

EXHIBIT A

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (together with all schedules, riders and exhibits annexed hereto from time to time, this "Agreement") is entered into this 17th day of December, 2012, among **ALOSTAR BANK OF COMMERCE**, a state banking institution incorporated or otherwise organized under the laws of the State of Alabama (together with its successors and assigns, "Lender"), **AIRNET SYSTEMS, INC.**, an Ohio corporation ("AirNet Systems"), **AIRNET MANAGEMENT, INC.**, an Ohio corporation ("AirNet Management"), **FLIGHT EXPRESS, INC.**, a Florida corporation ("Flight Express"), **FLIGHT ICE, INC.**, a Florida corporation ("Flight Ice"), **FLIGHT EXPRESS SERVICE CORP.**, a Florida corporation ("Flight Express Service"), and **AIRNET HOLDINGS, INC.**, a Delaware corporation ("Holdings"; together with AirNet Systems, AirNet Management, Flight Express, Flight Ice, Flight Express Service and Holdings, collectively, "Borrowers" and each individually, a "Borrower"). All schedules, riders and exhibits annexed hereto are incorporated herein and made a part hereof.

SECTION 1. DEFINITIONS

1.1 Defined Terms. When used in this Agreement or in any schedule or rider hereto, the following terms shall have the following meanings (terms defined in the singular to have the same meaning when used in the plural and *vice versa*):

"Accounts Formula Amount" means, on any date of determination thereof, an amount equal to the percentage set forth in Item 1 of the Terms Schedule of the net amount of Eligible Accounts on such date. As used herein, the phrase "net amount of Eligible Accounts" shall mean the face amount of such Accounts on any date less any and all returns, rebates, discounts, credits, allowances or Taxes at any time issued, owing, claimed by Account Debtors, granted, outstanding or payable in connection with, or any interest accrued on the amount of, such Accounts at such date, in each case, without duplication of any reductions arising from such items pursuant to the definitions of "Eligible Accounts" and "Dilution Reserve."

"Affiliate" means a Person (a) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, another Person; (b) which beneficially owns or holds 10% or more of the Equity Interests of a Person; or (c) 10% or more of the Equity Interests with power to vote of which is beneficially owned or held by another Person or a Subsidiary of another Person. For purposes hereof, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of any Equity Interest, by contract or otherwise.

"Aircraft Fleet" means new and used Equipment owned by Borrower consisting of an airframe, including all engines and any and all propellers, appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature, so long as they are incorporated or installed in or attached to the airframe.

"Aircraft Fleet Formula Amount" means, on any date of determination thereof, an amount determined in accordance with the formula set forth in Item 19 of the Terms Schedule.

"Aircraft Collateral" means all rights, title and interests of Borrower to any Aircraft Fleet, Engine or Parts.

"Aircraft Mortgage" means each Aircraft Security Agreement delivered to Lender by Borrower, together, in each case, with all supplements thereto.

"Aircraft Parts Security Agreement" means each Aircraft Mortgage or Aircraft Parts Security Agreement executed by Borrower in favor of Lender pursuant to which Borrower has granted to Lender a Lien upon all of Borrower's Parts, together, in each case, with all supplements thereto.

"Aircraft Perfection Documents" means each Aircraft Mortgage, Aircraft Parts Security Agreement, Assignment of Aircraft Lease and any other documents pursuant to which Borrower has granted to Lender a Lien upon or interest in any of the Aircraft Collateral.

"Anti-Terrorism Laws" means any laws relating to terrorism or money laundering, including Executive Order No. 13224 and the USA PATRIOT ACT.

"Applicable Termination/Prepayment Percentage" shall have the meaning given to it in Item 4 of the Terms Schedule.

"Applicable Variable Rate" shall have the meaning given to it in Item 8(a) of the Terms Schedule.

"Assignment of Aircraft Lease" means any Collateral Assignment of Aircraft Leases executed by Borrower in favor of Lender pursuant to which Borrower has assigned to Lender its interests in certain aircraft leases.

"Authorized Officer" means each Senior Officer, each person identified in Item 2 of the Terms Schedule (if any), and each other person designated in writing by Borrower to Lender as an authorized officer to make requests for Loans or other extensions of credit hereunder.

"Availability" means, on any date, the amount that Borrowers are entitled to borrow as a Revolver Loan on such date, such amount being the difference derived when the sum of the principal amount of all Revolver Loans then outstanding (including any amounts that Lender may have paid for the account of Borrowers pursuant to any of the Loan Documents and that have not been reimbursed by Borrowers) is subtracted from the Borrowing Base on such date. If the amount outstanding is equal to or greater than the Borrowing Base, then there shall be no Availability."

