Agreement entered into while such Revolving Lender was a Defaulting Lender.

“Designated Banking Product Obligations” means any Banking Product Obligations, in each case as designated by any Lender (or a banking Affiliate thereof) and the

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Borrower from time to time and agreed to by the Administrative Agent as constituting “Designated Banking Product Obligations,” which notice shall include (i) a copy of an agreement providing an agreed-upon maximum amount of Designated Banking Product Obligations that can be included as Obligations, and (ii) the acknowledgment of such Lender (or such banking Affiliate) that its security interest in the Collateral securing such Designated Banking Product Obligations shall be subject to the Loan Documents.

“Designated Hedging Agreement” means any Hedging Agreement entered into by the Borrower and any Person that, at the time such Person entered into such Hedging Agreement, was a Lender or an Affiliate of a Lender, as designated by the relevant Lender (or Affiliate of a Lender) and the Borrower, by written notice to the Administrative Agent, as a “Designated Hedging Agreement,” which notice shall include a copy of an agreement providing for (i) a methodology agreed to by the Borrower, such Lender or Affiliate of a Lender, and the Administrative Agent for reporting the outstanding amount of Designated Hedging Obligations under such Designated Hedging Agreement from time to time, (ii) an agreed-upon maximum amount of Designated Hedging Obligations under such Designated Hedging Agreement that can be included as Obligations, and (iii) the acknowledgment of such Lender or Affiliate of a Lender that its security interest in the Collateral securing such Designated Hedging Obligations shall be subject to the Loan Documents; provided that, after giving effect to such designation, the aggregate agreed-upon maximum amount of all “Designated Hedging Obligations” included as Obligations shall not exceed 10% of the original Total Revolving Commitment in effect on the Restatement Effective Date in the aggregate; provided, further, that so long as any Revolving Lender is a Defaulting Lender, such Revolving Lender shall not have any rights hereunder with respect to any Designated Hedging Agreement entered into while such Revolving Lender was a Defaulting Lender.

“Designated Hedging Obligations” means, as applied to any Person, all Hedging Obligations of such Person under Designated Hedging Agreements after taking into account the effect of any legally enforceable netting arrangements included in such Designated Hedging Agreements; it being understood and agreed that, on any date of determination, the amount of such Hedging Obligations under any Designated Hedging Agreement shall be determined based upon the “settlement amount” (or similar term) as defined under such Designated Hedging Agreement or, with respect to a Designated Hedging Agreement that has been terminated in accordance with its terms, the amount then due and payable (exclusive of expenses and similar payments but including any termination payments then due and payable) under such Designated Hedging Agreement.

“Disposition” shall mean, with respect to any property, any sale, lease, sale and leaseback, conveyance, transfer or other disposition thereof. The terms “Dispose” and “Disposed of” shall have correlative meanings.

“Dollars” and “\$” shall mean lawful money of the United States of America.

“Domestic Subsidiary” shall mean any Subsidiary of the Borrower that was formed under the laws of the United States or any state of the United States or the District of

Columbia or that guarantees, or pledges any property or assets to secure, any Obligations or Junior Secured Debt.

“DOT” shall mean the United States Department of Transportation and any successor thereto.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Eligible Account” shall mean any Account owned by the Borrower or another Grantor meeting the criteria and eligibility standards which are agreed upon by the Borrower and the Administrative Agent at the time of the initial pledge of Accounts to the Administrative Agent pursuant to the applicable Collateral Document.

“Eligible Aircraft” shall mean Airbus model A319, [A220](#), A320 or A321 family aircraft or Embraer model 190 family aircraft, in each case that are owned by the Borrower or any other applicable Grantor and that are eligible for the benefits of Section 1110.

“Eligible Airport” means John F. Kennedy International Airport, LaGuardia Airport, Ronald Reagan Washington National Airport or any other airport located in the United States reasonably acceptable to the Administrative Agent.

“Eligible Assignee” shall mean (a) a commercial bank having total assets in excess of \$1,000,000,000, (b) a finance company, insurance company or other financial institution or fund, in each case reasonably acceptable to the Administrative Agent, which in the ordinary course of business extends credit of the type contemplated herein or invests therein and has total assets in excess of \$200,000,000 and whose becoming an assignee would not constitute a prohibited transaction under Section 4975 of the Code or Section 406 of ERISA, (c) any Lender or any Affiliate of any Lender, provided that such Affiliate has total assets in excess of \$200,000,000, (d) an Approved Fund of any Lender, provided that such Approved Fund has total assets in excess of \$200,000,000, and (e) any other financial institution reasonably satisfactory to the Administrative Agent, provided that such financial institution has total assets in excess of \$200,000,000; provided, further, that so long as no Event of Default has occurred and is continuing, no (i) airline, commercial air freight carrier, air freight forwarder or entity engaged in the business of parcel transport by air or (ii) Affiliate of any Person described in clause (i) above

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(other than any Affiliate of such Person as a result of common control by a Governmental Authority or instrumentality thereof, any Affiliate of such Person who becomes a Lender with the consent of the Borrower in accordance with Section 10.02(b), and any Affiliate of such Person under common control with such Person which Affiliate is not actively involved in the management and/or operations of such Person), shall constitute an Eligible Assignee; provided; further, that none of the Borrower, any Guarantor or any Affiliate of the Borrower or any Guarantor shall constitute an Eligible Assignee.

“Eligible Collateral” shall mean, on any date of determination, all Collateral on which the Administrative Agent shall, as of such date, have, to the extent purported to be created by the applicable Collateral Document, a valid and perfected first priority Lien and/or mortgage (or comparable Lien) and which is otherwise subject only to Permitted Liens; provided, with respect to any Collateral having an aggregate Appraised Value of 10% or more (determined on the date such Collateral was added as Collateral) of the sum of the aggregate Appraised Value of all Eligible Collateral plus Pledged Cash and Cash Equivalents on which the Administrative Agent shall have been granted a valid and perfected first priority Lien and/or mortgage (or comparable Lien) subject only to Permitted Liens after the Closing Date in any individual transaction or series of substantially simultaneous transactions, at any time when the Administrative Agent shall not have received Appraisals, pursuant to Section 5.07 or otherwise pursuant to this Agreement, with respect to substantially all of the existing Eligible Collateral within the 180-day period preceding the date on which such Collateral is pledged (a “180-day Period”), such Collateral shall not, solely for purposes of satisfying the conditions set forth in Section 6.09(c) in connection with any release of Collateral requested by the Borrower pursuant to Section 6.09(c), constitute Eligible Collateral until the earlier of (x) the date on which the Administrative Agent shall have held such Lien and/or mortgage (or comparable Lien) for at least ninety (90) continuous days from the grant or perfection thereof prior to its constituting Eligible Collateral or (y) the date on which the Administrative Agent shall have received Appraisals (including, for purposes of this clause (y), all Appraisals received during such 180-Day Period), as applicable, pursuant to Section 5.07 or otherwise pursuant to this Agreement, with respect to substantially all of the other Collateral.

“Eligible Engine” shall mean any Engine suitable for installation on an Eligible Aircraft or any other Engine reasonably acceptable to the Administrative Agent, in each case that are owned by the Borrower or any other applicable Grantor, that are not subject to a sublease, loan or similar arrangement, and that are eligible for the benefits of Section 1110.

“Eligible Spare Parts” shall mean any Spare Parts and Appliances, in each case that are owned by the Borrower or any other applicable Grantor and that are eligible for the benefits of Section 1110.

“Engine” shall mean an engine used, or intended to be used, to propel an Aircraft, including a part, appurtenance, and accessory of such Engine, except a Propeller.

“Environmental Laws” shall mean all applicable laws (including common law), statutes, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or legally binding agreements issued, promulgated or entered into by or with any Governmental Authority,

relating to the environment, preservation or reclamation of natural resources, the handling, treatment, storage, disposal, Release or threatened Release of, or the exposure of any Person (including employees) to, any Hazardous Materials.

“Environmental Liability” shall mean any liability (including any liability for damages, natural resource damage, costs of environmental investigation, remediation or monitoring or costs, fines or penalties) resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment, disposal or the arrangement for disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials into the environment or (e) any contract, agreement, lease or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” shall mean Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder.

“Escrow Accounts” shall mean accounts of the Borrower or any Subsidiary, solely to the extent any such accounts hold funds set aside by the Borrower or any Subsidiary to manage the collection and payment of amounts collected, withheld or incurred by the Borrower or such Subsidiary for the benefit of third parties relating to: (a) federal income tax withholding and backup withholding tax, employment taxes, transportation excise taxes and security related charges, (b) any and all state and local income tax withholding, employment taxes and related charges and fees and similar taxes, charges and fees, including, but not limited to, state and local payroll withholding taxes, unemployment and supplemental unemployment taxes, disability taxes, workman’s or workers’ compensation charges and related charges and fees, (c) state and local taxes imposed on overall gross receipts, sales and use taxes, fuel excise taxes and hotel occupancy taxes, (d) passenger facility fees and charges collected on behalf of and owed to various administrators, institutions, authorities, agencies and entities, (e) other similar federal, state or local taxes, charges and fees (including without limitation any amount required to be withheld or collected under applicable law) and (f) other funds held in trust for, or otherwise pledged to or segregated for the benefit of, an identified beneficiary; or (2) accounts, capitalized interest accounts, debt service reserve accounts, escrow accounts and other similar accounts or funds established in connection with the ARB Indebtedness.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, is bearing interest at a rate determined by reference to the LIBO Rate.

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“Eurodollar Tranche” shall mean the collective reference to Eurodollar Loans under the Facility the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

“Event of Default” shall have the meaning given such term in Section 7.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Excluded Subsidiary” means each Subsidiary of the Borrower that is a captive insurance company and is prohibited from becoming a Guarantor pursuant to applicable rules and regulations.

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

“Excluded Taxes” shall mean, with respect to the Administrative Agent, any Lender, any Issuing Lender or any other recipient of any payment to be made by or on account of any Obligation of the Borrower or any Guarantor hereunder or under any Loan Document, (a) any Taxes based on (or measured by) its net income, profits or capital, or any franchise taxes, imposed (i) by the United States of America or any political subdivision thereof or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or (ii) as a result of a present or former connection between such recipient and the jurisdiction imposing such Taxes (other than a connection arising from such recipient’s having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, or enforced, this Agreement or any Loan Document, or sold or assigned an interest in this Agreement or any Loan Document), (b) any branch profits Taxes imposed by the United States of America or any similar Tax imposed by any other jurisdiction in which such recipient is located, (c) in the case of a Lender, any withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.18) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.16(a), amounts with respect to such Taxes were payable either to such

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Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (d) in the case of a Lender, any withholding Tax that is attributable to such Lender's failure to deliver the documentation described in Section 2.16(f) or 2.16(g) and (e) any U.S. withholding Tax that is imposed by reason of FATCA.

"Existing Credit Agreement" has the meaning set forth in the recitals to this Agreement.

"Existing Engine Type" shall have the meaning given to such term in Section 5.07.

"Existing Lenders" has the meaning set forth in the recitals to this Agreement.

"Existing Revolver" means the Portfolio Loan Account Agreement and related Portfolio Loan Account Terms and Conditions, each dated on or about July 23, 2012, between the Borrower and Morgan Stanley Bank, N.A.

"Extended Revolving Commitment" shall have the meaning given to such term in Section 2.28(a).

"Extension" shall have the meaning given to such term in Section 2.28(a).

"Extension Amendment" shall have the meaning given to such term in Section 2.28(c).

"Extension Offer" shall have the meaning given to such term in Section 2.28(a).

"Extension Offer Date" shall have the meaning given to such term in Section 2.28(a).

"FAA" shall mean the Federal Aviation Administration of the United States of America and any successor thereto.

"FAA Slots" shall mean, in the case of airports in the United States, at any time, the right and operational authority to conduct one Instrument Flight Rule (as defined in Title 14) scheduled landing or take-off operation at a specific time or during a specific time period at any airport at which landings or take-offs are restricted, including, without limitation, slots and operating authorizations, whether pursuant to FAA or DOT regulations or orders pursuant to Title 14, Title 49 or other federal statutes now or hereinafter in effect.

"Facility" or "Revolving Facility" shall mean the Revolving Commitments and the Revolving Loans made and Letters of Credit issued thereunder.

"FATCA" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement, any amended or successor provisions that are substantively comparable thereto and not materially more onerous to comply with, any current or future regulations or official

interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

“Federal Funds Effective Rate” shall mean, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it; provided that, if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Fees” shall collectively mean the Commitment Fees, the Upfront Fees, Letter of Credit Fees and other fees referred to in Section 2.19.

“Flight Simulators” shall mean the flight simulators and flight training devices of the Borrower or any other applicable Grantor (including, without limitation, any such simulators or training devices located on a Real Property Asset).

“Foreign Lender” shall mean any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Subsidiary” shall mean any direct or indirect Subsidiary of the Borrower which is not a Domestic Subsidiary.

“GAAP” shall mean generally accepted accounting principles in the United States of America, which are in effect from time to time, including those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, statements and pronouncements of the Financial Accounting Standards Board, such other statements by such other entity as have been approved by a significant segment of the accounting profession and the rules and regulations of the SEC governing the inclusion of financial statements in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC.

“Gate Leasehold” means, at any time, all of the right, title, privilege, interest and authority, now held or hereafter acquired, of the Borrower or a Guarantor in connection with the right to use or occupy space in an airport terminal at any airport.

“Governmental Authority” shall mean the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank organization, or other entity exercising executive, legislative, judicial, taxing or regulatory powers or functions of or



pertaining to government. Governmental Authority shall not include any Person in its capacity as an Airport Authority.

“Grantor” shall mean the Borrower and any Guarantor that shall at any time pledge Collateral under a Collateral Document.

“Guarantee” means a guarantee (other than (a) by endorsement of negotiable instruments for collection or (b) customary contractual indemnities, in each case in the ordinary course of business), direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions).

“Guaranteed Obligations” shall have the meaning given such term in Section 9.01(a).

“Guarantors” shall mean, collectively, each Domestic Subsidiary of the Borrower that becomes pursuant to Section 5.12, a party to the Guarantee contained in Section 9. As of the Restatement Effective Date, there are no Guarantors.

“Guaranty Obligations” shall have the meaning given such term in Section 9.01(a).

“Hazardous Materials” shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature that are regulated pursuant to, or could reasonably be expected to give rise to liability under any Environmental Law.

“Hedging Agreement” shall mean any agreement evidencing Hedging Obligations.

“Hedging Obligations” means, with respect to any Person, all obligations and liabilities of such Person under:

- (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
- (2) other agreements or arrangements designed to manage interest rates or interest rate risk; and
- (3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates, fuel prices or other commodity prices, but excluding (x) clauses in purchase agreements and maintenance

agreements pertaining to future prices and (y) fuel purchase agreements and fuel sales that are for physical delivery of the relevant commodity.

“IATA” means the International Air Transport Association and any successor thereto.

“IBA” means International Bureau of Aviation.

“ICF” shall mean ICF International, Inc.

“Immaterial Subsidiary” shall mean any Subsidiary of the Borrower for which (a) the assets of such Subsidiary constitute no more than ~~5.5~~10.0% of the total assets of the Borrower and its Subsidiaries on a consolidated basis (determined as of the last day of the most recent fiscal quarter of the Borrower for which financial statements are available to the Administrative Agent pursuant to Section 5.01) and (b) the revenues of such Subsidiary account for no more than ~~5.5~~10.0% of the total revenues of the Borrower and its Subsidiaries on a consolidated basis for the twelve-month period ending on the last day of the most recent fiscal quarter of the Borrower for which financial statements are available to the Administrative Agent pursuant to Section 5.01; provided that the total assets of all Immaterial Subsidiaries shall not exceed, in the aggregate, (x) ~~7.5~~15.0% of the total assets of the Borrower and its Subsidiaries on a consolidated basis (determined as of the last day of the most recent fiscal quarter of the Borrower for which financial statements are available to the Administrative Agent pursuant to Section 5.01) or (y) ~~7.5~~15.0% of the total revenues of the Borrower and its Subsidiaries on a consolidated basis for the twelve-month period ending on the last day of the most recent fiscal quarter of the Borrower for which financial statements are available to the Administrative Agent pursuant to Section 5.01; provided, further that (i) a Subsidiary will not be considered to be an Immaterial Subsidiary if it (1) directly or indirectly guarantees, or pledges any property or assets to secure, any Obligations or Junior Secured Debt or (2) owns any properties or assets that constitute Collateral and (ii) if one or more Subsidiaries of the Borrower becomes an Immaterial Subsidiary by operation of the preceding proviso, the Borrower shall be entitled from time to time, in its sole discretion, to designate in writing to the Administrative Agent one or more Subsidiaries of the Borrower as Subsidiaries that shall constitute “Material Subsidiaries” (and cease to be Immaterial Subsidiaries), so long as, after giving effect to such designation(s), all remaining Immaterial Subsidiaries meet the requirements of the preceding proviso and the Borrower has complied with the requirements of Section 5.12.

“Increase Effective Date” shall have the meaning given such term in Section 2.27(a).

“Increase Joinder” shall have the meaning given such term in Section 2.27(c).

“Indebtedness” means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

- (1) in respect of borrowed money;

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- (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);
- (3) in respect of banker's acceptances;
- (4) representing Capital Lease Obligations;
- (5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed, but excluding in any event trade payables arising in the ordinary course of business; or
- (6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person. Indebtedness shall be calculated without giving effect to the effects of Financial Accounting Standards Board Accounting Standards Codification 815 – Derivatives and Hedging and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Agreement as a result of accounting for any embedded derivatives created by the terms of such Indebtedness.

For the avoidance of doubt, Banking Product Obligations do not constitute Indebtedness.

"Indemnified Taxes" shall mean Taxes other than Excluded Taxes imposed on or with respect to any payments made by the Borrower or any Guarantor under this Agreement or any other Loan Document.

"Indemnitee" shall have the meaning given such term in Section 10.04(b).

"Initial Appraisal" shall mean the Appraisal (as defined in the Existing Credit Agreement) last delivered to the Existing Lenders pursuant to Section 5.07 of the Existing Credit Agreement prior to the Restatement Effective Date.

"Intercreditor Agreement" shall have the meaning given such term in Section 10.17.

"Interest Election Request" shall mean a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

"Interest Payment Date" shall mean (a) as to any Eurodollar Loan having an Interest Period of one, two or three months, the last day of such Interest Period, (b) as to any

Eurodollar Loan having an Interest Period of more than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (c) with respect to ABR Revolving Loans, the last Business Day of each March, June, September and December.

“Interest Period” shall mean, as to any Borrowing of Eurodollar Loans, the period commencing on the date of such Borrowing (including as a result of a conversion from ABR Loans) or on the last day of the preceding Interest Period applicable to such Borrowing and ending on (but excluding) the numerically corresponding day (or if there is no corresponding day, the last day) in the calendar month that is one, two, three or six months (or, if available to all applicable Lenders and agreed to by all Lenders, nine or twelve months) thereafter, as the Borrower may elect in the related notice delivered pursuant to Section 2.03 or 2.05; provided that (i) if any Interest Period would end on a day which shall not be a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (ii) no Interest Period shall end later than the applicable Termination Date.

“International Interest” shall mean an “international interest” as defined in the Cape Town Treaty.

“International Registry” shall mean the “International Registry” as defined in the Cape Town Treaty.

“Investments” means, with respect to any Person, all direct or indirect investments made by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances (but excluding advance payments and deposits for goods and services in the ordinary course of business) or capital contributions (excluding commission, travel and similar advances to officers, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities of other Persons, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

“Issuing Lender” shall mean (i) Citibank (or any of its Affiliates reasonably acceptable to the Borrower), in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.02(i), and (ii) if Citibank’s Revolving Commitment is at any time less than \$50,000,000 or if Citibank and the Borrower shall agree, any other Lender agreeing to act in such capacity, which other Lender shall be reasonably satisfactory to the Borrower and the Administrative Agent. Each Issuing Lender may, in its reasonable discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Lender reasonably acceptable to the Borrower, which Affiliate shall agree in writing reasonably acceptable to the Borrower to be bound by the provisions of the Loan Documents applicable to an Issuing Lender, in which case the term “Issuing Lender” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

“JetBlue” means JetBlue Airways Corporation, a Delaware corporation.

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“Junior Lien Cap” means, as of any date of determination, the aggregate amount of Junior Secured Debt that may be incurred by the Borrower and any Guarantor such that, after giving pro forma effect to such incurrence and the application of the net proceeds therefrom the Total Collateral Coverage Ratio shall be no less than 1.0 to 1.0.

“Junior Secured Debt” shall mean Indebtedness that is secured by a Lien on Collateral that is junior to the Liens securing the Obligations and permitted to be secured by a Lien on Collateral under Section 6.06.

“Junior Secured Debt Documents” shall mean each indenture, credit agreement and other agreements, instruments and notes evidencing Junior Secured Debt, and each other agreement executed in connection therewith, as each may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“LC Commitment” shall mean, with respect to any Issuing Lender, an amount equal to the Revolving Commitment of such Issuing Lender from time to time.

“LC Disbursement” shall mean a payment made by an Issuing Lender pursuant to a Letter of Credit issued by it.

“LC Exposure” shall mean, at any time, with respect to any Revolving Lender that is an Issuing Lender, the sum of (i) the aggregate maximum undrawn amount of all outstanding Letters of Credit issued by it at such time plus (ii) the aggregate amount of all LC Disbursements made by it that have not yet been reimbursed by or on behalf of the Borrower at such time; provided, that in the case of any escalating Letter of Credit where the face amount thereof is subject to escalation with no conditions, the applicable Issuing Lender’s LC Exposure with respect to such Letter of Credit shall be determined by referring to the maximum face amount to which such Letter of Credit may be so escalated.

“Lenders” shall have the meaning set forth in the first paragraph of this Agreement.

“Letter of Credit” shall mean any irrevocable letter of credit issued pursuant to Section 2.02, which letter of credit shall be (i) a standby letter of credit, (ii) issued for general corporate purposes of the Borrower or any Subsidiary of the Borrower; provided that in any case the account party of a Letter of Credit must be the Borrower, (iii) denominated in Dollars and (iv) otherwise in such form as may be reasonably approved from time to time by the Administrative Agent and the applicable Issuing Lender.

“Letter of Credit Account” shall mean the account established by the Borrower under the sole and exclusive control of the Administrative Agent maintained at the office of the Administrative Agent at 388 Greenwich Street, 14th Floor, New York, NY 10013, designated as the “JetBlue MOU Pledge Account” that shall be used solely for the purposes set forth herein.

“Letter of Credit Fees” shall mean the fees payable in respect of Letters of Credit pursuant to Section 2.21.

“LIBO Rate” shall mean, with respect to each day during each Interest Period pertaining to a Eurodollar Loan, (i) the rate per annum which appears on the page of the [ReutersBloomberg](#) Screen which displays the London interbank offered rate administered by ICE Benchmark Administration Limited (such page currently being the LIBOR01 page) or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to Dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, as the rate for Dollar deposits with a maturity comparable to such Interest Period or (ii) in the event that the rate referenced in the preceding clause (i) is not available at such time for any reason, then such rate shall be the rate at which Dollar deposits of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period; provided that, if negative, the LIBO Rate shall be deemed to be 0% for purposes of this Agreement.

[“LIBOR Successor Rate” shall have the meaning given to such term in Section 2.09\(b\).](#)

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or similar encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (but excluding any lease, sublease, use or license agreement or swap agreement or similar arrangement by any Grantor described in clause (e) or (f) of the definition of “Permitted Disposition”), including any conditional sale or other title retention agreement, any option or other agreement to sell or give a security interest in and, except in connection with any Qualified Receivables Transaction, any agreement to give any financing statement under the UCC (or equivalent statutes) of any jurisdiction.

“Liquidity” shall mean the sum of (i) all unrestricted cash and Cash Equivalents of the Borrower and its Domestic Subsidiaries (excluding, for the avoidance of doubt, any cash or Cash Equivalents held in accounts subject to Account Control Agreements or otherwise then pledged to secure any other Indebtedness), (ii) the aggregate principal amount committed and available to be drawn by the Borrower and its Domestic Subsidiaries (taking into account all borrowing base limitations, collateral coverage requirements or other restrictions on borrowing availability) under all revolving credit facilities (including this Facility and the Existing Revolver) of the Borrower and its Domestic Subsidiaries and (iii) to the extent not being used to repay other Indebtedness, the scheduled net proceeds of any Capital Markets Offering of the Borrower or any of its Domestic Subsidiaries that has priced but has not yet closed (until the earliest of the closing thereof, the termination thereof without closing or the date that falls five (5) Business Days after the initial scheduled closing date thereof); provided, that any Liquidity contributed by Immaterial Subsidiaries that is in excess of 10% of the total Liquidity, and any amounts described in clauses (i) through (iii) that are held by any Receivables Subsidiary or Excluded Subsidiary, shall be excluded from the calculation of Liquidity.

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“Loan Request” shall mean a request by the Borrower, executed by a Responsible Officer of the Borrower, for a Loan in accordance with Section 2.03 in substantially the form of Exhibit D.

“Loans” shall mean the Revolving Loans.

“Loan Documents” shall mean this Agreement, the Collateral Documents, any Intercreditor Agreement and any other instrument or agreement (which is designated as a Loan Document therein) executed and delivered by the Borrower or a Guarantor to the Administrative Agent, any Issuing Lender or any Lender, in each case, as the same may be amended, restated, modified, supplemented, extended or amended and restated from time to time in accordance with the terms hereof.

“Margin Stock” shall have the meaning given such term in Section 3.11(a).

“Material Adverse Change” shall mean any event, development or circumstance that has had or would reasonably be expected to have a Material Adverse Effect.

“Material Adverse Effect” shall mean (i) a material adverse effect on (a) the consolidated business, operations or financial condition of the Borrower and its Subsidiaries, taken as a whole, (b) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Administrative Agent and the Lenders thereunder, or (c) the ability of the Borrower and the Guarantors, collectively, to pay the Obligations or (ii) a Collateral Material Adverse Effect.

“Material Indebtedness” shall mean Indebtedness of the Borrower or one or more Guarantors (other than the Loans and obligations relating to Letters of Credit) outstanding under the same agreement in a principal amount exceeding \$150,000,000.

“MBA” means Morten Beyer & Agnew.

“Minimum Extension Condition” shall have the meaning given such term in Section 2.28(b).

“Moody’s” shall mean Moody’s Investors Service, Inc.

“Mortgaged Collateral” shall mean all of the “Collateral” as defined in the Aircraft and Spare Engine Mortgage (including as supplemented by any Mortgage Supplement).

“Net Proceeds” means the aggregate cash and Cash Equivalents received by the Borrower or any of its Subsidiaries in respect of any Collateral Sale (including, without limitation, any cash or Cash Equivalents received in respect of or upon the sale or other disposition of any non-cash consideration received in any Collateral Sale) or Recovery Event, net of: (a) the direct costs and expenses relating to such Collateral Sale and incurred by the Borrower or a Subsidiary (including the sale or disposition of such non-cash consideration) or any such Recovery Event, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the

Collateral Sale or Recovery Event, taxes paid or payable as a result of the Collateral Sale or Recovery Event, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements; (b) any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with GAAP; and (c) any portion of the purchase price from a Collateral Sale placed in escrow pursuant to the terms of such Collateral Sale (either as a reserve for adjustment of the purchase price, or for satisfaction of indemnities in respect of such Collateral Sale) until the termination of such escrow.

“Net Proceeds Amount” shall have the meaning given such term in Section 2.12(a).

“New Lender” shall have the meaning given such term in Section 2.27(a).

“Non-Defaulting Lender” shall mean, at any time, a Revolving Lender that is not a Defaulting Lender.

“Non-Extending Lender” shall have the meaning given such term in Section 10.08(g).

“Objection Notice” shall have the meaning given such term in Section 2.09(b).

“Obligations” shall mean the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition of bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), the Loans, the Designated Hedging Obligations, the Designated Banking Product Obligations, and all other obligations and liabilities of the Borrower to the Administrative Agent, any Issuing Lender or any Lender (or (i) in the case of Designated Hedging Obligations, any obligee with respect to such designated Hedging Obligations who was a Lender or an Affiliate of a Lender when the related Designated Hedging Agreement was entered into, or (ii) in the case of Designated Banking Product Obligations, any obligee with respect to such Designated Banking Product Obligations who was a Lender or a banking Affiliate of any Lender at the time the related Designated Banking Product Agreement was entered into), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which arise under this Agreement or any other Loan Document, whether on account of principal, interest, reimbursement obligations, fees, indemnities, out-of-pocket costs, and expenses (including all fees, charges and disbursements of counsel to the Administrative Agent, any Issuing Lender or any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise; provided, however, that the aggregate amount of all Designated Hedging Obligations (valued in accordance with the definition thereof) at any time outstanding that shall be included as “Obligations” shall not exceed 10% of the original Total Revolving Commitment in effect on the Restatement Effective Date; provided, further, that in no event shall the Obligations include Excluded Swap Obligations.

“OFAC” means the U.S. Department of Treasury’s Office of Foreign Assets Control.

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“One-Month LIBOR” means, for any day, the rate for deposits in Dollars for a one-month period appearing on the [ReutersBloomberg](#) Screen which displays the London interbank offered rate administered by ICE Benchmark Administration Limited (such page currently being the LIBOR01 page) as of 11:00 a.m., London time, on such day; provided that, if such rate shall be less than zero; [or the circumstances contemplated by Section 2.09\(a\) have occurred and are continuing, then in either such case](#) the One-Month LIBOR shall be deemed to be zero for purposes of this Agreement.

“Officer” means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person.

“Officer’s Certificate” shall mean a certificate signed on behalf of the Borrower by an Officer of the Borrower.

“Other Taxes” shall mean any and all present or future court stamp, mortgage, intangible, recording, filing or documentary taxes or any other similar, charges or similar levies arising from any payment made hereunder or from the execution, performance, delivery, registration of or enforcement of this Agreement or any other Loan Document.

“Outstanding Letters of Credit” shall have the meaning given such term in Section 2.02(j).

“Parent Company” means, with respect to a Revolving Lender, the bank holding company (as defined in Federal Reserve Board Regulation Y), if any, of such Revolving Lender, and/or any Person owning, beneficially or of record, directly or indirectly, a majority of the shares of such Revolving Lender.

“Participant” shall have the meaning given such term in Section 10.02(d).

“Participant Register” shall have the meaning given such term in Section 10.02(d).

“Patriot Act” shall mean the USA PATRIOT Act, Title III of Pub. L. 107-56, signed into law on October 26, 2001 and any subsequent legislation that amends or supplements such Act or any subsequent legislation that supersedes such Act.

“Payroll Accounts” shall mean depository accounts used only for payroll.

“Permitted Business” means any business that is the same as, or reasonably related, ancillary, supportive or complementary to, or a reasonable extension of, the business in which the Borrower and its Subsidiaries are engaged on the date of this Agreement.

“Permitted Disposition” shall mean any of the following:

(a) the Disposition of Collateral permitted under the applicable Collateral Documents;

(b) the Disposition of cash or Cash Equivalents constituting Collateral in exchange for other cash or Cash Equivalents constituting Collateral and having reasonably equivalent value therefor; provided that this clause (b) shall not permit any Disposition of the Letter of Credit Account or any amounts on deposit therein;

(c) sales or dispositions of surplus, obsolete, negligible or uneconomical assets no longer used in the business of the Borrower and the other Grantors, including returns of Slots to the FAA;

(d) Dispositions of Collateral among the Grantors (including any Person that shall become a Grantor simultaneous with such Disposition in the manner contemplated by Section 5.12); provided that:

(i) such Collateral remains at all times subject to a Lien with the same priority and level of perfection as was the case immediately prior to such Disposition (and otherwise subject only to Permitted Liens) in favor of the Administrative Agent for the benefit of the Secured Parties following such Disposition,

(ii) concurrently therewith, the Grantors shall execute any documents and take any actions reasonably required to create, grant, establish, preserve or perfect such Lien in accordance with the other provisions of this Agreement or the Collateral Documents,

(iii) concurrently therewith or promptly thereafter, the Administrative Agent, for the benefit of the Secured Parties, shall receive an Officer's Certificate, with respect to the matters described in clauses (i) and (ii) hereof and, if reasonably requested by the Administrative Agent, an opinion of counsel to the Borrower (which may be in-house counsel) as to the validity and perfection of such Lien on the Collateral, in each case in form and substance reasonably satisfactory to the Administrative Agent,

(iv) concurrently with any Disposition of Collateral to any Person that shall become a Grantor simultaneous with such Disposition in the manner contemplated by Section 5.12, such Person shall have complied with the requirements of Section 5.12(b); provided further that this clause (d) shall not permit any Disposition of the Letter of Credit Account or any amounts on deposit therein, and

(v) the preceding provisions of clauses (i) through (iv) shall not be applicable to any Disposition resulting from a merger or consolidation permitted by Section 6.10; and

(e) (i) abandonment of Slots and Gate Leaseholds; provided that such abandonment is (A) in connection with the downsizing of any hub or facility which does not materially and adversely affect the business of the Borrower and its Subsidiaries, taken as a whole, (B) in the ordinary course of business consistent with past practices and does not

materially and adversely affect the business of the Borrower and its Subsidiaries, taken as a whole, (C) reasonably determined by the Borrower to relate to Collateral of *de minimis* value or surplus to the Borrower's needs or (D) required by the DOT, the FAA or other Governmental Authority and, in the case of any such abandonment under this clause (i), does not have a Collateral Material Adverse Effect,

(ii) exchange of FAA Slots in the ordinary course of business that in the Borrower's reasonable judgment are of reasonably equivalent value (so long as the FAA Slots received in such exchange are concurrently pledged as Additional Collateral and constitute Eligible Collateral, and such exchange would not result in a Collateral Material Adverse Effect),

(iii) the termination of leases or subleases or airport use or license agreements in the ordinary course of business to the extent such terminations do not have a Collateral Material Adverse Effect, or

(iv) any other lease or sublease of, or use or license agreements with respect to, assets and properties that constitute Slots or Gate Leaseholds in the ordinary course of business and swap agreements or similar arrangements with respect to Slots in the ordinary course of business and which lease, sublease, use or license agreement or swap agreement or similar arrangement (A) has a term of one year or less, or does not extend beyond two comparable IATA traffic seasons (and contains no option to extend beyond either of such periods), (B) has a term (including any option period) longer than allowed in clause (A); provided, however, that (x) in the case of each transaction pursuant to this clause (B), an Officer's Certificate is delivered to the Administrative Agent concurrently with or promptly after the applicable Grantor's entering into any such transaction that (i) immediately after giving effect to such transaction the Collateral Coverage Ratio (excluding, for purposes of calculating such ratio, the proceeds of such transaction and the intended use thereof) would be no less than 1.0 to 1.0, (ii) the Administrative Agent's Liens on Collateral subject to such lease, sublease, use, license agreement or swap or similar arrangement are not materially adversely affected (it being understood that no Permitted Lien shall be deemed to have such an effect) and (iii) no Event of Default exists at the time of such transaction, and (y) immediately after giving effect to any transaction pursuant to this clause (B), the aggregate Appraised Value of Collateral subject to transactions covered by this clause (B) shall not exceed \$30,000,000, (C) is for purposes of operations by another airline operating under a brand associated with the Borrower or otherwise operating routes at the Borrower's direction under a code share agreement, capacity purchase agreement, pro-rate agreement or similar arrangement between such airline and the Borrower or (D) is subject and subordinated to the rights (including remedies) of the Administrative Agent under the applicable Collateral Documents on terms reasonably satisfactory to the Administrative Agent; and

(f) the lease or sublease of assets and properties in the ordinary course of business; provided that, the rights of the lessee or sublessee shall be subordinated to the rights

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(including remedies) of the Administrative Agent under the applicable Collateral Document on terms reasonably satisfactory to the Administrative Agent.

“Permitted Liens” means:

- (1) Liens held by the Administrative Agent securing the Obligations;
- (2) Liens securing Junior Secured Debt in an aggregate principal amount (as of the date of incurrence of any such Junior Secured Debt and after giving pro forma effect to the application of the net proceeds therefrom), not exceeding the Junior Lien Cap, provided that such Liens shall (x) rank junior to the Liens in favor of the Administrative Agent securing the Obligations and (y) be subject to an Intercreditor Agreement reasonably acceptable to the Administrative Agent, the Required Lenders and the Borrower;
- (3) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; provided that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;
- (4) Liens imposed by law, including carriers’, warehousemen’s, landlord’s and mechanics’ Liens, in each case, incurred in the ordinary course of business;
- (5) Liens arising by operation of law in connection with judgments, attachments or awards which do not constitute an Event of Default hereunder;
- (6) Liens created for the benefit of (or to secure) the Obligations or any Guaranty Obligations;
- (7) (A) any overdrafts and related liabilities arising from treasury, netting, depository and cash management services or in connection with any automated clearing house transfers of funds, in each case as it relates to cash or Cash Equivalents, if any, and (B) Liens arising by operation of law or that are contractual rights of set-off in favor of the depository bank or securities intermediary in respect of the Letter of Credit Account or the Collateral Proceeds Account;
- (8) licenses, sublicenses, leases and subleases by any Grantor as they relate to any aircraft, airframe, engine, Mortgaged Collateral or any Additional Collateral and to the extent (A) such licenses, sublicenses, leases or subleases do not interfere in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole, and in each case, such license, sublicense, lease or sublease is to be subject and subordinate to the Liens granted to the Administrative Agent pursuant to the Collateral Documents, and in each case,

would not result in a Collateral Material Adverse Effect or (B) otherwise expressly permitted by the Collateral Documents;

(9) salvage or similar rights of insurers, in each case as it relates to any aircraft, airframe, engine, Mortgaged Collateral or any Additional Collateral, if any;

(10) in each case as it relates to any aircraft, Liens on appliances, parts, components, instruments, appurtenances, furnishings and other equipment installed on such aircraft and separately financed by a Grantor, to secure such financing;

(11) Liens incurred in the ordinary course of business of the Borrower or any Subsidiary of the Borrower with respect to obligations that do not exceed in the aggregate \$7,500,000 at any one time outstanding; and

(12) Liens on Collateral permitted under the Collateral Document granting a Lien on such Collateral.

“Person” shall mean any natural person, corporation, division of a corporation, partnership, limited liability company, trust, joint venture, association, company, estate, unincorporated organization, Airport Authority or Governmental Authority or any agency or political subdivision thereof.

“Pledged Aircraft” means, as of any date, the Eligible Aircraft included in the Collateral as of such date.

“Pledged Cash and Cash Equivalents” means, as of any date, the amount of cash and Cash Equivalents included in the Collateral as of such date.

“Pledged Engines” means, as of any date, the Eligible Engines included in the Collateral as of such date.

“Pledged Gate Leaseholds” means, as of any date, the Gate Leaseholds included in the Collateral as of such date.

“Pledged Slots” means, as of any date, the Slots included in the Collateral as of such date.

“Pledged Spare Parts” means, as of any date, the Eligible Spare Parts included in the Collateral as of such date.

“Prime Rate” shall mean the rate of interest per annum publicly announced from time to time by Citibank, as its prime rate in effect at its principal office in New York City (the Prime Rate not being intended to be the lowest rate of interest charged by Citibank in connection with extensions of credit to debtors); each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Professional User” shall have the meaning given it in the Regulations and Procedures for the International Registry.

“Propeller” shall mean any propeller, including any part, appurtenance, and accessory of a propeller.

“Put Exposure” means the principal amount of Loans, LC Exposure and unused Revolving Commitments that Lenders have elected be prepaid, discharged and terminated, respectively, pursuant to Section 2.12(g) in response to a Change of Control Offer.

“QEC Kits” means the quick engine change kits of any Grantor.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, [12 U.S.C. 5390\(c\)\(8\)\(D\)](#).

“QFC Credit Support” has the meaning assigned to it in [Section 10.20](#).

“Qualified Receivables Transaction” means any transaction or series of transactions entered into by the Borrower or any of its Subsidiaries pursuant to which the Borrower or any of its Subsidiaries sells, conveys or otherwise transfers to (a) a Receivables Subsidiary or any other Person (in the case of a transfer by the Borrower or any of its Subsidiaries) and (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or grants a security interest in, any accounts receivable (whether now existing or arising in the future) of the Borrower or any of its Subsidiaries, and any assets related thereto including, without limitation, all Equity Interests and other investments in the Receivables Subsidiary, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable, other than assets that constitute Collateral or proceeds of Collateral.

“Qualified Replacement Assets” means Additional Collateral of any of the types described in clauses (b), (c) and (d) of the definition of “Additional Collateral”.

“Ratings” shall mean as of any date of determination, the corporate credit rating as determined by S&P or the corporate family rating as determined by Moody’s, as applicable, of the Borrower.

“Real Property Assets” shall mean those parcels of real property owned in fee by the Borrower or any other Grantor designated by the Borrower and together with, in each case, all buildings, improvements, facilities, appurtenant fixtures and equipment, easements and other property and rights incidental or appurtenant to the ownership of such parcel of real property.

“Receivables Subsidiary” means a Subsidiary of the Borrower which engages in no activities other than in connection with the financing of accounts receivable and which is designated by the Board of Directors of the Borrower (as provided below) as a Receivables

Subsidiary (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (1) is guaranteed by the Borrower or any Subsidiary of the Borrower (other than comprising a pledge of the Capital Stock or other interests in such Receivables Subsidiary (an “incidental pledge”), and excluding any guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to representations, warranties, covenants and indemnities entered into in the ordinary course of business in connection with a Qualified Receivables Transaction), (2) is recourse to or obligates the Borrower or any Subsidiary of the Borrower in any way other than through an incidental pledge or pursuant to representations, warranties, covenants and indemnities entered into in the ordinary course of business in connection with a Qualified Receivables Transaction or (3) subjects any property or asset of the Borrower or any Subsidiary of the Borrower (other than accounts receivable and related assets as provided in the definition of “Qualified Receivables Transaction”), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to representations, warranties, covenants and indemnities entered into in the ordinary course of business in connection with a Qualified Receivables Transaction, (b) with which neither the Borrower nor any Subsidiary of the Borrower has any material contract, agreement, arrangement or understanding (other than pursuant to the Qualified Receivables Transaction) other than (i) on terms no less favorable to the Borrower or such Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Borrower, and (ii) fees payable in the ordinary course of business in connection with servicing accounts receivable and (c) with which neither the Borrower nor any Subsidiary of the Borrower has any obligation to maintain or preserve such Subsidiary’s financial condition, other than a minimum capitalization in customary amounts, or to cause such Subsidiary to achieve certain levels of operating results. Any such designation by the Board of Directors of the Borrower will be evidenced to the Administrative Agent by filing with the Administrative Agent a certified copy of the resolution of the Board of Directors of the Borrower giving effect to such designation and an Officer’s Certificate certifying that such designation complied with the foregoing conditions.

“Recovery Event” shall mean any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any Collateral or any Event of Loss (as defined in the related Collateral Document pursuant to which a security interest in such Collateral is granted to the Administrative Agent, if applicable).

“Register” shall have the meaning set forth in Section 10.02(b)(iv).

“Regulations and Procedures for the International Registry” shall mean the official English language text of the International Registry Procedures and Regulations issued by the Supervisory Authority (as defined in the Cape Town Convention) pursuant to the Aircraft Protocol.

“Related Parties” shall mean, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, partners, members, employees, agents and advisors of such Person and such Person’s Affiliates.

“Release” shall have the meaning specified in Section 101(22) of the Comprehensive Environmental Response Compensation and Liability Act.

“Required Lenders” shall mean, at any time, Lenders holding more than 50% of the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding. The Revolving Extensions of Credit, outstanding Loans and Commitments of any Defaulting Lender shall be disregarded in determining the “Required Lenders” at any time.

“Responsible Officer” means an Officer.

“Restatement Effective Date” shall mean the date on which this Agreement has been executed and the conditions precedent set forth in Section 4.01 have been satisfied or waived.

“Revolving Availability Period” shall mean the period from and including the Restatement Effective Date to but excluding the Revolving Facility Termination Date with respect to the applicable Revolving Commitments.

“Revolving Commitment” shall mean the commitment of each Revolving Lender to make Revolving Loans and, if such Revolving Lender is an Issuing Lender, to issue Letters of Credit, hereunder in an aggregate principal not to exceed the amount set forth under the heading “Revolving Commitment” opposite its name in Annex A hereto or in the Assignment and Acceptance pursuant to which such Revolving Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The aggregate amount of the Total Revolving Commitments as of the ~~Restatement~~Amendment No. 1 Effective Date is \$~~425,000,000~~550,000,000.

“Revolving Commitment Percentage” shall mean, at any time, with respect to each Revolving Lender, the percentage obtained by dividing its Revolving Commitment at such time by the Total Revolving Commitment (or, if the Revolving Commitments have been terminated, the Revolving Extensions of Credit of such Revolving Lender at such time by the Total Revolving Extensions of Credit at such time).

“Revolving Extensions of Credit” shall mean, as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding and (b) if such Lender is an Issuing Lender, such Lender’s LC Exposure then outstanding.

“Revolving Facility Maturity Date” shall mean, with respect to any (a) Revolving Commitments that have not been extended pursuant to Section 2.28, ~~April 6, 2021~~August 1, 2023 and (b) ~~with respect to~~ Extended Revolving Commitments, the final maturity date therefor as specified in the applicable Extension Offer accepted by the respective Revolving Lender or Revolving Lenders.

“Revolving Facility Termination Date” shall mean the earlier to occur of (a) the Revolving Facility Maturity Date with respect to the applicable Revolving Commitments, (b) the acceleration of the Loans (if any) and the termination of the Revolving Commitments in



accordance with the terms hereof and (c) the termination of the applicable Revolving Commitments as a whole pursuant to Section 2.11.

“Revolving Lender” shall mean each Lender having a Revolving Commitment.

“Revolving Loan” shall have the meaning set forth in Section 2.01(a).

“Revolving Loan Percentage” shall mean, with respect to each Revolving Lender, determined as of the date of each advance of a Revolving Loan and prior to giving effect thereto, the percentage determined by dividing (i) the Revolving Commitment of such Revolving Lender minus the Revolving Extensions of Credit of such Revolving Lender by (ii) the Total Revolving Commitments minus the Total Revolving Extensions of Credit.

“Sale of a Grantor” means, with respect to any Collateral, an issuance, sale, lease, conveyance, transfer or other disposition of the Capital Stock of the applicable Grantor that owns such Collateral other than (1) an issuance of Equity Interests by a Grantor to the Borrower or another Subsidiary of the Borrower, and (2) an issuance of directors’ qualifying shares.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the United States government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

“Sanctioned Country” means, at any time, a country, territory or region which is itself the subject or target of any Sanctions, which as of the Restatement Effective Date include Crimea, Cuba, Iran, North Korea, Sudan and Syria.

“Sanctioned Person” means, at any time, (a) a Person which is subject or target of any Sanctions or (b) any Person owned or controlled by any such Person or Persons.

“S&P” shall mean Standard & Poor’s, a division of The McGraw-Hill Companies, Inc.

“SEC” shall mean the United States Securities and Exchange Commission.

“Section 1110” means 11 U.S.C. Section 1110 of the Bankruptcy Code or any successor or analogous section of the federal bankruptcy law in effect from time to time.

“Secured Parties” shall mean the Administrative Agent, the Issuing Lenders, the Lenders and all other holders of Obligations.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Significant Subsidiary” means any Subsidiary of the Borrower that would be a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date of this Agreement.

“Slot” means (a) in the case of airports outside the United States, at any time, the right and operational authority to conduct one landing or takeoff at a specific time or during a specific time period, or (b) in the case of airports in the United States, FAA Slots.

“Slot and Gate Security Agreement” shall mean that certain Slot and Gate Security Agreement, dated as of April 23, 2013, entered into by the Borrower and the Administrative Agent, as ratified on the date hereof and as the same may be amended, restated, modified, supplemented, extended or amended and restated from time to time.

“Spare Parts” shall mean all accessories, appurtenances, or parts of an Aircraft (except an Engine or Propeller), Engine (except a Propeller), Propeller, or Appliance, that are to be installed at a later time in an Aircraft, Engine, Propeller or Appliance.

“Spare Parts Security Agreement” means the Mortgage and Security Agreement (Spare Parts), dated as of December 23, 2013, entered into by the Borrower and the Administrative Agent, as ratified on the date hereof and as the same may be amended, restated, modified, supplemented, extended or amended and restated from time to time.

“Stated Maturity” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Restatement Effective Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“Statutory Reserve Rate” shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in reserve percentage.

“Stored” shall mean, as to any Aircraft or Engine, that such Aircraft or Engine has been stored (a) with a low expectation of a return to service within the one year following commencement of such storage and (b) in a manner intended to minimize the rate of environmental degradation of the structure and components of such Aircraft or Engine (as the case may be) during such storage.

“Subsidiary” shall mean, with respect to any Person

(1) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person (or a combination thereof); and

(2) any partnership, joint venture or limited liability company of which (A) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise and (B) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“Swap Obligation” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“Taxes” shall mean any and all present or future taxes, levies, imposts, duties, assessments, fees, deductions, charges or withholdings imposed by any Governmental Authority including any interest, additions to tax or penalties applicable thereto.

“Termination Date” shall mean, with respect to any Revolving Loans, the Revolving Facility Termination Date applicable to the related Revolving Commitments.

“Title 14” means Title 14 of the U.S. Code of Federal Regulations, including Part 93, Subparts K and S thereof, as amended from time to time or any successor or recodified regulation.

“Title 49” shall mean Title 49 of the United States Code, which, among other things, recodified and replaced the U.S. Federal Aviation Act of 1958, and the rules and regulations promulgated pursuant thereto, and any subsequent legislation that amends, supplements or supersedes such provisions.

“Total Collateral Coverage Ratio” shall mean the ratio of (i) the aggregate Appraised Value of all Eligible Collateral plus the Pledged Cash and Cash Equivalents to (ii) the sum, without duplication, of (w) the Total Revolving Extensions of Credit then outstanding (other than LC Exposure that has been Cash Collateralized in accordance with Section 2.02(j)), plus (x) the aggregate amount of all Designated Hedging Obligations that constitute

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“Obligations” then outstanding, plus (y) the aggregate outstanding principal amount of Junior Secured Debt.

“Total Obligations” shall have the meaning provided in the definition of “Collateral Coverage Ratio”.

“Total Revolving Commitment” shall mean, at any time, the sum of the Revolving Commitments at such time.

“Total Revolving Extensions of Credit” shall mean, at any time, the aggregate amount of the Revolving Extensions of Credit of the Revolving Lenders outstanding at such time.

“Transactions” shall mean the execution, delivery and performance by the Borrower and Guarantors of this Agreement and the other Loan Documents to which they may be a party, the creation of the Liens in the Collateral in favor of the Administrative Agent and/or the Administrative Agent for the benefit of the Secured Parties, the borrowing of Loans and the use of the proceeds thereof, and the request for and issuance of Letters of Credit hereunder.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBO Rate or the Alternate Base Rate.

“UCC” shall mean the Uniform Commercial Code as in effect from time to time in any applicable jurisdiction.

“United States Citizen” shall have the meaning set forth in Section 3.02.

“Unused Total Revolving Commitment” shall mean, at any time, (a) the Total Revolving Commitment less (b) the Total Revolving Extensions of Credit.

“Use or Lose Rule” shall mean with respect to FAA Slots, the terms of 14 C.F.R. Section 93.227 or other applicable utilization requirements issued by the FAA, other Governmental Authorities or any Airport Authorities.

“Voting Stock” of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

“Withholding Agent” shall mean the Borrower, a Guarantor and the Administrative Agent.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented, extended, amended and restated or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s permitted successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, unless expressly provided otherwise, (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (f) “knowledge” or “aware” or words of similar import shall mean, when used in reference to the Borrower or the Guarantors, the actual knowledge of any Responsible Officer.

Section 1.03. Accounting Terms: GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Restatement Effective Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Upon any such request for an amendment, the Borrower, the Required Lenders and the Administrative Agent agree to consider in good faith any such amendment in order to amend the provisions of this Agreement so as to reflect equitably such accounting changes so that the criteria for evaluating the Borrower’s consolidated financial condition shall be the same after such accounting changes as if such accounting changes had not occurred.

Section 1.04. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law with respect to any Person that is a limited liability company formed under Delaware law (or any comparable event under the applicable laws of any other relevant jurisdiction): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence as a result of such division or plan of division (or such

[other comparable event\), such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.](#)

## SECTION 2.

### AMOUNT AND TERMS OF CREDIT

#### Section 2.01. Commitments of the Lenders.

(a) Revolving Commitments. (i) Each Revolving Lender severally, and not jointly with the other Revolving Lenders, agrees, upon the terms and subject to the conditions herein set forth, to make revolving credit loans denominated in Dollars (each a “Revolving Loan” and collectively, the “Revolving Loans”) to the Borrower at any time and from time to time during the Revolving Availability Period in an aggregate outstanding principal amount not to exceed, when added to such Revolving Lender’s LC Exposure (if any), the Revolving Commitment of such Revolving Lender, which Revolving Loans may be repaid and reborrowed in accordance with the provisions of this Agreement. At no time shall the sum of the then outstanding aggregate principal amount of the Revolving Loans plus the LC Exposure exceed the Total Revolving Commitment.

(ii) Each Borrowing of a Revolving Loan shall be made from the Revolving Lenders based upon each Revolving Lender’s Revolving Loan Percentage of such Revolving Loan; provided, however, that the failure of any Revolving Lender to make any Revolving Loan shall not in itself relieve the other Revolving Lenders of their obligations to lend.

(b) Type of Borrowing. Each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) Amount of Borrowing. At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is in an integral multiple of \$1,000,000 and not less than \$1,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 and not less than \$1,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire Unused Total Revolving Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.02(e). Borrowings of more than one Type may be outstanding at the same time.

(d) Limitation on Interest Period. Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing of a Revolving Loan if the Interest Period requested with respect thereto would end after the Revolving Facility Maturity Date with respect to the applicable Revolving Commitments.

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Section 2.02. Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of (and, subject to the penultimate sentence of clause (b) below, the applicable Issuing Lender shall issue) Letters of Credit in Dollars, at any time and from time to time during the Revolving Availability Period, in each case, for the Borrower's own account or the account of any other Subsidiary of the Borrower, in a form reasonably acceptable to the Administrative Agent, such Issuing Lender and the Borrower. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, an Issuing Lender relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall either provide (i) telephonic notice promptly followed by written notice or (ii) hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Lender (which approval shall not be unreasonably withheld, delayed or conditioned)) to the applicable Issuing Lender and the Administrative Agent (at least two (2) Business Days in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying (1) the date of issuance, amendment, renewal or extension (which shall be a Business Day), (2) the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), (3) the amount of such Letter of Credit, (4) the name and address of the beneficiary thereof and (5) such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Lender, the Borrower also shall submit a letter of credit application on such Issuing Lender's standard form in connection with any request for a Letter of Credit; provided that, to the extent such standard form (and/or any related reimbursement agreement) is inconsistent with the Loan Documents, the Loan Documents shall control. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, the Revolving Extensions of Credit of such Issuing Lender shall not exceed its Revolving Commitment. No Issuing Lender (other than an Affiliate of the Administrative Agent) shall permit any such issuance, renewal, extension or amendment resulting in an increase in the amount of any Letter of Credit to occur without first obtaining written confirmation from the Administrative Agent that it is then permitted under this Agreement.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date that is one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is one (1) Business Day prior to the earliest Revolving Facility Maturity Date with respect to the Revolving Commitments of the applicable Issuing Lender

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(provided that, to the extent that such Letter of Credit has been Cash Collateralized pursuant to the terms of any Extension Amendment, such Revolving Commitments shall be disregarded for purposes of this clause (ii)).

(d) [Reserved].

(e) Reimbursement. If an Issuing Lender shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to the amount of such LC Disbursement not later than the first Business Day following the date the Borrower receives notice from the Issuing Lender of such LC Disbursement; provided that, in the case of any LC Disbursement, to the extent not reimbursed and, subject to the satisfaction (or waiver) of the conditions to borrowing set forth herein, including, without limitation, making a request in accordance with Section 2.03(a) that such payment shall be financed with an ABR Revolving Borrowing, as the case may be, in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing; provided, further that for purposes of determining the Revolving Loan Percentage of each Revolving Lender with respect to such ABR Revolving Borrowing, such LC Disbursement shall not be deemed to be a Revolving Extension of Credit.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in Section 2.02(e) shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the applicable Issuing Lender under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.02, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Revolving Lenders, nor the applicable Issuing Lender, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Lender; provided that the foregoing shall not be construed to excuse an Issuing Lender from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Lender's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto

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expressly agree that, in the absence of gross negligence, bad faith or willful misconduct on the part of the applicable Issuing Lender (as finally determined by a court of competent jurisdiction), the applicable Issuing Lender shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Lender may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The applicable Issuing Lender shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The applicable Issuing Lender shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment, whether the applicable Issuing Lender has made or will make an LC Disbursement thereunder and the amount of such LC Disbursement; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the applicable Issuing Lender with respect to any such LC Disbursement in accordance with the terms herein.

(h) Interim Interest. If the applicable Issuing Lender shall make any LC Disbursement, then, unless the Borrower shall reimburse (including by a Borrowing) such LC Disbursement in full not later than the first Business Day following the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans; provided that, if the Borrower fails to reimburse (including by a Borrowing) such LC Disbursement when due pursuant to Section 2.02(e), then Section 2.08 shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Lender.

(i) Replacement of the Issuing Lender. Any Issuing Lender may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Lender and the successor Issuing Lender. The Administrative Agent shall notify the Revolving Lenders of any such replacement of the Issuing Lender. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Lender pursuant to Section 2.21. From and after the effective date of any such replacement, (i) the successor Issuing Lender shall have all the rights and obligations of the Issuing Lender under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Lender" shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the replacement of an Issuing Lender hereunder, the replaced Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

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(j) Replacement of Letters of Credit; Cash Collateralization. The Borrower shall (i) upon or prior to the occurrence of the earlier of (A) the Revolving Facility Maturity Date with respect to all Revolving Commitments and (B) the acceleration of the Loans (if any) and the termination of the Commitments in accordance with the terms hereof, (x) cause all Letters of Credit which expire after the earlier to occur of (A) the Revolving Facility Maturity Date with respect to all Revolving Commitments and (B) the acceleration of the Loans (if any) and the termination of the Commitments in accordance with the terms hereof (the "Outstanding Letters of Credit") to be returned to the applicable Issuing Lender undrawn and marked "cancelled" or (y) if the Borrower does not do so in whole or in part, either (A) provide one or more "back-to-back" letters of credit to each applicable Issuing Lender with respect to any such Outstanding Letters of Credit in a form reasonably satisfactory to each such Issuing Lender and the Administrative Agent, issued by a bank satisfactory to each such Issuing Lender (in its sole discretion) and the Administrative Agent, and/or (B) deposit cash in the Letter of Credit Account, as collateral security for the Borrower's reimbursement obligations in connection with any such Outstanding Letters of Credit, such cash (or any applicable portion thereof) to be promptly remitted to the Borrower (provided no Default or Event of Default has occurred and is continuing) upon the expiration, cancellation or other termination or satisfaction of the Borrower's reimbursement obligations with respect to such Outstanding Letters of Credit, in whole or in part, in an aggregate principal amount for all such "back-to-back" letters of credit and any such Cash Collateralization equal to 100% of the then outstanding amount of all LC Exposure (less the amount, if any, on deposit in the Letter of Credit Account prior to taking any action pursuant to clauses (A) or (B) above), and (ii) if required pursuant to Section 2.02(m), 2.12(c), 2.12(d), 2.12(e), 2.12(g)(iii) or 7.01 or pursuant to any Extension Amendment, deposit in the Letter of Credit Account an amount required pursuant to Section 2.02(m), 2.12(c), 2.12(d), 2.12(e), 2.12(g)(iii) or 7.01, or pursuant to any such Extension Amendment, as applicable (any such deposit or provision of back-to-back letters of credit described in the preceding clause (i) or clause (ii), "Cash Collateralization" (it being understood that any LC Exposure shall be deemed to be "Cash Collateralized" only to the extent a deposit or provision of back-to-back letters of credit as described above is made in an amount equal to 100% of the amount of such LC Exposure)). The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over the Letter of Credit Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent (in accordance with its usual and customary practices for investments of this type) and at the Borrower's risk and reasonable expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account and shall be paid to the Borrower on its request provided no Default or Event of Default has occurred and is continuing. Moneys in such account shall be applied by the Administrative Agent to reimburse the applicable Issuing Lender for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time. If the Borrower is required to provide Cash Collateralization hereunder pursuant to Section 2.02(m), 2.12(c), 2.12(d), 2.12(e) or 2.12(g)(iii) or the terms of any Extension Amendment, such Cash Collateralization (to the extent not applied as contemplated by the applicable section) shall be returned to the Borrower within three (3) Business Days after the applicable section (or Extension Amendment) no longer requires the provision of such Cash Collateralization.

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(k) Issuing Lender Agreements. Unless otherwise requested by the Administrative Agent, each Issuing Lender shall report in writing to the Administrative Agent (i) on the first Business Day of each week, the daily activity (set forth by day) in respect of Letters of Credit during the immediately preceding week, including all issuances, extensions, amendments and renewals, all expirations and cancellations and all disbursements and reimbursements, (ii) on or prior to each Business Day on which such Issuing Lender expects to issue, amend, renew or extend any Letter of Credit, the date of such issuance, amendment, renewal or extension, the aggregate face amount of the Letters of Credit to be issued, amended, renewed, or extended by it (and whether, subject to Section 2.02(b), the face amount of any such Letter of Credit was changed thereby) and the aggregate face amount of such Letters of Credit outstanding after giving effect to such issuance, amendment, renewal or extension, (iii) on each Business Day on which such Issuing Lender makes any LC Disbursement, the date of such LC Disbursement and the amount of such LC Disbursement, (iv) on any Business Day on which the Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Lender on such day, the date of such failure, and the amount of such LC Disbursement and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request.

(l) [Reserved].

(m) Provisions Related to Extended Revolving Commitments. If the maturity date in respect of any tranche of Revolving Commitments of an Issuing Lender occurs prior to the expiration of any Letter of Credit issued by such Issuing Lender, then (i) if one or more other tranches of Revolving Commitments of such Issuing Lender in respect of which the maturity date shall not have occurred are then in effect, such Letters of Credit shall automatically be deemed to have been issued under such Issuing Lender's Revolving Commitments in respect of such non-terminating tranches up to an aggregate amount not to exceed the aggregate principal amount of such Issuing Lender's unutilized Revolving Commitments thereunder at such time and (ii) to the extent not reallocated pursuant to the immediately preceding clause (i), the Borrower shall Cash Collateralize any such Letter of Credit in accordance with Section 2.02(j). For the avoidance of doubt, commencing with the maturity date of any tranche of Revolving Commitments of any Issuing Lender, the sublimit for Letters of Credit issued by such Issuing Lender under any tranche of Revolving Commitments that has not so then matured shall be as agreed in the relevant Extension Amendment with such Issuing Lender (to the extent such Extension Amendment so provides).

#### Section 2.03. Requests for Loans.

(a) Unless otherwise agreed to by the Administrative Agent in connection with making the initial Revolving Loans, to request a Revolving Loan, the Borrower shall notify the Administrative Agent of such request by (i) telephone or (ii) by hand or by facsimile delivery of a written Loan Request (A) in the case of a Eurodollar Loan, not later than 2:00 p.m., New York City time, three (3) Business Days before the date of the proposed Loan and (B) in the case of an ABR Loan, not later than 12:00 noon, New York City time, on the date of the proposed Loan. Each such telephonic Loan request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Loan Request signed by the

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Borrower. Each such telephonic Loan request and written Loan Request shall specify the following information in compliance with Section 2.01(a):

(i) the aggregate amount of the requested Loan (which shall comply with Section 2.01(c));

(ii) the date of such Loan, which shall be a Business Day;

(iii) whether such Loan is to be an ABR Loan or a Eurodollar Loan; and

(iv) in the case of a Eurodollar Loan, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period".

If no election as to the Type of Loan is specified, then the requested Loan shall be an ABR Loan. If no Interest Period is specified with respect to any requested Eurodollar Loan, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(b) Promptly following receipt of a Loan Request in accordance with this Section 2.03, the Administrative Agent shall advise each Revolving Lender of the details thereof and of the amount of such Revolving Lender's Loan to be made as part of the requested Loan.

#### Section 2.04. Funding of Loans.

(a) Each Revolving Lender shall make each Revolving Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 3:00 p.m., New York City time, or such earlier time as may be reasonably practicable, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. Upon satisfaction or waiver of the conditions precedent specified herein, the Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account designated by the Borrower in the applicable Loan Request; provided that ABR Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.02(e) shall be remitted by the Administrative Agent to the Issuing Lender.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Loan (or, with respect to any ABR Loan made on same-day notice, prior to 12:30 p.m., New York City time, on the date of such Loan) that such Lender will not make available to the Administrative Agent such Lender's share of such Loan, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section 2.04 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Loan available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith upon written demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of

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payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate otherwise applicable to such Loan. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Loan and the Borrower shall not be obligated to repay such amount pursuant to the preceding sentence if not previously repaid.

Section 2.05. Interest Elections.

(a) The Borrower may elect from time to time to (i) convert ABR Loans to Eurodollar Loans, (ii) convert Eurodollar Loans to ABR Loans, provided that any such conversion of Eurodollar Loans may be made only on the last day of an Interest Period with respect thereto or (iii) continue any Eurodollar Loan as such upon the expiration of the then current Interest Period with respect thereto.

(b) To make an Interest Election Request pursuant to this Section 2.05, the Borrower shall notify the Administrative Agent of such election by telephone or by hand or facsimile delivery of a written Interest Election Request by the time that a Loan Request would be required under Section 2.03(a) if the Borrower were requesting a Loan of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in substantially the same form as a Loan Request signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.01:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a one month Eurodollar Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, and upon the request of the Required Lenders, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

Section 2.06. Limitation on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof and (b) no more than twenty Eurodollar Tranches shall be outstanding at any one time.

Section 2.07. Interest on Loans.

(a) Subject to the provisions of Section 2.08, each ABR Loan shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 days or 366 days in a leap year) at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin.

(b) Subject to the provisions of Section 2.08, each Eurodollar Loan shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal, during each Interest Period applicable thereto, to the LIBO Rate for such Interest Period in effect for such Borrowing plus the Applicable Margin.

(c) Accrued interest on all Loans shall be payable in arrears on each Interest Payment Date applicable thereto, on the Termination Date with respect to such Loans and thereafter on written demand and upon any repayment or prepayment thereof (on the amount repaid or prepaid); provided that in the event of any conversion of any Eurodollar Loan to an ABR Loan, accrued interest on such Loan shall be payable on the effective date of such conversion.

Section 2.08. Default Interest. If the Borrower or any Guarantor, as the case may be, shall default in the payment of the principal of or interest on any Loan or in the payment of any other amount becoming due hereunder (including, without limitation, the reimbursement pursuant to Section 2.02(e) of any LC Disbursements), whether at stated maturity, by

acceleration or otherwise, the Borrower or such Guarantor, as the case may be, shall on written demand of the Administrative Agent from time to time pay interest, to the extent permitted by law, on all overdue amounts up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days or, when the Alternate Base Rate is applicable, a year of 365 days or 366 days in a leap year) equal to (a) with respect to the principal amount of any Loan, the rate then applicable for such Borrowings plus 2.0%, and (b) in the case of all other amounts, the rate applicable for ABR Loans plus 2.0%.

Section 2.09. Alternate Rate of Interest. (a) In the event, and on each occasion, that on the date that is two (2) Business Days prior to the commencement of any Interest Period for a Eurodollar Loan, the Administrative Agent shall have reasonably determined (which determination shall be conclusive and binding upon the Borrower absent manifest error) that reasonable means do not exist for ascertaining the applicable LIBO Rate, the Administrative Agent shall, as soon as practicable thereafter, give written, ~~or~~ ~~or telegraphic~~ or facsimile notice of such determination to the Borrower and the Lenders and, subject to clause (b) below, until the circumstances giving rise to such notice no longer exist, any request by the Borrower for a Borrowing of Eurodollar Loans hereunder (including pursuant to a refinancing with Eurodollar Loans and including any request to continue, or to convert to, Eurodollar Loans) shall be deemed a request for a Borrowing of ABR Loans.

(b) Notwithstanding anything to the contrary in this Agreement or any other Loan Document, in the event that:

(i) the Borrower and the Administrative Agent (x) mutually agree that ICE Benchmark Administration Limited (or any successor administrator) has permanently discontinued administering and publishing the rate described in clause (i) of the definition of LIBO Rate and (y) mutually determine an alternative benchmark rate for the rate described in clause (i) of the definition of LIBO Rate, taking into account any such alternative benchmark rate broadly accepted in the United States;

(ii) the Borrower and the Administrative Agent (x) mutually agree that ICE Benchmark Administration Limited (or any successor administrator) will permanently discontinue administering and publishing the rate described in clause (i) of the definition of LIBO Rate as of a specific date and (y) mutually agree to adopt and implement, on or prior to such specific date, an alternative benchmark rate for the rate described in clause (i) of the definition of LIBO Rate, taking into account any such alternative benchmark rate broadly accepted in the United States; or

(iii) (x) the Administrative Agent determines that an alternative benchmark rate has been adopted in the syndicated loan market in lieu of the rate described in clause (i) of the definition of LIBO Rate at a time when ICE Benchmark Administration Limited (or any successor administrator) has not yet permanently discontinued administering and publishing such rate and (y) the Borrower agrees to accept such alternative benchmark rate in lieu of the rate described in clause (i) of the definition of LIBO Rate;

then the Administrative Agent and the Borrower shall amend this Agreement (including, without limitation, the definition of LIBO Rate, Alternate Base Rate, the timing and frequency of determining rates and other administrative matters as may be appropriate) to adopt and implement such alternative benchmark rate (the "LIBOR Successor Rate") and any such amendment shall become effective at 5:00 p.m. (New York time) on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower (by promptly posting such information on the Intralinks website on the Internet at <http://www.intralinks.com>) unless, prior to such time, the Administrative Agent shall have received written notice from Lenders comprising the Required Lenders that such Required Lenders do not accept such amendment (such notice, an "Objection Notice"). If the circumstances under clause (b)(i)(x) above exist but no LIBOR Successor Rate has been determined pursuant to clause (b)(i)(y), the obligation of the Lenders to make or maintain Eurodollar Loans shall be suspended (to the extent of the affected Eurodollar Loans or Interest Periods) and the Borrower may revoke any pending request for a Eurodollar Borrowing of, conversion to or continuation of Eurodollar Loans (to the extent of the affected Eurodollar Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of or conversion to ABR Loans in the amount specified therein.

Section 2.10. Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the ratable account of each Revolving Lender the then unpaid principal amount of each Revolving Loan then outstanding on the Revolving Facility Termination Date applicable to such Revolving Loan.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof. The Borrower shall have the right, upon reasonable notice, to request information regarding the accounts referred to in the preceding sentence.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section 2.10 shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall promptly execute and deliver to such Lender a



promissory note payable to such Lender and its registered assigns in a form furnished by the Administrative Agent and reasonably acceptable to the Borrower. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.02) be represented by one or more promissory notes in such form payable to such payee and its registered assigns.

Section 2.11. Optional Termination or Reduction of Revolving Commitments. Upon at least one (1) Business Day prior written notice to the Administrative Agent, the Borrower may at any time in whole permanently terminate a Total Revolving Commitment (subject to compliance with Section 2.12(e)), or from time to time in part permanently reduce the Unused Total Revolving Commitment; provided that each such notice shall only be revocable to the extent such termination or reduction would have resulted from a refinancing of the Obligations, which refinancing shall not be consummated or shall otherwise be delayed. Each such reduction of the Unused Total Revolving Commitment shall be in the principal amount not less than \$1,000,000 and in an integral multiple of \$1,000,000. Simultaneously with each reduction or termination of the Revolving Commitment, the Borrower shall (i) pay to the Administrative Agent for the account of each Revolving Lender the Commitment Fee accrued and unpaid on the amount of the Revolving Commitment of such Revolving Lender so terminated or reduced through the date thereof and (ii) any outstanding Letters of Credit issued by an Issuing Lender that results in the amount of such Issuing Lender's Revolving Extensions of Credit then outstanding to exceed the Revolving Commitment (as so reduced) of such Revolving Lender shall be reduced and cancelled (or Cash Collateralized in accordance with Section 2.02(j)) as necessary to ensure the portion (if any) thereof outstanding and not Cash Collateralized does not exceed such Issuing Lender's Revolving Commitment (as so reduced). Any reduction of the Unused Total Revolving Commitment pursuant to this Section 2.11 shall be applied to reduce the Revolving Commitments of each Revolving Lender on a pro rata basis.

Section 2.12. Mandatory Prepayment of Loans; Commitment Termination; Change of Control Offer.

(a) Within five (5) Business Days of the Borrower or any of its Subsidiaries receiving any Net Proceeds as a result of a Collateral Sale or a Recovery Event in respect of Collateral, if the Borrower shall not be in compliance with Section 6.09(a) on the date such Net Proceeds are received, the Borrower shall deposit cash in an amount (the "Net Proceeds Amount") equal to the amount of such received Net Proceeds (solely to the extent necessary to maintain compliance with Section 6.09(a)) into the Collateral Proceeds Account that is maintained with the Administrative Agent for such purpose and subject to an Account Control Agreement and thereafter such Net Proceeds Amount shall be applied (to the extent not otherwise applied pursuant to the immediately succeeding proviso and solely to the extent the Borrower is not in compliance with Section 6.09(a)) in accordance with the requirements of Section 2.12(c); provided that (i) the Borrower may use such Net Proceeds Amount to replace with Qualified Replacement Assets or, solely in the case of any Net Proceeds Amount in respect of any Recovery Event, repair the assets which are the subject of such Recovery Event or Collateral Sale within 365 days after such deposit is made, (ii) all such Net Proceeds Amounts shall be subject to release as provided in Section 6.09(c) or, at the option of the Borrower at any time,

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may be applied in accordance with the requirements of Section 2.12(c), and (iii) upon the occurrence of an Event of Default, the amount of any such deposit may be applied by the Administrative Agent in accordance with Section 2.12(c); provided further that any release of any Net Proceeds Amount pursuant to clause (ii) of this Section 2.12(a) shall be conditioned on the Borrower being in compliance with Section 6.09(a) after giving effect thereto (it being understood that the failure to be in compliance with Section 6.09(a) shall not prevent the release of any Net Proceeds Amount in connection with any repair or replacement of assets permitted hereunder so long as no decrease in the Collateral Coverage Ratio will result therefrom).

(b) The Borrower shall prepay the Revolving Loans (without any corresponding reduction in Revolving Commitments) when and in an amount necessary to comply with Section 6.09.

(c) Amounts required to be applied to the prepayment of Loans pursuant to Section 2.12(a) and (b) shall be applied to prepay the outstanding Revolving Loans (and to provide Cash Collateralization for the outstanding LC Exposure following the repayment of all outstanding Revolving Loans) in an amount necessary to comply with Section 6.09, in each case as directed by the Borrower. Such prepayments of Revolving Loans (and Cash Collateralization of the outstanding LC Exposure) shall not result in a corresponding permanent reduction in the Revolving Commitments. Any Cash Collateralization of outstanding LC Exposure shall be consummated in accordance with Section 2.02(j). The application of any prepayment pursuant to this Section 2.12 shall be made, first, to ABR Loans and, second, to Eurodollar Loans.

(d) If at any time the Total Revolving Extensions of Credit for any reason exceed the Total Revolving Commitment at such time, the Borrower shall prepay Revolving Loans on a pro rata basis in an amount sufficient to eliminate such excess. If, after giving effect to the prepayment of all outstanding Revolving Loans, the Total Revolving Extensions of Credit exceed the Total Revolving Commitment then in effect, the Borrower shall Cash Collateralize outstanding Letters of Credit to the extent of such excess.

(e) Upon the Revolving Facility Termination Date applicable to any Revolving Commitment, such Revolving Commitment shall be terminated in full and the Borrower shall repay the applicable Revolving Loans in full and, except as the Administrative Agent may otherwise agree in writing, if any Letter of Credit remains outstanding, comply with Section 2.02(j) in accordance therewith.

(f) All prepayments under this Section 2.12 shall be accompanied by accrued but unpaid interest on the principal amount being prepaid to (but not including) the date of prepayment, plus any accrued and unpaid Fees and any losses, costs and expenses, as more fully described in Sections 2.15 hereof.

(g) Unless otherwise prepaid in accordance with Section 2.12 or 2.13 hereof, and subject to the next sentence, upon the occurrence of a Change of Control, each Lender shall have the right to require the Borrower to prepay all or part of such Lender's Loans at a prepayment price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of prepayment, to discharge all or part of such Lender's LC Exposure (if any) and to

terminate all or part of such Lender's unused Revolving Commitment in accordance with this Section 2.12. Notwithstanding the foregoing, the Borrower shall not be required to make a Change of Control Offer upon the occurrence of a Change of Control if, upon direction of the Borrower, a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 2.12(g) applicable to a Change of Control Offer made by the Borrower and purchases all Loans validly surrendered and not withdrawn under such Change of Control Offer and the Borrower otherwise complies with this Section 2.12(g).

(i) Within 30 days following the occurrence of any Change of Control, the Borrower shall provide a written notice to the Administrative Agent and each Lender containing the following information (such notice, a "Change of Control Offer"):

(A) that a Change of Control has occurred and that such Lender has the right to require Borrower to repay such Lender's Loans at a prepayment price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase, to discharge its LC Exposure by Cash Collateralizing such LC Exposure and to terminate such Lender's unused Revolving Commitment;

(B) the date of prepayment, LC Exposure discharge and unused Revolving Commitment termination (the "Prepayment Date") (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(C) a statement that any Lender wishing to have its Loans repaid, LC Exposure discharged and unused Revolving Commitment terminated pursuant to such Change of Control Offer must comply with Section 2.12(g)(ii).

A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control occurring, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer.

(ii) In order to accept any Change of Control Offer, a Lender shall notify the Administrative Agent in writing at its address for notices contained in this Agreement prior to 12:00 noon, New York time, on the Business Day next preceding the Prepayment Date with respect to such Change of Control Offer (the "Election Time") of such Lender's election to require the Borrower to prepay all or a specified portion of such Lender's Loans, to discharge all or a specified portion of such Lender's LC Exposure and to terminate all or a specified portion of such Lender's unused Revolving Commitment pursuant to such Change of Control Offer (which, in the case of any election to require less than all of such Lender's Loans to be prepaid, less than all of such Lender's LC Exposure to be discharged and less than all such Lender's unused Revolving Commitment to be terminated in such Change of Control Offer, shall be, taken together, in a minimum principal amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof) and the principal amount of such Lender's Loans to be prepaid, the

amount of such Lender's LC Exposure to be discharged and the amount of such Lender's unused Revolving Commitment to be terminated each shall be in the same proportion of such Lender's total Loans, total LC Exposure and total unused Revolving Commitment, respectively), and shall specify the amount of such Lender's Loans which such Lender requests be prepaid, amount of such Lender's LC Exposure which such Lender requests be discharged and amount of unused Revolving Commitment to be terminated in such Change of Control Offer. In order to validly withdraw any election with respect to any Put Exposure in any Change of Control Offer, the Lender holding such Put Exposure shall notify the Administrative Agent in writing at its address for notices contained in this Agreement prior to the Election Time of such Lender's election to withdraw such Put Exposure from such Change of Control Offer, which notification shall include a copy of such Lender's previous notification electing to have its Put Exposure prepaid, discharged or terminated in such Change of Control Offer and shall state that such election is withdrawn. All such prepayments of such Lender's Loans and discharge of such Lender's LC Exposure shall automatically result in a corresponding permanent reduction in such Lender's Revolving Commitments. The Administrative Agent shall from time to time, upon request by the Borrower, advise the Borrower of the amount of Put Exposure with respect to any Change of Control Offer.

(iii) If as of the Election Time there is any Put Exposure as to which the election to accept the Change of Control Offer has not been withdrawn pursuant to Section 2.12(g)(ii), prior to 1:00 p.m., New York City time, on the Prepayment Date the Borrower shall pay to the Administrative Agent the aggregate amount payable with respect to such Put Exposure pursuant to Section 2.12(g)(i)(A). The Administrative Agent shall apply such funds to repay the Loans included in such Put Exposure and to Cash-Collateralize the LC Exposure included in the Put Exposure. In addition, the Administrative Agent shall recalculate the Revolving Commitment Percentage of each Lender after giving effect to such Change of Control Offer and give written notice thereof to the Borrower and each Lender.

#### Section 2.13. Optional Prepayment of Loans.

(a) The Borrower shall have the right, at any time and from time to time, to prepay any Loans, in whole or in part, (i) with respect to Eurodollar Loans, upon (A) telephonic notice (followed promptly by written or facsimile notice) or (B) written or facsimile notice, in any case received by 1:00 p.m., New York City time, three (3) Business Days prior to the proposed date of prepayment and (ii) with respect to ABR Loans, upon written or facsimile notice received by 1:00 p.m., New York City time, one Business Day prior to the proposed date of prepayment; provided that ABR Loans may be prepaid on the same day notice is given if such notice is received by the Administrative Agent by 12:00 noon, New York City time; provided further, however, that (A) each such partial prepayment shall be in an amount not less than \$1,000,000 and in integral multiples of \$1,000,000 in the case of Eurodollar Loans and integral multiples of \$100,000 in the case of ABR Loans, (B) no prepayment of Eurodollar Loans shall be permitted pursuant to this Section 2.13(a) other than on the last day of an Interest Period applicable thereto unless such prepayment is accompanied by the payment of the amounts described in Section

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2.15, and (C) no partial prepayment of a Eurodollar Tranche shall result in the aggregate principal amount of the Eurodollar Loans remaining outstanding pursuant to such Eurodollar Tranche being less than \$1,000,000.

(b) Any prepayments under Section 2.13(a) shall be applied to repay the outstanding Revolving Loans of the Revolving Lenders (without any reduction in the Total Revolving Commitment) as the Borrower shall specify until all Revolving Loans shall have been paid in full (plus any accrued but unpaid interest and fees thereon). All prepayments under Section 2.13(a) shall be accompanied by accrued but unpaid interest on the principal amount being prepaid to (but not including) the date of prepayment, plus any Fees and any losses, costs and expenses, as more fully described in Section 2.15 hereof.

(c) Each notice of prepayment shall specify the prepayment date, the principal amount of the Loans to be prepaid and, in the case of Eurodollar Loans, the Borrowing or Borrowings pursuant to which made, shall be irrevocable and shall commit the Borrower to prepay such Loan by the amount and on the date stated therein; provided that the Borrower may revoke any notice of prepayment under this Section 2.13 if such prepayment would have resulted from a refinancing of any or all of the Obligations hereunder, which refinancing shall not be consummated or shall otherwise be delayed. The Administrative Agent shall, promptly after receiving notice from the Borrower hereunder, notify each Lender of the principal amount of the Loans held by such Lender which are to be prepaid, the prepayment date and the manner of application of the prepayment.

Section 2.14. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or Issuing Lender (except any such reserve requirement subject to Section 2.14(c)); or

(ii) impose on any Lender or Issuing Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit issued hereunder;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting into, continuing or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Issuing Lender of issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or Issuing Lender hereunder with respect to any Eurodollar Loan or Letter of Credit (whether of principal, interest or otherwise), then, upon the request of such Lender or Issuing Lender, the Borrower will pay to such Lender or Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Lender, as the case may be, for such additional costs incurred or reduction suffered.

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(b) If any Lender or Issuing Lender reasonably determines in good faith that any Change in Law affecting such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Lender's capital or on the capital of such Lender's or Issuing Lender's holding company, if any, as a consequence of this Agreement or the Eurodollar Loans made by such Lender, or the Letters of Credit issued by such Issuing Lender, to a level below that which such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Lender's policies and the policies of such Lender's or Issuing Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or Issuing Lender, as the case may be, such additional amount or amounts, in each case as documented by such Lender or Issuing Lender to the Borrower as will compensate such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company for any such reduction suffered; it being understood that to the extent duplicative of the provisions in Section 2.16, this Section 2.14(b) shall not apply to Taxes.

(c) Solely to the extent arising from a Change in Law, the Borrower shall pay to each Lender (i) as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar funds or deposits, additional interest on the unpaid principal amount of each Eurodollar Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive in the absence of manifest error) and (ii) as long as such Lender shall be required to comply with any reserve ratio requirement or analogous requirement of any other central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Eurodollar Loans, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Commitment or Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive absent manifest error) which in each case shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least fifteen (15) days' prior written notice (with a copy to the Administrative Agent, and which notice shall specify the Statutory Reserve Rate, if any, applicable to such Lender) of such additional interest or cost from such Lender. If a Lender fails to give written notice fifteen (15) days prior to the relevant Interest Payment Date, such additional interest or cost shall be due and payable fifteen (15) days from receipt of such notice.

(d) A certificate of a Lender or Issuing Lender setting forth the amount or amounts necessary to compensate such Lender or Issuing Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section 2.14 and the basis for calculating such amount or amounts shall be delivered to the Borrower and shall be *prima facie* evidence of the amount due. The Borrower shall pay such Lender or Issuing Lender, as the case may be, the amount due within fifteen (15) days after receipt of such certificate.

(e) Failure or delay on the part of any Lender or Issuing Lender to demand compensation pursuant to this Section 2.14 shall not constitute a waiver of such Lender's or

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Issuing Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or Issuing Lender pursuant to this Section 2.14 for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or Issuing Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof. The protection of this Section 2.14 shall be available to each Lender regardless of any possible contention as to the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed.

(f) The Borrower shall not be required to make payments under this Section 2.14 to any Lender or Issuing Lender if (A) a claim hereunder arises solely through circumstances peculiar to such Lender or Issuing Lender and which do not affect commercial banks in the jurisdiction of organization of such Lender or Issuing Lender generally, (B) the claim arises out of a voluntary relocation by such Lender or Issuing Lender of its applicable Lending Office (it being understood that any such relocation effected pursuant to Section 2.18 is not "voluntary"), or (C) such Lender or Issuing Lender is not seeking similar compensation for such costs to which it is entitled from its borrowers generally in commercial loans of a similar size.

(g) Notwithstanding anything herein to the contrary, regulations, requests, rules, guidelines or directives implemented after the Restatement Effective Date pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act shall be deemed to be a Change in Law; provided however, that any determination by a Lender or Issuing Lender of amounts owed pursuant to this Section 2.14 to such Lender or Issuing Lender due to any such Change in Law shall be made in good faith in a manner generally consistent with such Lender's or Issuing Lender's standard practice.

Section 2.15. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of the occurrence and continuance of an Event of Default), (b) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto, or (c) the assignment (or reallocation) of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18, 2.27(d) or 10.08(d), then, in any such event, at the request of such Lender, the Borrower shall compensate such Lender for the loss, cost and expense sustained by such Lender attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount reasonably determined in good faith by such Lender or Issuing Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the applicable rate of interest for such Loan (excluding, however the Applicable Margin included therein, if any), for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest (as reasonably determined by

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such Lender) which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts (and the basis for requesting such amount or amounts) that such Lender is entitled to receive pursuant to this Section 2.15 shall be delivered to the Borrower and shall be *prima facie* evidence of the amount due. The Borrower shall pay such Lender the amount due within fifteen (15) days after receipt of such certificate.

Section 2.16. Taxes.

(a) Any and all payments by or on account of any Obligation of the Borrower or any Guarantor hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if any Indemnified Taxes or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent, any Lender or any Issuing Lender, as determined in good faith by the applicable Withholding Agent, then (i) the sum payable by the Borrower or applicable Guarantor shall be increased as necessary so that after making all required deductions for any Indemnified Taxes or Other Taxes (including deductions for any Indemnified Taxes or Other Taxes applicable to additional sums payable under this Section 2.16), the Administrative Agent, Lender, Issuing Lender or any other recipient of such payments (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable Withholding Agent shall make such deductions and (iii) the applicable Withholding Agent shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower or any Guarantor, as applicable, shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent, each Lender and each Issuing Lender, within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by or on behalf of or withheld or deducted from payments owing to the Administrative Agent, such Lender or such Issuing Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower or any Guarantor hereunder or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.16) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or Issuing Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender or Issuing Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority

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evidencing such payment to the extent available, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Each Lender shall, within ten (10) days after written demand therefor, indemnify the Administrative Agent (to the extent the Administrative Agent has not been reimbursed by the Borrower) for the full amount of any Taxes imposed by any Governmental Authority that are attributable to such Lender and that are payable or paid by the Administrative Agent, together with all interest, penalties, reasonable costs and expenses arising therefrom or with respect thereto, as determined by the Administrative Agent in good faith. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error.

(f) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law and as reasonably requested by the Borrower, such properly completed and executed documentation prescribed by applicable law or requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate; provided that a Foreign Lender shall not be required to deliver any documentation pursuant to this Section 2.16(f) that such Foreign Lender is not legally able to deliver.

(g) (1) Without limiting the generality of the foregoing, each Foreign Lender shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter when the previously delivered certificates and/or forms expire, or upon request of the Borrower or the Administrative Agent) whichever of the following is applicable:

(i) two (2) duly executed originals of Internal Revenue Service Form W-8BEN, claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(ii) two (2) duly executed originals of Internal Revenue Service Form W-8ECI,

(iii) two (2) duly executed originals of Internal Revenue Service Form W-8IMY, together with applicable attachments,

(iv) in the case of a Foreign Lender claiming the benefits of exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (B) a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, (C) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code or (D) conducting a trade or business in the United States with which the relevant interest payments are effectively connected and (y) two (2) duly executed originals of the Internal Revenue Service Form W-8BEN, or

(v) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States federal withholding tax and reasonably requested by the Borrower or the Administrative Agent to permit the Borrower to determine the withholding or required deduction to be made.

A Foreign Lender shall not be required to deliver any form or statement pursuant to this Section 2.16(g) that such Foreign Lender is not legally able to deliver.

(2) Any Lender that is a “United States Person” (as such term is defined in Section 7701(a)(30) of the Code) shall deliver to the Administrative Agent and the Borrower, on or prior to the date on which such Lender becomes a party to this Agreement (and from time to time thereafter when the previously delivered certificates and/or forms expire, or upon request of the Borrower or the Administrative Agent), two (2) copies of Internal Revenue Service Form W-9 (or any successor form), properly completed and duly executed by such Lender, certifying that such Lender is entitled to an exemption from United States backup withholding tax.

(3) If a payment made to a Lender under this Agreement or any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower or the Administrative Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment.

(h) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes from the Governmental Authority to which such Taxes or Other Taxes were paid and as to which it has been indemnified by the Borrower or a Guarantor or with respect to which the Borrower or a Guarantor has paid additional amounts pursuant to this Section 2.16, it shall pay over such refund to the Borrower or such Guarantor (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or such Guarantor under this Section 2.16 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender incurred in obtaining such refund (including Taxes imposed with respect to such refund) and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower or such Guarantor, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower or such Guarantor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the

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Administrative Agent or any Lender be required to pay any amount to the Borrower pursuant to this paragraph (h) if, and then only to the extent, the payment of such amount would place the Administrative Agent or such Lender in a less favorable net after-Tax position than the Administrative Agent or such Lender would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

Section 2.17. Payments Generally; Pro Rata Treatment.

(a) The Borrower shall make each payment or prepayment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.14 or 2.15, or otherwise) prior to 1:00 p.m., New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the reasonable discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 388 Greenwich Street, New York, NY 10013, pursuant to wire instructions to be provided by the Administrative Agent, except payments to be made directly to an Issuing Lender as expressly provided herein and except that payments pursuant to Sections 2.14, 2.15 and 10.04 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in U.S. Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all Obligations then due hereunder, such funds shall be applied (i) first, towards payment of Fees and expenses then due under Sections 2.19 and 10.04 payable to the Administrative Agent, (ii) second, towards payment of Fees and expenses then due under Sections 2.20, 2.21 and 10.04 payable to the Lenders and the Issuing Lenders and towards payment of interest then due on account of the Revolving Loans and Letters of Credit, ratably among the parties entitled thereto in accordance with the amounts of such Fees and expenses and interest then due to such parties and (iii) third, towards payment of (A) principal of the Revolving Loans and unreimbursed LC Disbursements then due hereunder, (B) any Designated Banking Product Obligations then due, to the extent such Designated Banking Product Obligations constitute "Obligations" hereunder, and (C) any Designated Hedging Obligations then due, to the extent such Designated Hedging Obligations constitute "Obligations" hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal, unreimbursed LC Disbursements, Designated Banking Product Obligations constituting Obligations and Designated Hedging Obligations constituting Obligations then due to such parties. Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or its assets, but appropriate adjustment shall be made

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with respect to payments from the Borrower or other Guarantors to preserve the allocations to Obligations otherwise set forth above in this Section 2.17(b).

(c) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the applicable Issuing Lender, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the applicable Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(d) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(a), 2.04(b), 8.04 or 10.04(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

#### Section 2.18. Mitigation Obligations; Replacement of Lenders.

(a) If the Borrower is required to pay any additional amount to any Lender under Section 2.14 or to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder, to assign its rights and obligations hereunder to another of its offices, branches or affiliates, to file any certificate or document reasonably requested by the Borrower or to take other reasonable measures, if, in the judgment of such Lender, such designation, assignment, filing or other measures (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or 2.16, as the case may be, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment. Nothing in this Section 2.18 shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.14 or 2.16.

(b) If, after the Restatement Effective Date, any Lender requests compensation under Section 2.14 or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, or if any Lender becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, (i) terminate such Lender's Revolving Commitment, prepay such Lender's outstanding Loans and provide Cash Collateralization for such Lender's LC Exposure or (ii) require such Lender to assign, without recourse (in accordance with and subject to the restrictions contained in Section 10.02), all its interests, rights

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and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), in any case as of a Business Day specified in such notice from the Borrower; provided that (i) such terminated or assigning Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts due, owing and payable to it hereunder at the time of such termination or assignment, from the assignee (to the extent of such outstanding principal and accrued interest and fees in the case of an assignment) or the Borrower (in the case of all other amounts) and (ii) in the case of an assignment due to payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments.

Section 2.19. Certain Fees. The Borrower shall pay to the Administrative Agent the fees set forth in that certain Administrative Agent Fee Letter, dated as of the Closing Date, between the Administrative Agent and the Borrower, in each case at the times set forth therein.

Section 2.20. Commitment Fee and Upfront Fee. (a) The Borrower shall pay to the Administrative Agent for the accounts of the Revolving Lenders a commitment fee (the "Commitment Fee") for the period commencing on the Restatement Effective Date to the Revolving Facility Termination Date with respect to the applicable Revolving Commitments or the earlier date of termination of the applicable Revolving Commitment, computed (on the basis of the actual number of days elapsed over a year of 360 days) at the Commitment Fee Rate on the average daily Unused Total Revolving Commitment. Such Commitment Fee, to the extent then accrued, shall be payable quarterly in arrears (a) on the last Business Day of each March, June, September and December, (b) on the Revolving Facility Termination Date with respect to the applicable Revolving Commitments, and (c) as provided in Section 2.11 hereof, upon any reduction or termination in whole or in part of the Total Revolving Commitment.

(b) The Borrower shall pay on the Restatement Effective Date to each Lender as of such date, an upfront fee in an amount as set forth in a separate fee letter entered into by the Borrower with such Lender on or prior to the Restatement Effective Date.

Section 2.21. Letter of Credit Fees. The Borrower shall pay with respect to each Letter of Credit (i) to the Administrative Agent for the account of the applicable Issuing Lender a fee calculated (on the basis of the actual number of days elapsed over a year of 360 days) at the per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Revolving Facility on the daily average LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) with respect to such Letter of Credit and (ii) to each Issuing Lender (with respect to each Letter of Credit issued by it), such Issuing Lender's customary and reasonable fees as may be agreed by the Issuing Lender and the Borrower for issuance, amendments and processing referred to in Section 2.02. In addition, the Borrower agrees to pay each Issuing Lender for its account a fronting fee of 0.125% per annum, up to a maximum amount of \$1,000 per annum per Letter of Credit, in respect of each Letter of Credit issued by such Issuing Lender, for the period from and including the date of issuance of such Letter of Credit to and including the date of termination of such Letter of

Credit. Accrued fees described in this paragraph in respect of each Letter of Credit shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December and on the Revolving Facility Termination Date with respect to the applicable Revolving Commitments. So long as no Event of Default has occurred, fees accruing on any Letter of Credit outstanding after the applicable Revolving Facility Termination Date shall be payable quarterly in the manner described in the immediately preceding sentence and on the date of expiration or termination of any such Letter of Credit.

Section 2.22. Nature of Fees. All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent, as provided herein and in the fee letters described in Section 2.19. Once paid, none of the Fees shall be refundable under any circumstances.

Section 2.23. Right of Set-Off. Upon the occurrence and during the continuance of any Event of Default pursuant to Section 7.01(b), the Administrative Agent and each Lender (and their respective banking Affiliates) are hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final but excluding deposits in the Escrow Accounts, Payroll Accounts and other accounts, in each case, held in trust for an identified beneficiary) at any time held and other indebtedness at any time owing by the Administrative Agent and each such Lender (or any of such banking Affiliates) to or for the credit or the account of the Borrower or any Guarantor against any and all of any such overdue amounts owing under the Loan Documents, irrespective of whether or not the Administrative Agent or such Lender shall have made any demand under any Loan Document; provided that in the event that any Defaulting Lender exercises any such right of setoff, (x) all amounts so set off will be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.26(d) and, pending such payment, will be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lenders and the Revolving Lenders and (y) the Defaulting Lender will provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set-off and application made by such Lender (or any of such banking Affiliates) and the Administrative Agent agrees promptly to notify the Borrower after any such set-off and application made by it (or any of its banking Affiliates), as the case may be, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and the Administrative Agent under this Section 2.23 are in addition to other rights and remedies which such Lender and the Administrative Agent may have upon the occurrence and during the continuance of any Event of Default.

Section 2.24. Security Interest in Letter of Credit Account. The Borrower hereby pledges to the Administrative Agent, for its benefit and for the benefit of the other Secured Parties, and hereby grants to the Administrative Agent, for its benefit and for the benefit of the other Secured Parties, a first priority security interest, senior to all other Liens, if any, in all of the Borrower's right, title and interest in and to the Letter of Credit Account, any direct investment of the funds contained therein and any proceeds thereof. Cash held in the Letter of

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Credit Account shall not be available for use by the Borrower, and shall be released to the Borrower only as described in Section 2.02(j).

Section 2.25. Payment of Obligations. Subject to the provisions of Section 7.01, upon the maturity (whether by acceleration or otherwise) of any of the Obligations under this Agreement or any of the other Loan Documents of the Borrower, the Lenders shall be entitled to immediate payment of such Obligations.

Section 2.26. Defaulting Lenders.

(a) If at any time any Lender becomes a Defaulting Lender, then the Borrower may, on ten (10) Business Days' prior written notice to the Administrative Agent and such Lender, replace such Lender by causing such Lender to (and such Lender shall be obligated to) assign pursuant to Section 10.02(b) (with the assignment fee to be waived in such instance and subject to any consents required by such Section) all of its rights and obligations under this Agreement to one or more assignees; provided that neither the Administrative Agent nor any Lender shall have any obligation to the Borrower to find a replacement Lender or other such Person.

(b) Any Lender being replaced pursuant to Section 2.26(a) shall (i) execute and deliver an Assignment and Acceptance with respect to such Lender's outstanding Commitments and Loans, and (ii) deliver any documentation evidencing such Loans to the Borrower or the Administrative Agent. Pursuant to such Assignment and Acceptance, (A) the assignee Lender shall acquire all or a portion, as specified by the Borrower and such assignee, of the assigning Lender's outstanding Commitments and Loans, (B) all obligations of the Borrower owing to the assigning Lender relating to the Commitments and Loans so assigned shall be paid in full by the assignee Lender to such assigning Lender concurrently with such Assignment and Acceptance (including, without limitation, any amounts owed under Section 2.15 due to such replacement occurring on a day other than the last day of an Interest Period), and (C) upon such payment and, if so requested by the assignee Lender, delivery to the assignee Lender of the appropriate documentation executed by the Borrower in connection with previous Borrowings, the assignee Lender shall become a Lender hereunder and the assigning Lender shall cease to constitute a Lender hereunder with respect to such assigned Commitments and Loans, except with respect to indemnification provisions under this Agreement, which shall survive as to such assigning Lender; provided that an assignment contemplated by this Section 2.26(b) shall become effective notwithstanding the failure by the Lender being replaced to deliver the Assignment and Acceptance contemplated by this Section 2.26(b), so long as the other actions specified in this Section 2.26(b) shall have been taken.

(c) Anything herein to the contrary notwithstanding, if a Revolving Lender becomes, and during the period it remains, a Defaulting Lender, during such period, such Defaulting Lender shall not be entitled to any fees accruing during such period pursuant to Section 2.20 (without prejudice to the rights of the Non-Defaulting Lenders in respect of such fees).

(d) Any amount paid by the Borrower or otherwise received by the Administrative Agent for the account of a Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity payments or other amounts) will not be paid or distributed to

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such Defaulting Lender, but shall instead be retained by the Administrative Agent in a segregated account until (subject to Section 2.26(f)) the termination of the Revolving Commitments and payment in full of all obligations of the Borrower hereunder and will be applied by the Administrative Agent, to the fullest extent permitted by law, to the making of payments from time to time in the following order of priority:

first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent,

second, to the payment of the default interest and then current interest due and payable to the Revolving Lenders which are Non-Defaulting Lenders hereunder, ratably among them in accordance with the amounts of such interest then due and payable to them,

third, to the payment of fees then due and payable to the Non-Defaulting Lenders hereunder, ratably among them in accordance with the amounts of such fees then due and payable to them,

fourth, to the ratable payment of other amounts then due and payable to the Non-Defaulting Lenders, and

fifth, after the termination of the Revolving Commitments and payment in full of all obligations of the Borrower hereunder, to pay amounts owing under this Agreement to such Defaulting Lender or as a court of competent jurisdiction may otherwise direct.

(e) The Borrower may terminate the unused amount of the Commitment of any Lender that is a Defaulting Lender upon not less than ten (10) Business Days' prior notice to the Administrative Agent (which shall promptly notify the Revolving Lenders thereof), and in such event the provisions of Section 2.26(d) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts), provided that (i) no Event of Default shall have occurred and be continuing and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent, or any Lender may have against such Defaulting Lender.

(f) If the Borrower and the Administrative Agent agree in writing that a Revolving Lender that is a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the Revolving Lenders, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, such Revolving Lender shall purchase at par such portions of outstanding Revolving Loans of the other Revolving Lenders, and/or make such other adjustments, as the Administrative Agent may determine to be necessary to cause the Revolving Lenders to hold Revolving Loans on a pro rata basis in accordance with their respective Revolving Commitments, whereupon such Revolving Lender shall cease to be a Defaulting Lender and will be a Non-Defaulting Lender; provided that no adjustments shall be made retroactively with respect to fees accrued while such Revolving Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise



expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Non-Defaulting Lender shall constitute a waiver or release of any claim of any party hereunder arising from such Revolving Lender's having been a Defaulting Lender.

(g) Notwithstanding anything to the contrary herein, (x) any Lender that is an Issuing Lender hereunder may not be replaced in its capacity as an Issuing Lender at any time that it has a Letter of Credit outstanding hereunder unless arrangements reasonably satisfactory to such Issuing Lender have been made with respect to such outstanding Letters of Credit and (y) the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 8.05.

Section 2.27. Increase in Commitment.

(a) Borrowing Request. The Borrower may by written notice to the Administrative Agent request, prior to the then latest Revolving Facility Maturity Date, an increase to the existing Revolving Commitments ~~by an amount not to exceed \$150,000,000 in the aggregate;~~ provided that after giving effect to such increase, the Total Revolving Commitments shall not exceed \$750,000,000. Such notice shall specify (i) the date (each, an "Increase Effective Date") on which the Borrower proposes that the increased Commitments shall be effective, which shall be a date not less than 10 Business Days after the date on which such notice is delivered to the Administrative Agent and (ii) the identity of each Eligible Assignee to whom the Borrower proposes any portion of such increased Commitments be allocated (each, a "New Lender") and the amounts of such allocations; provided that any existing Lender approached to provide all or a portion of the increased Commitments may elect or decline, in its sole discretion, to provide such increased Commitment.

(b) Conditions. The increased Commitments shall become effective, as of such Increase Effective Date provided that:

(i) each of the conditions set forth in Section 4.02 shall be satisfied on or prior to such Increase Effective Date;

(ii) no Event of Default shall have occurred and be continuing or would result from giving effect to the increased Commitments on such Increase Effective Date;

(iii) after giving pro forma effect to the increased Commitments to be made on such Increase Effective Date, the Borrower shall be in pro forma compliance with the covenant set forth in Section 6.09(a); and

(iv) the Borrower shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by the Administrative Agent in connection with any such transaction.

(c) Terms of Revolving Loans and Commitments. The terms and provisions of Revolving Loans made pursuant to the increased Commitments shall be identical to the Revolving Loans. The increased Commitments shall be effected by a joinder agreement (the

“Increase Joinder”) executed by the Borrower, the Administrative Agent and each Lender making such increased Commitment, in form and substance satisfactory to each of them. The Increase Joinder may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.27. In addition, unless otherwise specifically provided herein, all references in the Loan Documents to Revolving Loans shall be deemed, unless the context otherwise requires, to include references to Revolving Loans made pursuant to any increased Revolving Commitments made pursuant to this Agreement.

(d) Adjustment of Revolving Loans. Each of the existing Revolving Lenders shall assign to each of the applicable New Lenders, and each of the New Lenders shall purchase from each of the existing Revolving Lenders, at the principal amount thereof (together with accrued interest), such interests in the Revolving Loans outstanding on such Increase Effective Date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans will be held by the existing Lenders and New Lenders ratably in accordance with their Revolving Commitments after giving effect to the increased Revolving Commitments on such Increase Effective Date; provided that no such reallocation shall result in any Issuing Lender having Revolving Extensions of Credit greater than its Revolving Commitment. If there is a new Borrowing of Revolving Loans on such Increase Effective Date, the Revolving Lenders after giving effect to such Increase Effective Date shall make such Revolving Loans in accordance with Section 2.01(a). Any amounts owed under Section 2.15 due to a reallocation of Eurodollar Loans pursuant to this Section 2.27(d) occurring on a day other than the last day of an Interest Period applicable thereto shall be payable by the Borrower pursuant to Section 2.15.

(e) Equal and Ratable Benefit. The Revolving Loans and Commitments established pursuant to this paragraph shall constitute Revolving Loans and Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents and shall, without limiting the foregoing, benefit equally and ratably from the security interests created by the Collateral Documents.

#### Section 2.28. Extension of the Revolving Facility.

(a) Notwithstanding anything to the contrary in this Agreement, pursuant to one or more offers (each, an “Extension Offer”) made from time to time by the Borrower to all Lenders holding Revolving Commitments with a like maturity date, on a pro rata basis (based on the aggregate Revolving Commitments with a like maturity date) and on the same terms to each such Lender, the Borrower is hereby permitted to consummate from time to time transactions with individual Lenders that accept the terms contained in such Extension Offers to extend the maturity date of each such Lender’s Revolving Commitments and otherwise modify the terms of such Revolving Commitments pursuant to the terms of the relevant Extension Offer (including, without limitation, by the changing interest rate or fees payable in respect of such Revolving Commitments (and related outstandings)) (each, an “Extension”, and each group of Revolving Commitments, as so extended, as well as the original Revolving Commitments not so extended, being a “tranche”, and any Extended Revolving Commitments shall constitute a separate tranche

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of Revolving Commitments from the tranche of Revolving Commitments from which they were converted), so long as the following terms are satisfied:

(i) no Default or Event of Default shall have occurred and be continuing at the time the offering document in respect of an Extension Offer is delivered to the Lenders (the "Extension Offer Date"),

(ii) except as to interest rates, fees and final maturity (which shall be set forth in the relevant Extension Offer), the Revolving Commitment of any Revolving Lender that agrees to an Extension with respect to such Revolving Commitment extended pursuant to an Extension (an "Extended Revolving Commitment"), and the related outstandings, shall be a Revolving Commitment (or related outstandings, as the case may be) with the same terms as the original Revolving Commitments (and related outstandings); provided that (1) the borrowing and repayment (except for (A) payments of interest and fees at different rates on Extended Revolving Commitments (and related outstandings), (B) repayments required upon the maturity date of the non-extending Revolving Commitments and (C) repayment made in connection with a permanent repayment and termination of commitments) of Loans with respect to Extended Revolving Commitments after the applicable Extension date shall be made on a pro rata basis with all other Revolving Commitments, (2) the permanent repayment of Revolving Loans with respect to, and termination of, Extended Revolving Commitments after the applicable Extension date shall be made on a pro rata basis with all other Revolving Commitments, except that the Borrower shall be permitted to permanently repay and terminate commitments of any such tranche on a better than a pro rata basis as compared to any other tranche with a later maturity date than such tranche, (3) assignments and participations of Extended Revolving Commitments and extended Revolving Loans shall be governed by the same assignment and participation provisions applicable to Revolving Commitments and Revolving Loans and (4) at no time shall there be Revolving Commitments hereunder (including Extended Revolving Commitments and any original Revolving Commitments) which have more than two different maturity dates,

(iii) if the aggregate principal amount of Revolving Commitments in respect of which Revolving Lenders shall have accepted the relevant Extension Offer shall exceed the maximum aggregate principal amount of Revolving Commitments, as the case may be, offered to be extended by the Borrower pursuant to such Extension Offer, then the Revolving Loans of such Revolving Lenders shall be extended ratably up to such maximum amount based on the respective principal amounts (but not to exceed actual holdings of record) with respect to which such Revolving Lenders have accepted such Extension Offer,

(iv) if the aggregate principal amount of Revolving Commitments in respect of which Revolving Lenders shall have accepted the relevant Extension Offer shall be less than the maximum aggregate principal amount of Revolving Commitments, as the case may be, offered to be extended by the Borrower pursuant to such Extension Offer, then the Borrower may require each Revolving Lender that does not accept such Extension

Offer to assign pursuant to Section 10.02 no later than forty-five (45) days after the Extension Offer Date its pro rata share of the outstanding Revolving Commitments and Revolving Loans offered to be extended pursuant to such Extension Offer to one or more assignees which have agreed to such assignment and to extend the applicable Revolving Facility Maturity Date; provided that (1) each Revolving Lender that does not respond affirmatively within thirty (30) days of the Extension Offer Date shall be deemed not to have accepted such Extension Offer, (2) each assigning Revolving Lender shall have received payment of an amount equal to the outstanding principal of its Revolving Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (3) the processing and recordation fee specified in Section 10.02(b) shall be paid by the Borrower or such assignee and (4) the assigning Revolving Lender shall continue to be entitled to the rights under Section 10.04 for any period prior to the effectiveness of such assignment,

(v) all documentation in respect of such Extension shall be consistent with the foregoing, and

(vi) any applicable Minimum Extension Condition shall be satisfied unless waived by the Borrower. For the avoidance of doubt, no Lender shall be obligated to accept any Extension Offer.

(b) With respect to all Extensions consummated by the Borrower pursuant to this Section, (i) such Extensions shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 2.12 or Section 2.13 and (ii) each Extension Offer shall specify the minimum amount of Revolving Commitments to be tendered, which shall be a minimum amount approved by the Administrative Agent (a "Minimum Extension Condition"). The Administrative Agent and the Lenders hereby consent to the transactions contemplated by this Section (including, for the avoidance of doubt, payment of any interest, fees or premium in respect of any Extended Revolving Commitments on such terms as may be set forth in the relevant Extension Offer) and hereby waive the requirements of any provision of this Agreement (including, without limitation, Section 2.11, 2.12, 2.17 and 8.08) or any other Loan Document that may otherwise prohibit any such Extension or any other transaction contemplated by this Section 2.28.

(c) The consent of the Administrative Agent shall be required to effectuate any Extension, such consent not to be unreasonably withheld. No consent of any Lender shall be required to effectuate any Extension, other than the consent of each Lender agreeing to such Extension with respect to one or more of its Revolving Commitments (or a portion thereof) (or, in the case of an Extension pursuant to clause (iv) of Section 2.28(a), the consent of the assignee agreeing to the assignment of one or more Revolving Commitments and/or Revolving Loans). All Extended Revolving Commitments and all obligations in respect thereof shall be Obligations under this Agreement and the other Loan Documents that are secured by the Collateral on a *pari passu* basis with all other applicable Obligations under this Agreement and the other Loan Documents. The Lenders hereby irrevocably authorize the Administrative Agent to enter into

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amendments to this Agreement and the other Loan Documents (each, an “Extension Amendment”) with the Borrower as may be necessary in order to establish new tranches or sub-tranches in respect of Revolving Commitments so extended and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment of such new tranches or sub-tranches, in each case on terms consistent with this Section 2.28.

(d) In connection with any Extension, the Borrower shall provide the Administrative Agent at least five (5) Business Days (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof, and shall agree to such procedures (including, without limitation, regarding timing, rounding and other adjustments and to ensure reasonable administrative management of the credit facilities hereunder after such Extension), if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.28.

### SECTION 3.

#### REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders to make Loans and issue Letters of Credit hereunder, the Borrower and each of the Guarantors jointly and severally represent and warrant as follows:

Section 3.01. Organization and Authority. Each of the Borrower and the Guarantors (a) is duly organized, validly existing and in good standing (to the extent such concept is applicable in the applicable jurisdiction) under the laws of the jurisdiction of its organization and is duly qualified and in good standing in each other jurisdiction in which the failure to so qualify would have a Material Adverse Effect and (b) has the requisite corporate or limited liability company power and authority to effect the Transactions, to own or lease and operate its properties and to conduct its business as now or currently proposed to be conducted.

Section 3.02. Air Carrier Status. The Borrower is an “air carrier” within the meaning of Section 40102 of Title 49 and holds a certificate under Section 41102 of Title 49. The Borrower holds an air carrier operating certificate issued pursuant to Chapter 447 of Title 49. The Borrower is a “citizen of the United States” as defined in Section 40102(a)(15) of Title 49 and as that statutory provision has been interpreted by the DOT pursuant to its policies (a “United States Citizen”). The Borrower possesses all necessary certificates, franchises, licenses, permits, rights, designations, authorizations, exemptions, concessions, frequencies and consents which relate to the operation of the routes flown by it and the conduct of its business and operations as currently conducted except where failure to so possess would not, in the aggregate, have a Material Adverse Effect.

Section 3.03. Due Execution. The execution, delivery and performance by each of the Borrower and the Guarantors of each of the Loan Documents to which it is a party (a) are within the respective corporate or limited liability company powers of each of the Borrower and the Guarantors, have been duly authorized by all necessary corporate or limited liability

company action, including the consent of shareholders or members where required, and do not (i) contravene the charter, by-laws or limited liability company agreement (or equivalent documentation) of the Borrower or any of the Guarantors, (ii) violate any applicable law (including, without limitation, the Securities Exchange Act of 1934) or regulation (including, without limitation, Regulations T, U or X of the Board), or any order or decree of any court or Governmental Authority, other than violations by the Borrower or the Guarantors which would not reasonably be expected to have a Material Adverse Effect, (iii) conflict with or result in a breach of, or constitute a default under, any material indenture, mortgage or deed of trust or any material lease, agreement or other instrument binding on the Borrower or the Guarantors or any of their properties, which, in the aggregate, would reasonably be expected to have a Material Adverse Effect, or (iv) result in or require the creation or imposition of any Lien upon any of the property of the Borrower or any of the other Grantors other than the Liens granted pursuant to this Agreement or the other Loan Documents; and (b) do not require the consent, authorization by or approval of or notice to or filing or registration with any Governmental Authority or any other Person, other than (i) the filing of financing statements under the UCC, (ii) the filings and consents contemplated by the Collateral Documents, (iii) approvals, consents and exemptions that have been obtained on or prior to the Restatement Effective Date and remain in full force and effect, (iv) consents, approvals and exemptions that the failure to obtain in the aggregate would not be reasonably expected to result in a Material Adverse Effect and (v) routine reporting obligations. Each Loan Document to which the Borrower or a Guarantor is a party has been duly executed and delivered by the Borrower and each of the Guarantors party thereto. This Agreement and the other Loan Documents to which the Borrower or any of the Guarantors is a party, each is a legal, valid and binding obligation of the Borrower and each Guarantor party thereto, enforceable against the Borrower and the Guarantors, as the case may be, in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

#### Section 3.04. Statements Made.

(a) The written information furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement (as modified or supplemented by other written information so furnished), together with the Annual Report on Form 10-K for 2016 of the Borrower filed with the SEC and all Quarterly Reports on Form 10-Q or Current Reports on Form 8-K that have been filed after December 31, 2016, by the Borrower, with the SEC (as amended), taken as a whole as of the Restatement Effective Date did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein not misleading in light of the circumstances in which such information was provided; provided that, with respect to projections, estimates or other forward-looking information the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

(b) The Annual Report on Form 10-K of the Borrower most recently filed with the SEC, and each Quarterly Report on Form 10-Q and Current Report on Form 8-K of the Borrower

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filed with the SEC subsequently and prior to the date that this representation and warranty is being made, did not as of the date filed with the SEC (giving effect to any amendments thereof made prior to the date that this representation and warranty is being made) contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Section 3.05. Financial Statements; Material Adverse Change.

(a) The audited consolidated financial statements of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2016, included in the Borrower's Annual Report on Form 10-K for 2016 filed with the SEC, as amended, present fairly, in all material respects, in accordance with GAAP, the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries on a consolidated basis as of such date and for such period.

(b) Except as disclosed in the Borrower's Annual Report on Form 10-K for 2016 or any subsequent report filed by the Borrower on Form 10-Q or Form 8-K with the SEC, since December 31, 2016, there has been no Material Adverse Change.

Section 3.06. Ownership of Subsidiaries. As of the Restatement Effective Date, other than as set forth on Schedule 3.06, (a) each of the Persons listed on Schedule 3.06 is a wholly-owned, direct or indirect Subsidiary of the Borrower, and (b) the Borrower owns no other Subsidiaries (other than Immaterial Subsidiaries), whether directly or indirectly.

Section 3.07. Liens. There are no Liens of any nature whatsoever on any Collateral other than Permitted Liens.

Section 3.08. Use of Proceeds. The proceeds of the Loans, and the Letters of Credit, shall be used for working capital or other general corporate purposes of the Borrower and its Subsidiaries (including the repayment of indebtedness and the payment of fees and transaction costs as contemplated hereby and as referred to in Sections 2.19 and 2.20).

Section 3.09. Litigation and Compliance with Laws.

(a) Except as disclosed in the Borrower's Annual Report on Form 10-K for 2016 or any subsequent report filed by the Borrower on Form 10-Q or Form 8-K with the SEC since December 31, 2016, there are no actions, suits, proceedings or investigations pending or, to the knowledge of the Borrower or the Guarantors, threatened against the Borrower or the Guarantors or any of their respective properties (including any properties or assets that constitute Collateral under the terms of the Loan Documents), before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that (i) are likely to have a Material Adverse Effect or (ii) would reasonably be expected to affect the legality, validity, binding effect or enforceability of the Loan Documents or, in any material respect, the rights and remedies of the Administrative Agent or the Lenders thereunder or in connection with the Transactions.

(b) Except with respect to any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, the Borrower and each Guarantor to its knowledge is currently in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and ownership of its property.

Section 3.10. FAA Slot Utilization.

(a) As of the Restatement Effective Date, all of the Pledged Slots held by the Borrower and the other Grantors constituting Collateral are FAA Slots.

(b) Except for matters which would not reasonably be expected to have a Material Adverse Effect, the Borrower and the other Grantors, as applicable, are utilizing, or causing to be utilized, their respective Pledged Slots (except Pledged Slots which are reasonably determined by the Borrower to be of *de minimis* value or surplus to the Borrower's needs) in a manner consistent in all material respects with applicable rules, regulations, laws and contracts in order to preserve both their respective right to hold and operate the Pledged Slots, taking into account any waivers or other relief granted to the Borrower or any Guarantor by the FAA, other applicable U.S. Governmental Authorities or U.S. Airport Authorities. Neither the Borrower nor any Guarantor has received any written notice from the FAA, other applicable U.S. Governmental Authorities or U.S. Airport Authorities, or is otherwise aware of any other event or circumstance, that would be reasonably likely to impair in any material respect its respective right to hold and operate any Pledged Slot, except for any such impairment that, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.11. Margin Regulations; Investment Company Act.

(a) Neither the Borrower nor any Guarantor is engaged, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board, "Margin Stock"), or extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Loans will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock in violation of Regulation U.

(b) Neither the Borrower nor any Guarantor is, or after the making of the Loans will be, or is required to be, registered as an "investment company" under the Investment Company Act of 1940, as amended. Neither the making of any Loan, nor the issuance of any Letters of Credit, nor the application of the proceeds of any Loan or repayment of any Loan or reimbursement of any LC Disbursement by the Borrower, nor the consummation of the other transactions contemplated by the Loan Documents, will violate any provision of such Act or any rule, regulation or order of the SEC thereunder.

Section 3.12. Ownership of Collateral. Each Grantor has good title to the Collateral owned by it, free and clear of all Liens other than Permitted Liens.

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Section 3.13. Perfected Security Interests. The Collateral Documents, taken as a whole, are effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in all of the Collateral to the extent purported to be created thereby, subject as to enforceability to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. With respect to the Collateral as of the Restatement Effective Date, at such time as (a) financing statements in appropriate form are filed in the appropriate offices (and the appropriate fees are paid) and (b) the execution of the Account Control Agreements, the Administrative Agent, for the benefit of the Secured Parties, shall have a first priority perfected security interest and/or mortgage (or comparable Lien) in all of such Collateral to the extent that the Liens on such Collateral may be perfected upon the filings or recordations or upon the taking of the actions described in clauses (a) and (b) above, subject in each case only to Permitted Liens, and such security interest is entitled to the benefits, rights and protections afforded under the Collateral Documents applicable thereto (subject to the qualification set forth in the first sentence of this Section 3.13).

Section 3.14. Payment of Taxes. Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed by it and has paid or caused to be paid when due all Taxes required to have been paid by it, except and solely to the extent that, in each case (a) such Taxes are being contested in good faith by appropriate proceedings or (b) the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

Section 3.15. Anti-Corruption Laws and Sanctions. Borrower has implemented and maintains in effect policies and procedures intended to ensure compliance by Borrower, its Subsidiaries and, when acting in such capacity, their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Borrower and its Subsidiaries are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of Borrower, any of its Subsidiaries or to the knowledge of Borrower any of their respective directors or officers is a Sanctioned Person.

## SECTION 4.

### CONDITIONS OF LENDING

Section 4.01. Conditions Precedent to Restatement Effective Date. This Agreement shall become effective on the date on which the following conditions precedent shall have been satisfied (or waived by the Lenders in accordance with Section 10.08 and by the Administrative Agent):

(a) Supporting Documents. The Administrative Agent shall have received with respect to the Borrower and the Guarantors in form and substance reasonably satisfactory to the Administrative Agent:

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(i) a certificate of the Secretary of State of the state of such entity's incorporation or formation, dated as of a recent date, as to the good standing of that entity (to the extent available in the applicable jurisdiction) and as to the charter documents on file in the office of such Secretary of State;

(ii) a certificate of the Secretary or an Assistant Secretary (or similar officer), of such entity dated the Restatement Effective Date and certifying (A) that attached thereto is a true and complete copy of the certificate of incorporation or formation and the by-laws or limited liability company or other operating agreement (as the case may be) of that entity as in effect on the date of such certification, (B) that attached thereto is a true and complete copy of resolutions adopted by the board of directors, board of managers or members of that entity authorizing the Borrowings and Letter of Credit issuances hereunder, the execution, delivery and performance in accordance with their respective terms of this Agreement, the other Loan Documents and any other documents required or contemplated hereunder or thereunder, and the granting of the security interest in the Letter of Credit Account and other Liens contemplated hereby or the other Loan Documents (in each case to the extent applicable to such entity), (C) that the certificate of incorporation or formation of that entity has not been amended since the date of the last amendment thereto indicated on the certificate of the Secretary of State furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer of that entity executing this Agreement and the Loan Documents or any other document delivered by it in connection herewith or therewith (such certificate to contain a certification by another officer of that entity as to the incumbency and signature of the officer signing the certificate referred to in this clause (ii)); and

(iii) an Officer's Certificate from the Borrower certifying (A) as to the truth in all material respects of the representations and warranties made by it contained in the Loan Documents as though made on the Restatement Effective Date, except to the extent that any such representation or warranty relates to a specified date, in which case as of such date (provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects as of the applicable date, before and after giving effect to the Transactions) and (B) as to the absence of any event occurring and continuing, or resulting from the Transactions, that constitutes an Event of Default.

(b) Credit Agreement. Each party hereto shall have duly executed and delivered to the Administrative Agent this Agreement.

(c) Security Agreements. The Borrower shall have duly executed and delivered to the Administrative Agent an acknowledgment and ratification in form and substance reasonably satisfactory to the Administrative Agent (the "Collateral Documents Acknowledgment") with respect to the Slot and Gate Security Agreement, the Spare Parts Security Agreement and the Account Control Agreements entered into on or prior to the Restatement Effective Date, containing an acknowledgment that (i) the "Obligations" or "Secured Obligations" (as defined in each of such security documents), as applicable, include all of the Obligations under this

Agreement after giving effect to the Restatement Effective Date, and (ii) after giving effect to the Restatement Effective Date, each of the Slot and Gate Security Agreement, the Spare Parts Security Agreement and the Account Control Agreements shall remain in full force and effect in accordance with their respective terms.

(d) [Reserved].

(e) Opinions of Counsel. The Administrative Agent and the Lenders shall have received:

(i) a written opinion of ~~James G. Hnat~~ Brandon Nelson, General Counsel for the Borrower, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders;

(ii) a written opinion of White & Case LLP, special New York counsel to the Borrower and the Guarantors, dated the Restatement Effective Date, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders; and

(iii) a written opinion of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to the Administrative Agent, dated the Restatement Effective Date, in form and substance reasonably satisfactory to the Administrative Agent.

(f) Payment of Fees and Expenses. The Borrower shall have paid to the Administrative Agent and the Lenders (i) the then unpaid balance of all accrued and unpaid Fees due, owing and payable under and pursuant to this Agreement, including, as referred to in Sections 2.19 and Section 2.20, and all reasonable and documented out-of-pocket expenses of the Administrative Agent (including reasonable attorneys' fees of Milbank, Tweed, Hadley & McCloy LLP) for which invoices have been presented at least one Business Day prior to the Restatement Effective Date and (ii) all "Commitment Fees" accrued under the Existing Credit Agreement (as defined therein) up to but excluding the Restatement Effective Date and any other amounts due and owing to the Lenders or the Administrative Agent by the Borrower under the Existing Credit Agreement.

(g) [Reserved].

(h) Consents. All material governmental and third party consents and approvals necessary in connection with the financing contemplated hereby shall have been obtained, in form and substance reasonably satisfactory to the Administrative Agent, and be in full force and effect.

(i) Representations and Warranties. All representations and warranties of the Borrower and the Guarantors contained in this Agreement and the other Loan Documents executed and delivered on the Restatement Effective Date shall be true and correct in all material respects on and as of the Restatement Effective Date, as though made on and as of such date (except to the extent any such representation or warranty by its terms is made as of a different specified date, in which case as of such specified date); provided that any representation or

warranty that is qualified by materiality, “Material Adverse Change” or “Material Adverse Effect” shall be true and correct in all respects, as though made on and as of the applicable date, after giving effect to the Transactions.

(j) No Event of Default. Before and after giving effect to the Transactions, no Event of Default shall have occurred and be continuing on the Restatement Effective Date.

(k) Patriot Act. The Lenders shall have received at least five (5) days prior to the Restatement Effective Date all documentation and other information required by bank regulatory authorities under applicable “know-your-customer” and anti-money laundering rules and regulations, including the Patriot Act, that such Lenders shall have requested from the Borrower or a Guarantor prior to such date.

The execution by each Lender of this Agreement shall be deemed to be confirmation by such Lender that any condition relating to such Lender’s satisfaction or reasonable satisfaction with any documentation set forth in this Section 4.01 has been satisfied as to such Lender.

Section 4.02. Conditions Precedent to Each Loan and Each Letter of Credit. The obligation of the Lenders to make each Loan and of the Issuing Lenders to issue each Letter of Credit, including the initial Loans and the initial Letters of Credit, is subject to the satisfaction (or waiver in accordance with Section 10.08) of the following conditions precedent:

(a) Notice. The Administrative Agent shall have received a Loan Request pursuant to Section 2.03 with respect to such borrowing or a request for issuance of such Letter of Credit pursuant to Section 2.02, as the case may be.

(b) Representations and Warranties. All representations and warranties contained in this Agreement and the other Loan Documents (other than, with respect to Loans made or Letters of Credit issued after the Restatement Effective Date, the representations and warranties set forth in Sections 3.05(b), 3.06 and 3.09(a)) shall be true and correct in all material respects on and as of the date of such Loan or the issuance of such Letter of Credit hereunder (both before and after giving effect thereto and, in the case of each Loan, the application of proceeds therefrom) with the same effect as if made on and as of such date except to the extent such representations and warranties expressly relate to an earlier date and in such case as of such date; provided that any representation or warranty that is qualified by materiality, “Material Adverse Change” or “Material Adverse Effect” shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to such Loan or the issuance of such Letter of Credit hereunder.

(c) No Default. On the date of such Loan or the issuance of such Letter of Credit hereunder, no Event of Default, material Default or any Default incapable of being cured shall have occurred and be continuing nor shall any such Event of Default or Default, as the case may be, occur by reason of the making of the requested Borrowing or the issuance of the requested Letter of Credit and, in the case of each Loan, the application of proceeds thereof.

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(d) Collateral Coverage Ratio. On the date of such Loan or the issuance of such Letter of Credit hereunder (and after giving pro forma effect thereto), the Collateral Coverage Ratio shall not be less than 1.0 to 1.0.

(e) No Going Concern Qualification. On the date of such Loan or the issuance of such Letter of Credit hereunder, the opinion of the independent public accountants (after giving effect to any reissuance or revision of such opinion) on the most recent audited consolidated financial statements delivered by the Borrower pursuant to Section 5.01(a) shall not include a “going concern” qualification under GAAP as in effect on the date of this Agreement or, if there is a change in the relevant provisions of GAAP thereafter, any like qualification or exception under GAAP after giving effect to such change.

The acceptance by the Borrower of each extension of credit hereunder shall be deemed to be a representation and warranty by the Borrower that the conditions specified in this Section 4.02 have been satisfied at that time.

## SECTION 5.

### AFFIRMATIVE COVENANTS

From the Restatement Effective Date and for so long as the Commitments remain in effect, any Letter of Credit remains outstanding (in a face amount in excess of the sum of (i) the amount of cash then held in the Letter of Credit Account and (ii) the face amount of back-to-back letters of credit delivered pursuant to Section 2.02(j)), or the principal of or interest on any Loan or reimbursement of any LC Disbursement is owing (or any other amount that is due and unpaid on the first date that none of the foregoing is in effect, outstanding or owing, respectively, is owing) to any Lender or the Administrative Agent hereunder:

Section 5.01. Financial Statements, Reports, etc. The Borrower shall deliver to the Administrative Agent on behalf of the Lenders:

(a) Within ninety (90) days after the end of each fiscal year, the Borrower’s consolidated balance sheet and related statement of income and cash flows, showing the financial condition of the Borrower and its Subsidiaries on a consolidated basis as of the close of such fiscal year and the results of their respective operations during such year, the consolidated statement of the Borrower to be audited for the Borrower by independent public accountants of recognized national standing and to be accompanied by an opinion of such accountants (without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements fairly present in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP; provided that the foregoing delivery requirement shall be satisfied if the Borrower shall have filed with the SEC its Annual Report on Form 10-K for such fiscal year, which is available to the public via EDGAR or any similar successor system;

(b) Within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year, the Borrower’s consolidated balance sheets and related statements of income

and cash flows, showing the financial condition of the Borrower and its Subsidiaries on a consolidated basis as of the close of such fiscal quarter and the results of their operations during such fiscal quarter and the then elapsed portion of the fiscal year, each certified by a Responsible Officer of the Borrower as fairly presenting in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP, subject to normal year end audit adjustments and the absence of footnotes; provided that the foregoing delivery requirement shall be satisfied if the Borrower shall have filed with the SEC its Quarterly Report on Form 10-Q for such fiscal quarter, which is available to the public via EDGAR or any similar successor system;

(c) Within the time period under Section 5.01(a) above, a certificate of a Responsible Officer of the Borrower certifying that, to the knowledge of such Responsible Officer, no Default or Event of Default has occurred and is continuing, or, if, to the knowledge of such Responsible Officer, such a Default or Event of Default has occurred and is continuing, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto;

(d) Within the time period under (a) and (b) of this Section 5.01, a certificate of a Responsible Officer demonstrating in reasonable detail compliance with Sections 6.08 and 6.09(a) as of the end of the preceding fiscal quarter, including an updated calculation of the Collateral Coverage Ratio reflecting the most recent Appraisals (as adjusted for any Dispositions or additions to the Collateral since the date of delivery to the Administrative Agent of such Appraisals);

(e) Within 15 days after a Responsible Officer of the Borrower obtains knowledge that there has been one or more Dispositions of Collateral (excluding those described in clause (b), (d) or (e)(iv) of the definition of "Permitted Disposition") since the date of the Officer's Certificate demonstrating compliance with Section 6.09(a) most recently delivered under this Agreement by the Borrower to the Administrative Agent consisting of (i) a Pledged Aircraft, (ii) a Pledged Engine or (iii) any other Collateral having an Appraised Value in the aggregate in excess of 10% of the sum of the aggregate Appraised Value of all Collateral plus Pledged Cash and Cash Equivalents, a certificate of a Responsible Officer demonstrating in reasonable detail compliance with Section 6.09(a);

(f) [Reserved].

(g) Promptly after a Responsible Officer obtains knowledge thereof, notice of the failure of any material assumption contained in any Appraisal to be correct, except if such failure would not reasonably be expected to materially adversely affect the Appraised Value of the applicable type of Collateral;

(h) So long as any Commitment, Loan or Letter of Credit is outstanding, within 30 days after the Chief Financial Officer or the Treasurer of the Borrower becoming aware of the occurrence of a Default or an Event of Default that is continuing, an Officer's Certificate specifying such Default or Event of Default and what action the Borrower and its Subsidiaries are taking or propose to take with respect thereto; and

(i) Promptly, from time to time, such other information regarding the Collateral and the operations, business affairs and financial condition of either the Borrower or any Guarantor, in each case as the Administrative Agent, at the request of any Lender, may reasonably request (it being understood that, so long as no Event of Default shall have occurred and be continuing, the Borrower shall not be obligated to provide utilization reports with respect to Pledged Slots).

Subject to the next succeeding sentence, information delivered pursuant to this Section 5.01 to the Administrative Agent may be made available by the Administrative Agent to the Lenders by posting such information on the Intralinks website on the Internet at <http://www.intralinks.com>. Information required to be delivered pursuant to this Section 5.01 by the Borrower shall be delivered pursuant to Section 10.01 hereto. Information required to be delivered pursuant to this Section 5.01 (to the extent not made available as set forth above) shall be deemed to have been delivered to the Administrative Agent on the date on which the Borrower provides written notice to the Administrative Agent that such information has been posted on the Borrower's general commercial website on the Internet (to the extent such information has been posted or is available as described in such notice), as such website may be specified by the Borrower to the Administrative Agent from time to time. Information required to be delivered pursuant to this Section 5.01 shall be in a format which is suitable for transmission.

Any notice or other communication delivered pursuant to this Section 5.01, or otherwise pursuant to this Agreement, shall be deemed to contain material non-public information unless (i) expressly marked by the Borrower or a Guarantor as "PUBLIC", (ii) such notice or communication consists of copies of the Borrower's public filings with the SEC or (iii) such notice or communication has been posted on a the Borrower's general commercial website on the Internet, as such website may be specified by the Borrower to the Administrative Agent from time to time.

Section 5.02. Taxes. The Borrower shall pay, and cause each of its Subsidiaries to pay, all material taxes, assessments, and governmental levies before the same shall become more than 90 days delinquent, other than taxes, assessments and levies (i) being contested in good faith by appropriate proceedings and (ii) the failure to effect such payment of which are not reasonably be expected to have a Material Adverse Effect.

Section 5.03. Stay, Extension and Usury Laws. The Borrower and each of the Guarantors covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Agreement; and the Borrower and each of the Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Administrative Agent, but will suffer and permit the execution of every such power as though no such law has been enacted.

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Section 5.04. Corporate Existence. The Borrower shall do or cause to be done all things reasonably necessary to preserve and keep in full force and effect:

- (1) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Borrower or any such Subsidiary; and
- (2) the rights (charter and statutory) and material franchises of the Borrower and its Subsidiaries; provided, however, that the Borrower shall not be required to preserve any such right or franchise, or the corporate, partnership or other existence of it or any of its Subsidiaries, if its Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower and its Subsidiaries, taken as a whole, and that the loss thereof would not, individually or in the aggregate, have a Material Adverse Effect.

For the avoidance of doubt, this Section 5.04 shall not prohibit any actions permitted by Section 6.10 hereof or described in Section 6.10(b).

Section 5.05. Compliance with Laws. The Borrower shall comply, and cause each of its Subsidiaries to comply, with all applicable laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where such noncompliance, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. Without limiting the foregoing, the Borrower will maintain in effect policies and procedures intended to ensure compliance by Borrower, its Subsidiaries and, when acting in such capacity, their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

Section 5.06. [Reserved].

Section 5.07. Delivery of Appraisals. The Borrower shall:

- (1) on a date within ~~30~~60 days prior to (A) May 15 of each year, beginning in 2017 and (B) solely with respect to any Pledged Aircraft, Pledged Engines and Pledged Spare Parts, November 15 of each year, beginning with the first such date occurring at least 90 days after any such Collateral is first added to the Collateral;
- (2) on the date upon which any Additional Collateral is pledged as Collateral, but only with respect to such Additional Collateral;
- (3) promptly (but in any event within 45 days) following a request by the Administrative Agent if an Event of Default has occurred and is continuing; and



(4) promptly (but in any event within 45 days) following any Disposition or series of related Dispositions of Pledged Slots (other than any Disposition described in clause (d), (e)(ii), (e)(iv) or (f) of the definition of “Permitted Disposition”) comprising more than 25% of the aggregate Appraised Value of the Pledged Slots;

deliver or cause to be delivered to the Administrative Agent one or more Appraisals establishing the Appraised Value of the Collateral; provided, however, that:

(i) the Borrower shall be required to deliver or cause to be delivered only an Appraisal with respect to the (x) Pledged Slots (in the case of clause (4) above), (y) Pledged Aircraft, Pledged Engines and Pledged Spare Parts (in the case of clause 1(B) above) or (z) the applicable Additional Collateral (in the case of clause (2) above);

(ii) in connection with the pledging of any Eligible Aircraft, Eligible Engines or Eligible Spare Parts as Additional Collateral, any Appraisal with respect to such Additional Collateral that is more than 180 days old as of the date on which such Additional Collateral is pledged hereunder shall not be deemed to satisfy the Appraisal requirement in clause (2) above; and

(iii) if any new spare Engine is pledged as Collateral within 90 days after delivery from the manufacturer to Borrower and such new spare Engine is of the same make and model as any spare Engine then currently included (or being replaced) in the Collateral (any such Engine make and model, an “Existing Engine Type”), an Appraisal with respect to such new spare Engine shall only be required under this Section 5.07 if the Borrower elects to provide such an Appraisal for purposes of determining the Appraised Value of such new spare Engine pursuant to clause (iii) of the proviso of the definition of “Appraised Value”.

The Borrower may from time to time cause subsequent Appraisals to be delivered to the Administrative Agent if it believes that any affected item of Collateral has a higher Appraised Value than that reflected in the most recent Appraisals delivered pursuant to this Section 5.07.

Section 5.08. Regulatory Cooperation. In connection with any foreclosure, collection, sale or other enforcement of Liens granted to the Administrative Agent in the Collateral Documents, the Borrower will, and will cause its Subsidiaries to, reasonably cooperate in good faith with the Administrative Agent or its designee in obtaining all regulatory licenses, consents and other governmental approvals necessary or (in the reasonable opinion of the Administrative Agent or its designee) reasonably advisable to conduct all aviation operations with respect to the Collateral and will, at the reasonable request of the Administrative Agent and in good faith, continue to operate and manage the Collateral and maintain all applicable regulatory licenses with respect to the Collateral until such time as the Administrative Agent or its designee obtain such licenses, consents and approvals, and at such time the Borrower will, and will cause its Subsidiaries to, cooperate in good faith with the transition of the aviation

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operations with respect to the Collateral to any new aviation operator (including, without limitation, the Administrative Agent or its designee).

Section 5.09. Regulatory Matters; Citizenship; Utilization; Collateral Requirements.

(a) The Borrower will:

- (1) maintain at all times its status as an “air carrier” within the meaning of Section 40102(a)(2) of Title 49, and hold a certificate under Section 41102(a)(1) of Title 49;
- (2) be a United States Citizen;
- (3) maintain at all times its status at the FAA as an “air carrier” and hold an air carrier operating certificate under Section 44705 of Title 49 and operations specifications issued by the FAA pursuant to Parts 119 and 121 of Title 14 as currently in effect or as may be amended or recodified from time to time;
- (4) possess and maintain all necessary certificates, exemptions, franchises, licenses, permits, designations, rights, concessions, authorizations, frequencies and consents that are material to the operation of the Pledged Slots operated by it, and to the conduct of its business and operations as currently conducted, except to the extent that any failure to possess or maintain would not reasonably be expected to result in a Collateral Material Adverse Effect;
- (5) maintain Pledged Gate Leaseholds sufficient to ensure its ability to service the flights using its Pledged Slots, except to the extent that any failure to maintain would not reasonably be expected to result in a Collateral Material Adverse Effect;
- (6) utilize its Pledged Slots in a manner consistent with applicable regulations, rules and contracts in order to preserve its right to hold and use its Pledged Slots, except to the extent that any failure to utilize would not reasonably be expected to result in a Collateral Material Adverse Effect;
- (7) cause to be done all things reasonably necessary to preserve and keep in full force and effect its rights in and to use its Pledged Slots, including, without limitation, satisfying any applicable Use or Lose Rule, except to the extent that any failure to do so would not reasonably be expected to result in a Collateral Material Adverse Effect;
- (8) take or cause to be taken such actions (including pursuant to Section 5.12 hereof) to ensure that at all times the Pledged Slots shall include FAA Slots (i) that meet the criteria of “High Peak” slots set forth in the Initial Appraisal of MBA in a quantity not less than 66% of the Pledged Slots meeting such criteria held by the Borrower as of the Restatement Effective Date and (ii) in

a quantity not less than 66% of all FAA Slots held by the Borrower as of the Restatement Effective Date.

(9) if Eligible Spare Parts are included in the Collateral at any time, take or cause to be taken such actions to ensure that at all times the Pledged Spare Parts include all Spare Parts and Appliances then owned by the Borrower and its Subsidiaries (subject to the provisions of the Spare Parts Security Agreement).

(b) Without in any way limiting Section 5.09(a) hereof, the Borrower will promptly take all such steps as may be necessary to maintain, renew and obtain, or obtain the use of, Pledged Gate Leaseholds as needed for its continued and future operations using the Pledged Slots. The Borrower will further take all actions reasonably necessary or advisable in order to have access to its Pledged Gate Leaseholds. The Borrower will pay any applicable filing fees and other expenses related to the submission of applications, renewal requests, and other filings as may be reasonably necessary to have access to its Pledged Gate Leaseholds.

Section 5.10. Collateral Ownership.

Subject to the provisions described (including the actions permitted) under Sections 6.04 and 6.10 hereof, each Grantor will continue to maintain its interest in and right to use all property and assets so long as such property and assets constitute Collateral, except as provided in Section 5.09.

Section 5.11. Insurance. The Borrower shall:

(1) keep all Collateral (other than the Mortgaged Collateral, as to which only the insurance provisions of the Aircraft and Spare Engine Mortgage shall be applicable, and Pledged Spare Parts, as to which only the insurance provisions of the applicable Collateral Document shall be applicable) that is tangible property insured at all times, against such risks, including risks insured against by extended coverage, as is prudent and customary with U.S.-based companies of the same or similar size in the same or similar businesses;

(2) maintain in full force and effect public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of the tangible Collateral (other than the Mortgaged Collateral, as to which only the insurance provisions of the Aircraft and Spare Engine Mortgage shall be applicable, and Pledged Spare Parts, as to which only the insurance provisions of the applicable Collateral Document shall be applicable) owned, occupied or controlled by the Borrower, in such amounts and with such deductibles as are prudent and customary with U.S.-based companies of the same or similar size in the same or similar businesses and in the same geographic area; [and](#)

(3) maintain such other insurance or self insurance as may be required by law; ~~and~~.

~~(4) Maintain business interruption insurance in amounts and on terms as are customary in the U.S. domestic airline industry for major U.S. air carriers having both substantial domestic and international operations.~~

Section 5.12. Additional Guarantors; Grantors; Collateral.

(a) If the Borrower or any of its Subsidiaries acquires or creates another Domestic Subsidiary after the Restatement Effective Date, then the Borrower will promptly cause such Domestic Subsidiary to become a party to the Guarantee contained in Section 9 hereof by executing an Instrument of Assumption and Joinder substantially in the form attached hereto as Exhibit B; provided, that any Domestic Subsidiary that constitutes an Immaterial Subsidiary, a Receivables Subsidiary or an Excluded Subsidiary need not become a Guarantor unless and until 30 Business Days after such time as it ceases to be an Immaterial Subsidiary, a Receivables Subsidiary or an Excluded Subsidiary or such time as it guarantees, or pledges any property or assets to secure, any other Obligations.

(b) If the Borrower or any of its Subsidiaries desires or is required pursuant to the terms of this Agreement to add Additional Collateral or, if any Subsidiary acquires any existing Collateral from a Grantor that it desires or is required pursuant to the terms of this Agreement to maintain as Collateral, in each case, after the Restatement Effective Date, the Borrower shall, in each case at its own expense, (A) cause any such Subsidiary to become a party to the Guarantee contained in Section 9 hereof (to the extent such Subsidiary is not already a party thereto) and cause any such Subsidiary to become a party to each applicable Collateral Document and all other agreements, instruments or documents that create or purport to create and perfect a first priority Lien (subject to Permitted Liens) in favor of the Administrative Agent for the benefit of the Secured Parties applicable to such Collateral, by executing and delivering to the Administrative Agent an Instrument of Assumption and Joinder substantially in the form attached hereto as Exhibit B and/or joinders to all applicable Collateral Documents or pursuant to new Collateral Documents, as the case may be, in form and substance reasonably satisfactory to the Administrative Agent (it being understood that (i) in the case of Collateral consisting of Eligible Aircraft or Eligible Engines, the applicable Collateral Documents shall be the Aircraft and Spare Engine Mortgage, (ii) in the case of Collateral consisting of Eligible Spare Parts, the applicable Collateral Documents shall be the Spare Parts Security Agreement and (iii) in the case of any other Additional Collateral of a type that has not been theretofore included in the Collateral, such Additional Collateral may be subject to such additional terms and conditions as may be customarily required by lenders in similar financings of a similar size for similarly situated borrowers secured by the same type of Collateral, as agreed by the Borrower and the Administrative Agent in their reasonable discretion), (B) promptly execute and deliver (or cause such Subsidiary to execute and deliver) to the Administrative Agent such documents and take such actions to create, grant, establish, preserve and perfect the first priority Liens (subject to Permitted Liens) (including to obtain any release or termination of Liens not permitted under the definition of “Additional Collateral” in Section 1.01 or under Section 6.06 and the filing of UCC financing statements) in favor of the Administrative Agent for the benefit of the Secured Parties on such assets of the Borrower or such Subsidiary, as applicable, to secure the Obligations to the extent required under the applicable Collateral Documents or reasonably requested by the

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Administrative Agent, and to ensure that such Collateral shall be subject to no other Liens other than Permitted Liens and (C) if reasonably requested by the Administrative Agent, deliver to the Administrative Agent, for the benefit of the Secured Parties, a written opinion of counsel (which counsel shall be reasonably satisfactory to the Administrative Agent) to the Borrower or such Subsidiary, as applicable, with respect to the matters described in clauses (A) and (B) hereof, in each case within twenty (20) Business Days after the addition of such Collateral and in form and substance reasonably satisfactory to the Administrative Agent.

Section 5.13. Access to Books and Records.

(a) The Borrower and the Guarantors will make and keep books, records and accounts in which full, true and correct entries in conformity with GAAP are made of all financial dealings and transactions in relation to its business and activities, including, without limitation, an accurate and fair reflection of the transactions and dispositions of the assets of the Borrower and the Guarantors.

(b) The Borrower and the Guarantors will permit, to the extent not prohibited by applicable law, any representatives designated by the Administrative Agent or any Governmental Authority that is authorized to supervise or regulate the operations of a Lender, as designated by such Lender, upon reasonable prior written notice and, so long as no Event of Default has occurred and is continuing, at no out-of-pocket cost to the Borrower and the Guarantors, to visit the properties of the Borrower and the Guarantors, to examine its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times during normal business hours, not more than once every twelve (12) months unless an Event of Default has occurred and is continuing, in which case such inspection right shall not be so limited; provided that if an Event of Default has occurred and is continuing, the Borrower and the Guarantors shall be responsible for the reasonable costs and expenses of any visits of the Administrative Agent and the Lenders, acting together (but not separately).

Section 5.14. Further Assurances. The Borrower and each Guarantor shall execute any and all further documents and instruments, and take all further actions, that may be required or advisable under applicable law, or by the FAA, or that the Administrative Agent may reasonably request, in order to create, grant, establish, preserve, protect and perfect the validity, perfection and priority of the Liens and security interests created or intended to be created by the Collateral Documents, to the extent required under this Agreement or the Collateral Documents.

## SECTION 6.

### NEGATIVE COVENANTS

From the Restatement Effective Date and for so long as the Commitments remain in effect, any Letter of Credit remains outstanding (in a face amount in excess of the sum of (i) the amount of cash then held in the Letter of Credit Account and (ii) the face amount of back-to-back letters of credit delivered pursuant to Section 2.02(j)) or principal of or interest on any Loan or reimbursement of any LC Disbursement is owing (or any other amount that is due and

unpaid on the first date that none of the foregoing is in effect, outstanding or owing, respectively, is owing) to any Lender or the Administrative Agent hereunder:

Section 6.01. [Reserved].

Section 6.02. [Reserved].

Section 6.03. [Reserved].

Section 6.04. Disposition of Collateral. Neither the Borrower nor any Grantor shall sell or otherwise Dispose of any Collateral (including, without limitation, by way of any Sale of a Grantor) except that such sale or other Disposition shall be permitted (i) in the case of a Permitted Disposition or (ii) provided that upon consummation of any such sale or other Disposition (A) no Event of Default shall have occurred and be continuing, (B) the Collateral Coverage Ratio is no less than 1.0 to 1.0 after giving effect to such sale or other Disposition (including any deposit of any Net Proceeds received upon consummation thereof in the Collateral Proceeds Account subject to an Account Control Agreement and any concurrent pledge of Additional Collateral, if any) and (C) the Borrower is in compliance with Section 5.09(a) (8) after giving effect to such sale or other Disposition (including any pledge of Additional Collateral, if any); provided that nothing contained in this Section 6.04 is intended to excuse performance by the Borrower or any Guarantor of any requirement of any Collateral Document that would be applicable to a Disposition permitted hereunder. A Disposition of Collateral referred to in clause (d), (e)(iv) or (f) of the definition of “Permitted Disposition” shall not result in the automatic release of such Collateral from the security interest of the applicable Collateral Document, and the Collateral subject to such Disposition shall continue to constitute Collateral for all purposes of the Loan Documents (without prejudice to the rights of the Borrower to release any such Collateral pursuant to Section 6.09(c)).

Section 6.05. [Reserved].

Section 6.06. Liens. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind on any property or asset that constitutes Collateral, except Permitted Liens.

Section 6.07. Business Activities. The Borrower will not, and will not permit any of its Subsidiaries (other than JBTP, LLC) to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Borrower and its Subsidiaries taken as a whole.

Section 6.08. Liquidity. The Borrower will not permit the aggregate amount of Liquidity to be less than \$550,000,000 at as of the end of any timeBusiness Day following the Restatement Effective Date.

Section 6.09. Collateral Coverage Ratio.

(a) The Borrower will not permit at any time following the Restatement Effective Date the Collateral Coverage Ratio to be less than 1.0 to 1.0; provided, that if, (A) upon delivery of an Appraisal pursuant to Section 5.07 or otherwise pursuant to this Agreement (except pursuant to Section 5.07(2) or 5.07(3) or any Appraisal delivered to the Administrative Agent in connection with the designation of Additional Collateral solely to evidence compliance with the requirements of this Section 6.09(a)) and (B) solely with respect to determining compliance with this Section as a result thereof, it is determined that the Borrower shall not be in compliance with this Section 6.09(a), the Borrower shall, within forty-five (45) days (or, in the case of an Appraisal delivered pursuant to Section 5.07(4) within thirty (30) days) of the date of such Appraisal (or, in the case of an Appraisal required under Section 5.07(1) or 5.07(4) not delivered by the deadline thereunder, the date such Appraisal was due thereunder) designate Additional Collateral as additional Eligible Collateral and comply with Section 5.12 and/or prepay or cause to be prepaid the Loans in accordance with Section 2.12(b), collectively, in an amount sufficient to enable the Borrower to comply with this Section 6.09(a).

(b) Notwithstanding anything to the contrary contained herein, if the Borrower shall fail at any time to be in compliance with this Section 6.09 solely as a result of damage to or loss of any Collateral covered by insurance (pursuant to which the Administrative Agent is named as loss payee and with respect to which payments are to be delivered directly to the Administrative Agent) for which the insurer thereof has been notified of the relevant claim and has not challenged such coverage, any calculation made pursuant to this Section 6.09 shall deem the relevant Grantor to have received Net Proceeds (and to have taken all steps necessary to have pledged such Net Proceeds as Additional Collateral) in an amount equal to the expected coverage amount (as determined by the Borrower in good faith and updated from time to time to reflect any agreements reached with the applicable insurer) and net of any amounts required to be paid out of such proceeds and secured by a Lien until the earliest of (i) the date any such Net Proceeds are actually received by the Administrative Agent, (ii) the date that is 270 days after such damage and (iii) the date on which any such insurer denies such claim; provided that, prior to giving effect to this clause (b), (x) the aggregate Appraised Value of all the Collateral plus (y) the Pledged Cash and Cash Equivalents, shall be no less than 150% of the Total Obligations. It is understood and agreed that if the Administrative Agent should receive any Net Proceeds directly from the insurer in respect of a Recovery Event and at the time of such receipt, (A) no Event of Default shall have occurred and be continuing and the Borrower is in compliance with Section 6.09(a) (without giving effect to the receipt of such Net Proceeds), the Administrative Agent shall promptly cause such proceeds to be paid to the Borrower or the applicable Grantor and (B) an Event of Default shall have occurred and be continuing or the Borrower fails to be in compliance with Section 6.09(a) (without giving effect to the receipt of such Net Proceeds), the Administrative Agent shall promptly cause such proceeds to be deposited into the Collateral Proceeds Account maintained for such purpose with the Administrative Agent that is subject to an Account Control Agreement and such proceeds shall be applied or released from such account in accordance with Section 2.12(a).

(c) At the Borrower's request, the Lien on any asset or type or category of asset (including after-acquired assets of that type or category) included in the Collateral will be promptly released, provided, in each case, that the following conditions are satisfied or waived:

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(A) no Event of Default shall have occurred and be continuing, (B) either (x) after giving effect to such release, the Collateral Coverage Ratio is not less than 1.0 to 1.0 or (y) the Borrower shall prepay or cause to be prepaid the Loans and/or shall designate Additional Collateral and comply with Section 5.12, collectively, in an amount necessary to cause the Collateral Coverage Ratio to not be less than 1.0 to 1.0, and (C) the Borrower shall deliver an Officer's Certificate demonstrating compliance with this Section 6.09(c) and Section 5.09(a)(8) following such release. In connection herewith, the Administrative Agent agrees to promptly provide any documents or releases reasonably requested by the Borrower to evidence such release.

Section 6.10. Merger, Consolidation, or Sale of Assets.

(a) The Borrower shall not directly or indirectly: (i) consolidate or merge with or into another Person (whether or not the Borrower is the surviving corporation) or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Borrower and its Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either:

(A) the Borrower is the surviving corporation; or

(B) the Person formed by or surviving any such consolidation or merger (if other than the Borrower) or to which such sale, assignment, transfer, conveyance or other disposition has been made is an entity organized or existing under the laws of the United States, any state of the United States or the District of Columbia; and, if such entity is not a corporation, a co-obligor of the Loans is a corporation organized or existing under any such laws;

(2) the Person formed by or surviving any such consolidation or merger (if other than the Borrower) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Borrower under the Loan Documents pursuant to agreements reasonably satisfactory to the Administrative Agent;

(3) immediately after such transaction, no Event of Default exists; and

(4) the Borrower shall have delivered to the Administrative Agent an Officer's Certificate stating that such consolidation, merger or transfer complies with this Agreement.

In addition, the Borrower will not, directly or indirectly, lease all or substantially all of the properties and assets of the Borrower and its Subsidiaries taken as a whole, in one or more related transactions, to any other Person.

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(b) Section 6.10(a) will not apply to any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among the Borrower and/or the Guarantors.

(c) Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of the Borrower in a transaction that is subject to, and that complies with the provisions of, Section 6.10(a), the successor Person formed by such consolidation or into or with which the Borrower is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of this Agreement referring to the Borrower shall refer instead to the successor Person and not to the Borrower), and may exercise every right and power of the Borrower under this Agreement with the same effect as if such successor Person had been named as the Borrower herein; provided, however, that the Borrower, if applicable, shall not be relieved from the obligation to pay the principal of, and interest, if any, on the Loan except in the case of a sale of all of the Borrower's assets in a transaction that is subject to, and that complies with the provisions of, Section 6.10(a) hereof. In connection with any transfer under this clause (c), such successor Person shall provide all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act, as reasonably requested by any Lender.

Section 6.11. Use of Proceeds. The Borrower will not use, and will not permit any of its Subsidiaries to use, the proceeds of any Borrowing or any Letter of Credit (A) in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country (except to the extent permitted by applicable law), or (C) in any manner that would result in the violation of any Sanctions applicable to the Borrower or any of its Subsidiaries.

## SECTION 7.

### EVENTS OF DEFAULT

Section 7.01. Events of Default. In the case of the happening of any of the following events and the continuance thereof beyond the applicable grace period if any (each, an "Event of Default"):

(a) any representation or warranty made by the Borrower or any Guarantor in this Agreement or in any other Loan Document shall prove to have been false or incorrect in any material respect when made and such representation, to the extent capable of being corrected, is not corrected within ten (10) Business Days after receipt by the Borrower of notice from the Administrative Agent of such default; or

(b) default shall be made in the payment of (i) any principal of the Loans or reimbursement obligations or cash collateralization in respect of Letters of Credit, when and as the same shall become due and payable; (ii) any interest on the Loans and such default shall continue unremedied for more than five (5) Business Days; or (iii) any other amount payable

hereunder when due and such default shall continue unremedied for more than ten (10) Business Days after receipt of written notice by the Borrower from the Administrative Agent of the default in making such payment when due; or

(c) default shall be made by the Borrower in the due observance of the covenant contained in Section 5.01(h), 6.08 or 6.09(a) hereof; or

(d) default shall be made by the Borrower or any Subsidiary of the Borrower in the due observance or performance of any other covenant, condition or agreement to be observed or performed by it pursuant to the terms of this Agreement or any of the other Loan Documents and such default shall continue unremedied for more than sixty (60) days after receipt of written notice by the Borrower from the Administrative Agent of such default; or

(e) (A) any material provision of any Loan Document to which the Borrower or a Guarantor is a party ceases to be a valid and binding obligation of the Borrower or such Guarantor, or the Borrower or any of the Guarantors shall so assert in any pleading filed in any court or (B) the Lien on any material portion of the Collateral intended to be created by the Loan Documents shall cease to be or shall not be a valid and perfected Lien having the priorities contemplated hereby or thereby (subject to Permitted Liens and except as permitted by the terms of this Agreement or the Collateral Documents or other than as a result of the action, delay or inaction of the Administrative Agent) for a period of fifteen (15) consecutive days after the Borrower receives written notice thereof from the Administrative Agent; or;

(f) The Borrower, any Significant Subsidiary or any group of Subsidiaries of the Borrower that, taken together, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

- (1) commences a voluntary case,
- (2) consents to the entry of an order for relief against it in an involuntary case,
- (3) consents to the appointment of a custodian of it or for all or substantially all of its property,
- (4) makes a general assignment for the benefit of its creditors, or
- (5) admits in writing its inability generally to pay its debts; or

(g) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

- (1) is for relief against the Borrower, any Significant Subsidiary or any group of Subsidiaries of the Borrower that, taken together, would constitute a Significant Subsidiary in an involuntary case;

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(2) appoints a custodian of the Borrower, any Significant Subsidiary or any group of Subsidiaries of the Borrower that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Borrower, any Significant Subsidiary or any group of Subsidiaries of the Borrower that, taken together, would constitute a Significant Subsidiary; or

(3) orders the liquidation of the Borrower, any Significant Subsidiary or any group of Subsidiaries of the Borrower that, taken together, would constitute a Significant Subsidiary;

and in each case the order or decree remains unstayed and in effect for sixty (60) consecutive days; or

(h) failure by the Borrower or any of the Borrower's Subsidiaries to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$50,000,000 (determined net of amounts covered by insurance policies issued by creditworthy insurance companies (and as to which the applicable insurance company has not denied coverage) or by third party indemnities or a combination thereof), which judgments are not paid, discharged, bonded, satisfied or stayed for a period of sixty (60) days; or

(i) (1) the Borrower or any Guarantor shall default in the performance of any obligation relating to Material Indebtedness and any applicable grace periods shall have expired and any applicable notice requirements shall have been complied with, and as a result of such default the holder or holders of such Material Indebtedness or any trustee or agent on behalf of such holder or holders shall be permitted to cause such Material Indebtedness to become due prior to its scheduled final maturity date, and such ability to cause such Material Indebtedness to become due shall be continuing for a period of more than 60 consecutive days, (2) the Borrower or any Guarantor shall default in the performance of any obligation relating to any Indebtedness of the Borrower or a Guarantor (other than the Loans and obligations relating to Letters of Credit) outstanding under one or more agreements of the Borrower or a Guarantor that results in such Indebtedness coming due prior to its scheduled final maturity date in an aggregate principal amount at any single time unpaid exceeding \$150,000,000 or (3) the Borrower or any Guarantor shall default in the payment of the outstanding principal amount due on the scheduled final maturity date of any Indebtedness outstanding under one or more agreements of the Borrower or a Guarantor, any applicable grace periods shall have expired and any applicable notice requirements shall have been complied with and such failure to make payment when due shall be continuing for a period of more than five (5) consecutive Business Days following the applicable scheduled final maturity date thereunder, in an aggregate principal amount at any single time unpaid exceeding \$150,000,000.

then, and in every such event and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders, the Administrative Agent shall, by written notice to the Borrower, take one or more of the following actions, at the same or different times:

(i) terminate forthwith the Commitments;

(ii) declare the Loans or any portion thereof then outstanding to be forthwith due and payable, whereupon the principal of the Loans and other Obligations (other than Designated Hedging Obligations) together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower and the Guarantors, anything contained herein or in any other Loan Document to the contrary notwithstanding;

(iii) require the Borrower and the Guarantors promptly upon written demand to deposit in the Letter of Credit Account Cash Collateralization for the LC Exposure (and to the extent the Borrower and the Guarantors shall fail to furnish such funds as demanded by the Administrative Agent, the Administrative Agent shall be authorized to debit the accounts of the Borrower and the Guarantors (other than Escrow Accounts, Payroll Accounts or other accounts held in trust for an identified beneficiary) maintained with the Administrative Agent in such amounts);

(iv) set-off amounts in the Letter of Credit Account or any other accounts (other than Escrow Accounts, Payroll Accounts or other accounts held in trust for an identified beneficiary) maintained with the Administrative Agent (or any of its affiliates) and apply such amounts to the obligations of the Borrower and the Guarantors hereunder and in the other Loan Documents; and

(v) exercise any and all remedies under the Loan Documents and under applicable law available to the Administrative Agent and the Lenders.

In case of any event with respect to the Borrower, any Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary described in clause (f) or (g) of this Section 7.01, the actions and events described in clauses (i), (ii) and (iii) above shall be required or taken automatically, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Any payment received as a result of the exercise of remedies hereunder shall be applied in accordance with Section 2.17(b).

## SECTION 8.

### THE AGENTS

#### Section 8.01. Administration by Agents.

(a) Each of the Lenders and each Issuing Lender hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

(b) Each of the Lenders and each Issuing Lender hereby authorizes the Administrative Agent, in its sole discretion:

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(i) in connection with the sale or other disposition of any asset that is part of the Collateral of the Borrower or any other Grantor, as the case may be, to the extent permitted by the terms of this Agreement, to release a Lien granted to the Administrative Agent, for the benefit of the Secured Parties, on such asset;

(ii) to determine that the cost to the Borrower or any other Grantor, as the case may be, is disproportionate to the benefit to be realized by the Secured Parties by perfecting a Lien in a given asset or group of assets included in the Collateral and that the Borrower or such other Grantor, as the case may be, should not be required to perfect such Lien in favor of the Administrative Agent, for the benefit of the Secured Parties;

(iii) to enter into the other Loan Documents on terms acceptable to the Administrative Agent and to perform its respective obligations thereunder;

(iv) to execute any documents or instruments necessary to release any Guarantor from the guarantees provided herein pursuant to Section 9.05;

(v) to enter into intercreditor and/or subordination agreements in accordance with Sections 6.06 and 10.17 on terms reasonably acceptable to the Administrative Agent and to perform its obligations thereunder and to take such action and to exercise the powers, rights and remedies granted to it thereunder and with respect thereto; and

(vi) to enter into any other agreements reasonably satisfactory to the Administrative Agent granting Liens to the Administrative Agent, for the benefit of the Secured Parties, on any assets of the Borrower or any other Grantor to secure the Obligations.

Section 8.02. Rights of Administrative Agent. Any institution serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Administrative Agent, and such bank and its respective Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate of the Borrower as if it were not an Administrative Agent hereunder.

Section 8.03. Liability of Agents.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (i) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing, (ii) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.08), (iii) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any

of the Borrower's Subsidiaries that is communicated to or obtained by the institution serving as an Administrative Agent or any of its Affiliates in any capacity and (iv) the Administrative Agent will not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt, any action that may be in violation of the automatic stay under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.08) or in the absence of its own gross negligence, bad faith or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Event of Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for, or have any duty to ascertain or inquire into, (A) any statement, warranty or representation made in or in connection with this Agreement, (B) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (C) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (D) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (E) the satisfaction of any condition set forth in Section 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

(b) The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

(c) The Administrative Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers through its Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Section 8.04. Reimbursement and Indemnification. Each Lender agrees (a) to reimburse on demand the Administrative Agent for such Lender's Aggregate Exposure Percentage of any expenses and fees incurred for the benefit of the Lenders under this

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Agreement and any of the Loan Documents, including, without limitation, counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders, and any other expense incurred in connection with the operations or enforcement thereof, not reimbursed by the Borrower or the Guarantors and (b) to indemnify and hold harmless the Administrative Agent and any of its Related Parties, on demand, in the amount equal to such Lender's Aggregate Exposure Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against it or any of them in any way relating to or arising out of this Agreement or any of the Loan Documents or any action taken or omitted by it or any of them under this Agreement or any of the Loan Documents to the extent not reimbursed by the Borrower or the Guarantors (except such as shall result from its gross negligence or willful misconduct as determined in a final and nonappealable judgment by a court of competent jurisdiction).

Section 8.05. Successor Agents. Subject to the appointment and acceptance of a successor agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Lenders and the Borrower. Upon any such resignation by the Administrative Agent, the Required Lenders shall have the right, with the consent (provided no Event of Default or Default has occurred and is continuing) of the Borrower (such consent not to be unreasonably withheld or delayed), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, with the consent (provided no Event of Default or Default has occurred or is continuing) of the Borrower (such consent not to be unreasonably withheld or delayed), appoint a successor Administrative Agent which shall be a bank institution with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as an Administrative Agent.

Section 8.06. Independent Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

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Section 8.07. Advances and Payments.

(a) On the date of each Loan, the Administrative Agent shall be authorized (but not obligated) to advance, for the account of each of the Lenders, the amount of the Loan to be made by it in accordance with its Revolving Commitment hereunder. Should the Administrative Agent do so, each of the Lenders agrees forthwith to reimburse the Administrative Agent in immediately available funds for the amount so advanced on its behalf by the Administrative Agent, together with interest at the Federal Funds Effective Rate if not so reimbursed on the date due from and including such date but not including the date of reimbursement.

(b) Any amounts received by the Administrative Agent in connection with this Agreement (other than amounts to which the Administrative Agent is entitled pursuant to Sections 2.19, 2.20, 8.04 and 10.04), the application of which is not otherwise provided for in this Agreement, shall be applied in accordance with Section 2.17(b). All amounts to be paid to a Lender by the Administrative Agent shall be credited to that Lender, after collection by the Administrative Agent, in immediately available funds either by wire transfer or deposit in that Lender's correspondent account with the Administrative Agent, as such Lender and the Administrative Agent shall from time to time agree.

Section 8.08. Sharing of Setoffs. Each Lender agrees that, except to the extent this Agreement expressly provides for payments to be allocated to a particular Lender, if it shall, through the exercise either by it or any of its banking Affiliates of a right of banker's lien, setoff or counterclaim against the Borrower or a Guarantor, including, but not limited to, a secured claim under Section 506 of the Bankruptcy Code or other security or interest arising from, or in lieu of, such secured claim and received by such Lender (or any of its banking Affiliates) under any applicable bankruptcy, insolvency or other similar law, or otherwise, obtain payment in respect of its Revolving Extensions of Credit as a result of which the unpaid portion of its Revolving Extensions of Credit is proportionately less than the unpaid portion of the Revolving Extensions of Credit of any other Lender (other than with respect to any LC Exposure under clause (i) of the definition thereof) (a) it shall promptly purchase at par (and shall be deemed to have thereupon purchased) from such other Lender a participation in the Loans or LC Exposure of such other Lender, so that the aggregate amount of each Lender's Revolving Extensions of Credit and its participation in Loans and LC Exposure of the other Lenders shall be in the same proportion to the aggregate unpaid principal amount of all Revolving Extensions of Credit then outstanding as the amount of its Revolving Extensions of Credit prior to the obtaining of such payment was to the amount of all Revolving Extensions of Credit prior to the obtaining of such payment and (b) such other adjustments shall be made from time to time as shall be equitable to ensure that the Lenders share such payment pro-rata, provided that if any such non-pro-rata payment is thereafter recovered or otherwise set aside, such purchase of participations shall be rescinded (without interest). The Borrower expressly consents to the foregoing arrangements and agrees, to the fullest extent permitted by law, that any Lender holding (or deemed to be holding) a participation in a Loan or LC Exposure acquired pursuant to this Section or any of its banking Affiliates may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower to such Lender as fully as if such Lender was the original obligee thereon, in the

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amount of such participation. The provisions of this Section 8.08 shall not be construed to apply to (a) any payment made by the Borrower or a Guarantor pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (b) any payment obtained by any Lender as consideration for the assignment or sale of a participation in any of its Loans or other Obligations owed to it.

Section 8.09. Withholding Taxes. To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any withholding tax applicable to such payment. If the Internal Revenue Service or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender for any reason, or the Administrative Agent has paid over to the Internal Revenue Service applicable withholding tax relating to a payment to a Lender but no deduction has been made from such payment, without duplication of any indemnification obligations set forth in Section 8.04, such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including any penalties or interest and together with any expenses incurred.

Section 8.10. Appointment by Secured Parties. Each Secured Party that is not a party to this Agreement shall be deemed to have appointed the Administrative Agent as its agent under the Loan Documents in accordance with the terms of this Section 8 and to have acknowledged that the provisions of this Section 8 apply to such Secured Party *mutatis mutandis* as though it were a party hereto (and any acceptance by such Secured Party of the benefits of this Agreement or any other Loan Document shall be deemed an acknowledgment of the foregoing).

## SECTION 9.

### GUARANTY

Section 9.01. Guaranty.

(a) Each of the Guarantors unconditionally, absolutely and irrevocably guarantees the due and punctual payment by the Borrower of the Obligations (including interest accruing on and after the filing of any petition in bankruptcy or of reorganization of the obligor whether or not post filing interest is allowed in such proceeding) (collectively, the "Guaranteed Obligations" and the obligations of each Guarantor in respect thereof, its "Guaranty Obligations"). Each of the Guarantors further agrees that, to the extent permitted by applicable law, the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and it will remain bound upon this guaranty notwithstanding any extension or renewal of any of the Obligations. The Guaranteed Obligations of the Guarantors shall be joint and several. Each of the Guarantors further agrees that its guaranty hereunder is a primary obligation of such Guarantor and not merely a contract of surety.

(b) To the extent permitted by applicable law, each of the Guarantors waives presentation to, demand for payment from and protest to the Borrower or any other Guarantor,

and also waives notice of protest for nonpayment. The obligations of the Guarantors hereunder shall not, to the extent permitted by applicable law, be affected by (i) the failure of the Administrative Agent or a Lender to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Guarantor under the provisions of this Agreement or any other Loan Document or otherwise; (ii) any extension or renewal of any provision hereof or thereof; (iii) any rescission, waiver, compromise, acceleration, amendment or modification of any of the terms or provisions of any of the Loan Documents; (iv) the release, exchange, waiver or foreclosure of any security held by the Administrative Agent for the Obligations or any of them; (v) the failure of the Administrative Agent or a Lender to exercise any right or remedy against any other Guarantor; or (vi) the release or substitution of any Collateral or any other Guarantor.

(c) To the extent permitted by applicable law, each of the Guarantors further agrees that this guaranty constitutes a guaranty of payment when due and not just of collection, and waives any right to require that any resort be had by the Administrative Agent or a Lender to any security held for payment of the Obligations or to any balance of any deposit, account or credit on the books of the Administrative Agent or a Lender in favor of the Borrower or any other Guarantor, or to any other Person.

(d) To the extent permitted by applicable law, each of the Guarantors hereby waives any defense that it might have based on a failure to remain informed of the financial condition of the Borrower and of any other Guarantor and any circumstances affecting the ability of the Borrower to perform under this Agreement.

(e) To the extent permitted by applicable law, each Guarantor's guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Obligations or any other instrument evidencing any Obligations, or by the existence, validity, enforceability, perfection, or extent of any collateral therefor or by any other circumstance relating to the Obligations which might otherwise constitute a defense to this guaranty (other than payment in full in cash of the Obligations in accordance with the terms of this Agreement (other than those that constitute unasserted contingent indemnification obligations)). Neither the Administrative Agent nor any of the Lenders makes any representation or warranty in respect to any such circumstances or shall have any duty or responsibility whatsoever to any Guarantor in respect of the management and maintenance of the Obligations.

(f) Upon the occurrence of the Obligations becoming due and payable (by acceleration or otherwise), the Lenders shall be entitled to immediate payment of such Obligations by the Guarantors upon written demand by the Administrative Agent.

Section 9.02. No Impairment of Guaranty. To the extent permitted by applicable law, the obligations of the Guarantors hereunder shall not be subject to any reduction, limitation or impairment for any reason, including, without limitation, any claim of waiver, release, surrender, alteration or compromise, other than pursuant to a written agreement in compliance with Section 10.08 and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations. To the extent permitted by applicable law, without limiting the generality of the

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foregoing, the obligations of the Guarantors hereunder shall not be discharged or impaired or otherwise affected by the failure of the Administrative Agent or a Lender to assert any claim or demand or to enforce any remedy under this Agreement or any other agreement, by any waiver or modification of any provision hereof or thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of the Guarantors or would otherwise operate as a discharge of the Guarantors as a matter of law.

Section 9.03. Continuation and Reinstatement, etc. Each Guarantor further agrees that its guaranty hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Administrative Agent, the Issuing Lenders, any Lender or any other Secured Party upon the bankruptcy or reorganization of the Borrower or a Guarantor, or otherwise.

Section 9.04. Subrogation. Upon payment by any Guarantor of any sums to the Administrative Agent or a Lender hereunder, all rights of such Guarantor against the Borrower arising as a result thereof by way of right of subrogation or otherwise, shall in all respects be subordinate and junior in right of payment to the prior payment in full of all the Obligations (including interest accruing on and after the filing of any petition in bankruptcy or of reorganization of an obligor whether or not post filing interest is allowed in such proceeding). If any amount shall be paid to such Guarantor for the account of the Borrower relating to the Obligations prior to payment in full of the Obligations, such amount shall be held in trust for the benefit of the Administrative Agent and the Lenders and shall forthwith be paid to the Administrative Agent and the Lenders to be credited and applied to the Obligations, whether matured or unmatured.

Section 9.05. Discharge of Guaranty.

(a) In the event of any sale or other disposition of all or substantially all of the assets of any Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all Capital Stock of any Guarantor, in each case to a Person that is not (either before or after giving effect to such transactions) the Borrower or a Guarantor or the merger or consolidation of a Guarantor with or into the Borrower or another Guarantor, in each case, in a transaction permitted under this Agreement, then such Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of all of the Capital Stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) will be automatically released and relieved of any obligations under its Guarantee of the Guaranteed Obligations.

(b) Upon the request of the Borrower, the guarantee of any Guarantor that is an Immaterial Subsidiary shall be promptly released; provided that (i) no Event of Default shall have occurred and be continuing or shall result therefrom and (ii) the Borrower shall have delivered a certificate of a Responsible Officer certifying that such Subsidiary is an Immaterial Subsidiary; provided further that a Subsidiary that is considered not to be an Immaterial Subsidiary solely pursuant to clause (i)(1) of the second proviso of the definition thereof shall,

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solely for purposes of this clause (b), be considered an Immaterial Subsidiary, so long as any applicable guarantee, pledge or other obligation of such Subsidiary with respect to any Junior Secured Debt shall be irrevocably released and discharged substantially simultaneously with the release of such guarantee hereunder.

(c) The Administrative Agent shall use commercially reasonable efforts to execute and deliver, at the Borrower's expense, such documents as the Borrower or any Guarantor may reasonably request to evidence the release of the guarantee of such Guarantor provided herein.

## SECTION 10.

### MISCELLANEOUS

#### Section 10.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein or under any other Loan Document shall be in writing (including by facsimile), and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower or any Guarantor, to it at JetBlue Airways Corporation, 27-01 Queens Plaza North, Long Island City, New York 11101, telephone: (718) 286-7900, facsimile: (718) 425-9260, email: Treasury@jetblue.com; Attention: ~~Senior Vice President and~~ Treasurer;

with a copy to:

JetBlue Airways Corporation, 27-01 Queens Plaza North, Long Island City, New York 11101, telephone: (718) 286-7900, facsimile: (718) 425-9260; Attention: General Counsel;

(ii) if to Citibank as Administrative Agent, to it at Citibank, N.A., Loan Administration, 1615 Brett Road, OPS 3, New Castle, Delaware 19720, telephone: (302) 894-6010, facsimile: (212) 994-0847; Attention: Owen Coyle;

(iii) if to an Issuing Lender that is a Lender, to it at its address determined pursuant to clause (iv) below or, if to an Issuing Lender that is not a Lender, to it at the address most recently specified by it in notice delivered by it to the Administrative Agent and the Borrower, unless no such notice has been received, in which case to it in care of its Affiliate that is a Lender at its address determined pursuant to clause (iv); and

(iv) if to any other Lender, to it at its address (or telecopy number) set forth in Annex A hereto or, if subsequently delivered, an Assignment and Acceptance.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative

Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its reasonable discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address, telecopy number or e-mail address for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Section 10.02. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Lender that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void), provided that the foregoing shall not restrict any transaction permitted by Section 6.10, and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 10.02. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Lender that issues any Letter of Credit), Participants (to the extent provided in paragraph (d) of this Section 10.02) and, to the extent expressly contemplated hereby, the Related Parties of the Administrative Agent, the Issuing Lenders and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment if the assignee is a Lender, an Affiliate of a Lender or an Approved Fund of a Lender, in each case so long as such assignee is an Eligible Assignee; and

(B) ~~(A)~~ the Borrower; provided that no consent of the Borrower shall be required for an assignment (I) if an Event of Default has occurred and is continuing or (II) if the assignee is a Lender, an Affiliate of a Lender or an Approved Fund of a Lender, in each case so long as such assignee is an Eligible Assignee; provided, further, that the Borrower's consent will be deemed given with respect to a proposed assignment if no response is received within ten (10)

Business Days after having received a written request from such Lender pursuant to this Section 10.02(b).

(ii) Assignments shall be subject to the following additional conditions:

(A) any assignment of any portion of the Total Revolving Commitment, Revolving Loans and LC Exposure shall be made to an Eligible Assignee;

(B) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund of a Lender or an assignment of the entire remaining amount of the assigning Lender's Revolving Commitment or Loans, the amount of such Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000, and after giving effect to such assignment, the portion of the Loan or Commitment held by the assigning Lender of the same tranche as the assigned portion of the Loan or Commitment shall not be less than \$5,000,000, in each case unless the Borrower and the Administrative Agent otherwise consent; provided that no consent of the Borrower shall be required with respect to such assignment if an Event of Default has occurred and is continuing; provided, further, that any such assignment shall be in increments of \$500,000 in excess of the minimum amount described above;

(C) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(D) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500 for the account of the Administrative Agent; and

(E) the assignee, if it was not a Lender immediately prior to such assignment, shall deliver (i) to the Administrative Agent an administrative questionnaire in a form as the Administrative Agent may require and (ii) any documents required to be delivered pursuant to Section 2.16.

For the purposes of this Section 10.02(b), the term "Approved Fund" means with respect to any Lender, any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of an entity that administers or manages such Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section 10.02, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the

interest assigned by such Assignment and Acceptance, have the rights and obligations of a Revolving Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.16 and 10.04). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.02 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section 10.02.

(iv) The Administrative Agent shall maintain at its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Commitments of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Guarantors, the Administrative Agent, the Issuing Lenders and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Lenders and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Notwithstanding anything to the contrary contained herein, no assignment may be made hereunder to any Defaulting Lender or any of its subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (v).

(vi) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment will be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Borrower, Administrative Agent, the Issuing Lender and each other Revolving Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit in accordance with its Aggregate Exposure Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder becomes effective under applicable law without compliance with the

provisions of this paragraph, then the assignee of such interest will be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(c) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed administrative questionnaire in a form as the Administrative Agent may require (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.04(a), 8.04 or 10.04(d), the Administrative Agent shall have no obligation to accept such Assignment and Acceptance and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(d) (i) Any Lender may, without the consent of the Borrower, the Administrative Agent or any Issuing Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Lenders and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.08(a) that affects such Participant. Subject to Section 10.02(d)(ii), the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.02(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.08 as though it were a Lender, provided such Participant agrees to be subject to the requirements of Section 8.08 as though it were a Lender. Each Lender that sells a participation, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under this Agreement or any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States

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Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender, the Borrower, a Guarantor and the Administrative Agent shall treat each person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant and shall be subject to the terms of Section 2.18(a). The Lender selling the participation to such Participant shall be subject to the terms of Section 2.18(b) if such Participant requests compensation or additional amounts pursuant to Section 2.14 or 2.16. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.16 unless such Participant agrees, for the benefit of the Borrower, to comply with Sections 2.16(f), 2.16(g) and 2.16(h) as though it were a Lender.

(e) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank or other central bank having jurisdiction over such Lender, and this Section 10.02 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 10.02, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower or any of the Guarantors furnished to such Lender by or on behalf of the Borrower or any of the Guarantors; provided that prior to any such disclosure, each such assignee or participant or proposed assignee or participant provides to the Administrative Agent its agreement in writing to be bound for the benefit of the Borrower by either the provisions of Section 10.03 or other provisions at least as restrictive as Section 10.03.

Section 10.03. Confidentiality. Each Lender agrees to keep any information delivered or made available by the Borrower or any of the Guarantors to it confidential, in accordance with its customary procedures, from anyone other than persons employed or retained by such Lender who are or are expected to become engaged in evaluating, approving, structuring or administering the Loans, and who are advised by such Lender of the confidential nature of such information; provided that nothing herein shall prevent any Lender from disclosing such information (a) to any of its Affiliates and their respective agents and advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential) or to any other Lender or any other party hereto, (b) upon the order of any court or administrative agency, (c) upon the request or demand of any regulatory agency or authority (including any self-regulatory authority), (d) which has been publicly disclosed other than as a result of a

disclosure by the Administrative Agent or any Lender which is not permitted by this Agreement, (e) in connection with any litigation to which the Administrative Agent, any Lender, or their respective Affiliates may be a party to the extent reasonably required under applicable rules of discovery, (f) to the extent reasonably required in connection with the exercise of any remedy or enforcement of rights hereunder, (g) to such Lender's legal counsel and independent auditors, (h) on a confidential basis to any rating agency in connection with rating the Borrower and its Subsidiaries or the Revolving Facility, (i) with the consent of the Borrower, and (j) to any actual or proposed participant or assignee of all or part of its rights hereunder, to any direct or indirect contractual counterparty (or the professional advisors thereto) to any swap or derivative transaction relating to the Borrower and its obligations or to any credit insurance provider relating to the Borrower and its obligations, in each case, subject to the proviso in Section 10.02(f) (with any reference to any assignee or participant set forth in such proviso being deemed to include a reference to such contractual counterparty or credit insurance provider for purposes of this Section 10.03(j)). If any Lender is in any manner requested or required to disclose any of the information delivered or made available to it by the Borrower or any of the Guarantors under clauses (b) or (e) of this Section, such Lender will, to the extent permitted by law, provide the Borrower or such Guarantor with prompt notice, to the extent reasonable, so that the Borrower or such Guarantor may seek, at its sole expense, a protective order or other appropriate remedy or may waive compliance with this Section 10.03.

Section 10.04. Expenses; Indemnity; Damage Waiver.

(a) (i) The Borrower shall pay or reimburse: (A) all reasonable fees and reasonable out-of-pocket expenses of the Administrative Agent (including the reasonable fees, disbursements and other charges of Milbank, ~~Tweed, Hadley & McCloy~~ LLP, special counsel to the Administrative Agent) associated with the syndication of the credit facilities provided for herein, and the preparation, execution and delivery of the Loan Documents and any amendments, modifications or waivers of the provisions hereof requested by the Borrower (whether or not the transactions contemplated hereby or thereby shall be consummated); and (B) in connection with any enforcement of the Loan Documents, (i) all fees and out-of-pocket expenses of the Administrative Agent (including the reasonable fees, disbursements and other charges of a single counsel for the Administrative Agent) incurred during the continuance of a Default, (ii) all such fees and expenses of the Administrative Agent and the Lenders (including the reasonable fees, disbursements and other charges of counsel for the Administrative Agent and the Lenders, which may be separate counsel) incurred during the continuance of an Event of Default; and (C) all reasonable, documented, out-of-pocket costs, expenses, taxes, assessments and other charges (including the reasonable fees, disbursements and other charges of counsel for the Administrative Agent) incurred by the Administrative Agent in connection with any filing, registration, recording or perfection of any security interest contemplated by any Loan Document or incurred in connection with any release or addition of Collateral after the Restatement Effective Date.

(ii) All payments or reimbursements pursuant to the foregoing clause (a)(i) shall be paid within thirty (30) days of written demand together with back-up documentation supporting such reimbursement request.

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(b) The Borrower shall indemnify the Administrative Agent, the Issuing Lenders and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee, arising out of, in connection with, or as a result of any actual or prospective claim, litigation, investigation or proceeding, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto and whether or not any such claim, litigation, investigation or proceeding is brought by the Borrower, its equity holders, its Affiliates, its creditors or any other Person (including any investigating, preparing for or defending any such claims, actions, suits, investigations or proceedings, whether or not in connection with pending or threatened litigation in which such Indemnitee is a party), relating to (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit) or (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to, or asserted against, the Borrower or any of its Subsidiaries; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the bad faith, gross negligence or willful misconduct of such Indemnitee (or of any Related Party that is a controlled Affiliate of such Indemnitee (a “Controlled Related Party”)), and any such Indemnitee shall repay the Borrower the amount of any expenses previously reimbursed by the Borrower in connection with any such loss, claims, damages, expenses or liability to such Indemnitee and, to the extent not repaid by any of them, such Indemnitee’s Controlled Related Parties not a party to this Agreement. This Section 10.04(b) shall not apply with respect to Taxes other than Taxes that represent losses or damages arising from any non-Tax claim.

(c) In case any action or proceeding shall be brought or asserted against an Indemnitee in respect of which indemnity may be sought against the Borrower under the provisions of any Loan Document, such Indemnitee shall promptly notify the Borrower in writing and the Borrower shall, if requested by such Indemnitee or if the Borrower desires to do so, assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnitee but only if (i) no Event of Default shall have occurred and be continuing and (ii) such action or proceeding does not involve any risk of criminal liability or material risk of material civil money penalties being imposed on such Indemnitee. The Borrower shall not enter into any settlement of any such action or proceeding that admits any Indemnitee’s misconduct or negligence. The failure to so notify the Borrower shall not affect any obligations the Borrower may have to such Indemnitee under the Loan Documents or otherwise other than to the extent that the Borrower is materially adversely affected by such failure. The Indemnitees shall have the right to employ separate counsel in such action or proceeding and participate in the defense

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thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnitees unless: (i) the Borrower has agreed to pay such fees and expenses, (ii) the Borrower has failed to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Indemnitees or (iii) the Indemnitees shall have been advised in writing by counsel that under prevailing ethical standards there may be a conflict between the positions of the Borrower and the Indemnitees in conducting the defense of such action or proceeding or that there may be legal defenses available to the Indemnitees different from or in addition to those available to the Borrower, in which case, if the Indemnitees notify the Borrower in writing that they elect to employ separate counsel at the expense of the Borrower, the Borrower shall not have the right to assume the defense of such action or proceeding on behalf of the Indemnitees; provided, however, that the Borrower shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be responsible hereunder for the reasonable fees and expenses of more than one such firm of separate counsel, in addition to any local counsel. The Borrower shall not be liable for any settlement of any such action or proceeding effected without the written consent of the Borrower (which shall not be unreasonably withheld or delayed).

(d) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section 10.04, each Lender severally agrees to pay to the Administrative Agent, as the case may be, such portion of the unpaid amount equal to such Lender's Aggregate Exposure Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

(e) To the extent permitted by applicable law, each party hereto shall not assert, and hereby waives, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby (except to the extent determined in a final and non-appealable judgment by a court of competent jurisdiction to have arisen from the bad faith, willful misconduct or gross negligence of such Indemnitee or any Controlled Related Party of such Indemnitee).

Section 10.05. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in

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New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall, to the extent permitted by law, be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Section 10.05(b). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 10.06. No Waiver. No failure on the part of the Administrative Agent or any of the Lenders to exercise, and no delay in exercising, any right, power or remedy hereunder or any of the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

Section 10.07. Extension of Maturity. Should any payment of principal of or interest or any other amount due hereunder become due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, in the case of principal, interest shall be payable thereon at the rate herein specified during such extension.

Section 10.08. Amendments, etc.

(a) No modification, amendment or waiver of any provision of this Agreement or any Collateral Document (other than the Account Control Agreements), and no consent to any departure by the Borrower or any Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders (or signed by the Administrative Agent with the consent of the Required Lenders), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given; provided, however, that, subject to Section 2.09(b) of this Agreement, no such modification or amendment shall without the prior written consent of:

(i) each Lender directly and adversely affected thereby (A) increase the Commitment of any Lender or extend the termination date of the Commitment of any

Lender (it being understood that a waiver of an Event of Default shall not constitute an increase in or extension of the termination date of the Commitment of a Lender), or (B) reduce the principal amount of any Loan, any reimbursement obligation in respect of any Letter of Credit issued by it, or the rate of interest payable thereon (provided that only the consent of the Required Lenders (or in the case of any such reimbursement obligation, the applicable Issuing Lender) shall be necessary for a waiver of default interest referred to in Section 2.08), or extend any date for the payment of interest or Fees hereunder or reduce any Fees payable hereunder or extend the final stated maturity of the Revolving Loans or reimbursement or cash collateralization obligations in respect of Letters of Credit or (C) amend, modify or waive any provision of Section 2.17(b); and

(ii) all of the Lenders (A) amend or modify any provision of this Agreement which provides for the unanimous consent or approval of the Lenders, (B) amend this Section 10.08 that has the effect of changing the number or percentage of Lenders that must approve any modification, amendment, waiver or consent or modify the percentage of the Lenders required in the definition of Required Lenders, or (C) release all or substantially all of the Collateral from the Liens granted to the Administrative Agent hereunder or under any other Loan Document (except to the extent contemplated by Section 6.09 on the Restatement Effective Date or by the terms of the Collateral Documents);

provided further, that any Collateral Document may be amended, supplemented or otherwise modified with the consent of the applicable Grantor and the Administrative Agent (i) to add assets (or categories of assets) to the Collateral covered by such Collateral Document, as contemplated by the definition of Additional Collateral set forth in Section 1.01 hereof or (ii) to remove any asset or type or category of asset (including after-acquired assets of that type or category) from the Collateral covered by such Collateral Document to the extent the release thereof is permitted by Section 6.09(c).

Notwithstanding any provision to the contrary set forth herein or in any other Loan Document, without the consent of any Lender, the Borrower and the Administrative Agent may enter into one or more amendments hereto or to any other Loan Document in furtherance of the adoption of the LIBOR Successor Rate mutually determined by the Borrower and the Administrative Agent pursuant to Section 2.09(b) of this Agreement and such amendments shall be binding on each Lender, unless the Required Lenders have delivered an Objection Notice to such amendment(s) in accordance with Section 2.09(b).

(b) No such amendment or modification shall adversely affect the rights and obligations of the Administrative Agent or any Issuing Lender hereunder without its prior written consent.

(c) No notice to or demand on the Borrower or any Guarantor shall entitle the Borrower or any Guarantor to any other or further notice or demand in the same, similar or other circumstances. Each assignee under Section 10.02(b) shall be bound by any amendment, modification, waiver, or consent authorized as provided herein, and any consent by a Lender shall bind any Person subsequently acquiring an interest on the Loans held by such Lender. No

amendment to this Agreement shall be effective against the Borrower or any Guarantor unless signed by the Borrower or such Guarantor, as the case may be.

(d) Notwithstanding anything to the contrary contained in Section 10.08(a), (i) in the event that either the Borrower requests that this Agreement be modified or amended in a manner which would require the unanimous consent of all of the Lenders or the consent of all Lenders directly and adversely affected thereby and, in each case, such modification or amendment is agreed to by the Required Lenders, then the Borrower may replace any non-consenting Lender in accordance with Section 10.02; provided that such amendment or modification can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrower to be made pursuant to this clause (i)); and (ii) if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature in any provision of the Loan Documents, then the Administrative Agent and the Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders within five (5) Business Days after written notice thereof to the Lenders.

(e) [Reserved].

(f) In addition, notwithstanding anything to the contrary contained in Section 10.08(a), this Agreement and, as appropriate, the other Loan Documents, may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Revolving Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

(g) In addition, notwithstanding anything to the contrary contained in Section 7.01 or Section 10.08(a), following the consummation of any Extension pursuant to Section 2.28, no modification, amendment or waiver (including, for the avoidance of doubt, any forbearance agreement entered into with respect to this Agreement) shall limit the right of any non-extending Revolving Lender (each, a “Non-Extending Lender”) to enforce its right to receive payment of amounts due and owing to such Non-Extending Lender on the Revolving Maturity Date applicable to the Revolving Commitments of such Non-Extending Lenders without the prior written consent of Non-Extending Lenders that would constitute Required Lenders if the Non-Extending Lenders were the only Lenders hereunder at the time.

(h) It is understood that the amendment provisions of this Section 10.08 shall not apply to extensions of the Revolving Facility Maturity Date or the maturity date of any tranche of Revolving Commitments, in each case, made in accordance with Section 2.28.

Section 10.09. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the

extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 10.10. Headings. Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

Section 10.11. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Lender or any Lender may have had notice or knowledge of any Event of Default or incorrect representation or warranty at the time any credit is extended hereunder. The provisions of Sections 2.14, 2.15, 2.16 and 10.04 and Section 8 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments, or the termination of this Agreement or any provision hereof.

Section 10.12. Execution in Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronic .pdf copy shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.13. USA Patriot Act. Each Lender that is subject to the requirements of the Patriot Act hereby notifies the Borrower and each Guarantor that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower and each Guarantor, which information includes the name and address of the Borrower and each Guarantor and other information that will allow such Lender to identify the Borrower and each Guarantor in accordance with the Patriot Act.

Section 10.14. New Value. It is the intention of the parties hereto that any provision of Collateral by a Grantor as a condition to, or in connection with, the making of any Loan or the



issuance of any Letter of Credit hereunder, shall be made as a contemporaneous exchange for new value given by the Lenders or Issuing Lenders, as the case may be, to the Borrower.

Section 10.15. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.15.

Section 10.16. No Fiduciary Duty. The Administrative Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the “Lenders”), may have economic interests that conflict with those of the Borrower, its stockholders and/or its affiliates. The Borrower agree that nothing in the Loan Documents or otherwise related to the Transactions will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Borrower, its stockholders or its affiliates, on the other hand. The parties hereto acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm’s-length commercial transactions between the Lenders, on the one hand, and the Borrower and the Guarantors, on the other hand, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise the Borrower, its stockholders or its affiliates on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of the Borrower, its management, stockholders, affiliates, creditors or any other Person. The Borrower acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transaction or the process leading thereto.

Section 10.17. Intercreditor Agreements. Notwithstanding anything to the contrary contained in this Agreement, if at any time the Administrative Agent shall enter into any intercreditor agreement pursuant to and as permitted by the terms of this Agreement (any such

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intercreditor agreement, an “Intercreditor Agreement”) and such Intercreditor Agreement shall remain outstanding, the rights granted to the Secured Parties hereunder and under the other Loan Documents, the lien and security interest granted to the Administrative Agent pursuant to this Agreement or any other Loan Document and the exercise of any right or remedy by the Administrative Agent hereunder or under any other Loan Document shall be subject to the terms and conditions of such Intercreditor Agreement. In the event of any conflict between the terms of this Agreement, any other Loan Document and such Intercreditor Agreement, the terms of such Intercreditor Agreement shall govern and control with respect to any right or remedy, and no right, power or remedy granted to the Administrative Agent hereunder or under any other Loan Document shall be exercised by the Administrative Agent, and no direction shall be given by the Administrative Agent, in contravention of such Intercreditor Agreement.

Section 10.18. Registrations with International Registry. Each of the parties hereto (i) consents to the registrations with the International Registry of the International Interests constituted by the Aircraft and Spare Engine Mortgage, and (ii) covenants and agrees that it will take all such action reasonably requested by the Borrower or Administrative Agent in order to make any registrations with the International Registry, including without limitation establishing a valid and existing account with the International Registry and appointing an Administrator and/or a Professional User reasonably acceptable to the Administrative Agent to make registrations with respect to the Mortgaged Collateral and providing consents to any registration as may be contemplated by the Loan Documents.

Section 10.19. Acknowledgment and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an EEA Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
  - (i) a reduction in full or in part or cancellation of any such liability;
  - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
  - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[Section 10.20. Acknowledgment Regarding Any Supported OFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedging](#)

Agreements or any other agreement or instrument that is a QFC (such support, “QFC Credit Support” and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolutions Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is a party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC or such QFC Credit Support, and any rights in property securing such Supported QFC and such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and the year first written.

JETBLUE AIRWAYS CORPORATION,  
as Borrower

By:  
Name:  
Title:

#4835-7899-9450v13  
#4834-7509-9972

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CITIBANK, N.A., as Administrative Agent and a Lender

By:

Name:

Title:

BARCLAYS BANK PLC, as a Lender

By:

Name:

Title:

#4835-7899-9450v13

#4834-7509-9972

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BNP PARIBAS, as a Lender

By:

Name:

Title:

#4835-7899-9450v13

#4834-7509-9972

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MORGAN STANLEY SENIOR FUNDING, INC., as a Lender

By:

Name:

Title:

#4835-7899-9450v13

#4834-7509-9972

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BANK OF AMERICA, N.A., as a Lender

By:

Name:

Title:

#4835-7899-9450v13

#4834-7509-9972

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CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as a Lender

By:  
Name:  
Title:

By:  
Name:  
Title:

~~GOLDMAN SACHS BANK, N.A.~~ GOLDMAN SACHS BANK USA, as a Lender

By:

Name:

Title:

#4835-7899-9450v13

#4834-7509-9972

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APPLE BANK FOR SAVINGS, as a Lender

By:

Name:

Title:

#4835-7899-9450v13

#4834-7509-9972

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COLUMBIA STATE BANK, as a Lender

By:  
 Name:  
 Title:

ANNEX A  
 to Credit and Guaranty Agreement

LENDERS AND COMMITMENTS

A. Total Revolving Commitments

<i>Revolving Lender</i>	<i>Revolving Commitment</i>
Citibank, N.A.	<del>\$67,500,000</del> <u>88,400,000.00</u>
<del>Barclays Bank PLC</del>	<del>\$67,500,000</del>
Goldman Sachs Bank USA	<del>\$67,500,000</del> <u>88,400,000.00</u>
Morgan Stanley Senior Funding, Inc.	<del>\$67,500,000</del> <u>67,500,000.00</u>
<u>Morgan Stanley Bank, N.A.</u>	<u>\$19,850,000.00</u>
<u>Barclays Bank plc</u>	<u>\$87,350,000.00</u>
Bank of America, N.A.	<del>\$45,000,000</del> <u>60,000,000.00</u>
BNP Paribas	<del>\$45,000,000</del> <u>60,000,000.00</u>
Apple Bank for Savings	<del>\$30,000,000</del> <u>33,000,000.00</u>
Crédit Agricole Corporate and Investment Bank	<del>\$25,000,000</del> <u>32,500,000.00</u>
Columbia State Bank	<del>\$10,000,000</del> <u>13,000,000.00</u>
<b>TOTAL:</b>	<del>\$425,000,000</del> <u>550,000,000.00</u>

**B. Lender Notices**

Citibank, N.A.  
~~Citi Corporate and Investment Banking~~  
~~388 Greenwich Street~~  
c/o Citibank Delaware  
1615 Brett Road  
OPS III  
New York, New York 10013 Castle, DE 19720  
Attn: Agency Operations  
Phone: (302) 894-6010  
~~Facsimile~~ Fax: (646) 291-274-1498 5080  
~~Attention: Christopher Lewis~~  
Borrower Notices, including Loan Requests: glagentofficeops@citi.com

#4835-7899-9450v13  
~~#4834-7509-9972~~

[Disclosure Team Mail \(Financial Reporting\): oploanswebadmin@citi.com](mailto:oploanswebadmin@citi.com)

[Investor Relations Team: global.loans.support@citi.com](mailto:global.loans.support@citi.com)

~~Meghan O'Connor~~

~~Barclays Bank PLC~~

~~Bank Debt Management~~

~~745 Seventh Avenue, 27<sup>th</sup> Floor~~

~~With a copy to:~~

~~[Citibank, NA](#)~~

~~[388 Greenwich Street](#)~~

~~New York, ~~New York 10019~~ [NY 10013](#)~~

~~[Attn: Cynthia Powell](#)~~

~~[Facsimile Phone: \(212\) 220816-96465958](#)~~

~~[cynthia.powell@citi.com](#) and [camille.r.tomao@citi.com](#)~~

~~[Attention: Christopher R. Lee](#)~~

~~Goldman Sachs Bank USA~~

~~e/o Goldman, Sachs & Co.~~

~~30 Hudson Street, 5<sup>th</sup> Floor~~

~~Jersey City, New Jersey 07302~~

~~[Attention: Michelle Latzoni](#)~~

~~Morgan Stanley Senior Funding, Inc.~~

~~[Morgan Stanley Bank, N.A.](#)~~

~~c/o Morgan Stanley Loan Servicing~~

~~1300 Thames Street Wharf, 4<sup>th</sup> Floor~~

~~Baltimore, Maryland 21231~~

~~Facsimile: (443) 627-4355~~

~~[Barclays Bank PLC](#)~~

~~[Bank Debt Management](#)~~

~~[745 Seventh Avenue, 27<sup>th</sup> Floor](#)~~

~~[New York, New York 10019](#)~~

~~[Facsimile: \(212\) 220-9646](#)~~

~~[Attention: Christopher R. Lee](#)~~

Bank of America, N.A.

c/o Bank of America Merrill Lynch

315 Montgomery Street, 6th Floor

San Francisco, California 94104

Facsimile: (415) 228-7282

BNP Paribas

787 Seventh Avenue

New York, New York 10019

Facsimile: (212) 841-2748

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Apple Bank for Savings  
122 East 42<sup>nd</sup> Street  
New York, New York 10168  
Facsimile: (212) 224-6596  
Attention: Jonathan Byron

Credit Agricole Corporate and Investment Bank  
Transportation Group  
1301 Avenue of the Americas, New York, NY 10019  
Attention: ~~Gene Levitin, Thomas Jean and Kinnary Armstrong~~ [Cecilia Park, Stephanie Vanegas and Alex Averbukh](#)  
Email: ~~Yevgeniya.levitin~~ [cecilia.park@ca-cib.com](mailto:cecilia.park@ca-cib.com)  
~~Thomas.jean~~ [stephanie.vanegas@ca-cib.com](mailto:stephanie.vanegas@ca-cib.com)  
~~Kinnary.armstrong~~ [alex.averbukh@ca-cib.com](mailto:alex.averbukh@ca-cib.com)

Columbia State Bank  
Commercial Banking  
719 2<sup>nd</sup> Avenue, Suite 500  
Seattle, Washington 98104  
Facsimile: (206) 223-4540  
Attention: Colin Duffy

**ANNEX B**  
to Credit and Guaranty Agreement

**LIST OF AIRCRAFT AND ENGINE APPRAISERS**

Aviation Specialists Group, Inc.  
IBA Group Ltd  
Morten, Beyer and Agnew  
Ascend FG Advisory  
AVITAS, Inc.

**EXHIBIT A**  
to Credit and Guaranty Agreement

[Reserved]

**EXHIBIT B**  
to Credit and Guaranty Agreement

**FORM OF INSTRUMENT OF ASSUMPTION AND JOINDER**

#4835-7899-9450v13  
~~#4834-7509-9972~~

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**EXHIBIT C**  
to Credit and Guaranty Agreement

**FORM OF ASSIGNMENT AND ACCEPTANCE**

#4835-7899-9450v13  
~~#4834-7509-9972~~

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**EXHIBIT D**  
to Credit and Guaranty Agreement

**FORM OF LOAN REQUEST**

#4835-7899-9450v13  
~~#4834-7509-9972~~

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**EXHIBIT E**  
to Credit and Guaranty Agreement

**FORM OF AIRCRAFT AND SPARE ENGINE MORTGAGE**

#4835-7899-9450v13  
~~#4834-7509-9972~~

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**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: October 25, 2019

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: October 25, 2019

By: /s/ STEVE PRIEST

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*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 September 30, 2019, as filed with the Securities and Exchange Commission on October 25, 2019 (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: October 25, 2019

By: /s/ ROBIN HAYES

\_\_\_\_\_  
*Chief Executive Officer*

Date: October 25, 2019

By: /s/ STEVE PRIEST

\_\_\_\_\_  
*Chief Financial Officer*