Availability Reserve means, on any date of determination thereof, an amount equal to the sum of the following (without duplication): (a) the Inventory Reserve; (b) the Dilution Reserve; (c) the Minimum Availability Reserve; (d) the Landing Fees Reserve; (e) (i) the aggregate amount of past due rent, fees or other charges owing at such time by any Obligor to any landlord of any premises where any of the Collateral is located or to any processor, repairman, mechanic or other Person who is in possession of or has asserted (or is able to assert) any Lien upon or claim to any Collateral and (ii) any reserve established pursuant to **Section 5.1(a)** or any other provision of this Agreement or any Rider hereto; or any Rider hereto; (f) any amounts that an Obligor is obligated to pay pursuant to any of the Loan Documents and that Lender pays for the

account of such Obligor as authorized by any of the Loan Documents or applicable law; (g) additional reserves described in Item 3 of the Terms Schedule (if any); (h) the amount of any outstanding Bank Product Obligations owing; and (i) such additional reserves, in such amounts and with respect to such matters, as Lender in its reasonable credit judgment may elect to impose from time to time.

"Bank Products" means any one or more of the following types of products, services or facilities extended to Borrowers by any Lender Party (whether or not in reliance on Lender's agreement to indemnify any Affiliate): (i) commercial credit or debit cards; (ii) merchant card services; (iii) cash management services for operating, collections, payroll and trust accounts of Borrower that are provided by any Lender Party, including automatic clearinghouse services, controlled disbursement services, electronic funds transfer services, information reporting services, lockbox services, stop payment services and wire transfer services; (iv) products consisting of interest rate protection agreements, foreign currency exchange agreements, forward contracts, currency swap agreements, commodity price protection agreements for other interest or currency exchange rate or commodity price hedging arrangements; (v) equipment leasing arrangements between Borrower and any Lender Party; and (vi) such other banking products or services provided by any Lender Party as may be requested by Borrower, other than Letters of Credit.

"Bank Product Obligations" means all indebtedness or other obligations owing only to Lender or any Affiliate of Lender and arising out of or relating in any way to Bank Products.

"Bankruptcy Code" means title 11 of the United States Code.

"Base Rate" shall have the meaning ascribed to such term in the Terms Schedule.

"Borrower Affiliate" means a Subsidiary or other Affiliate of any Borrower. Notwithstanding the foregoing, (x) no other portfolio companies of the Sponsor and its other Affiliates shall be deemed to be an Affiliate of Borrower or any Subsidiary for purposes of this Agreement and (v) no Lender shall be deemed to be an Affiliate of Borrower or any Subsidiary solely by virtue of it being a Lender hereunder.

"Borrowers' Records" means all of Borrowers' books and records relating to its existence, governance, assets, liabilities or financial condition or any of the Collateral, including minute books; ledgers and records indicating, summarizing or evidencing Borrowers' assets or liabilities; all information relating to Borrowers' business operations; and all computer records, programs, discs or tape files, printouts, runs, and other information prepared or stored electronically, including the equipment or any website or third party storage provider containing or hosting such information.

"Borrowing Base" means, on any date of determination thereof, an amount equal to the lesser of: (a) an amount equal to (i) the Maximum Revolver Facility Amount on such date, minus (ii) the LC Reserve under (and as defined in) the Letter of Credit Rider attached hereto, and (b) an amount equal to the sum of (i) the Accounts Formula Amount on such date plus (ii) the Inventory Formula Amount on such date plus (iii) the Aircraft Fleet Formula Amount on such date, minus (iv) the Availability Reserve on such date (which shall include the LC Reserve under (and as defined in) the Letter of Credit Rider attached hereto).

"Borrowing Base Certificate" means a certificate, substantially in the form requested by Lender, with appropriate insertions, to be submitted by Borrower pursuant to this Agreement and certified as true and correct in all material respects by a Senior Officer, and setting forth (a) with respect to information regarding Inventory and Aircraft Fleet, information that is true and correct as of the last day of the immediately preceding month, and (b) with respect to information regarding Accounts, a roll-forward of all Accounts of Borrower, calculated (in a manner acceptable to Lender) as of the date of such Borrowing Base Certificate (based upon agings of such Accounts of Borrower) of information that is true and correct as of the last day of the immediately preceding month.

"Business Day" means any day of the week, excluding Saturdays, Sundays, each day that is a legal holiday under the laws of the State of Georgia and each day on which Lender is otherwise closed for transacting business with the public.

"Cape Town Convention" means the Convention on International Interests in Mobile Equipment, signed in Cape Town, South Africa, on November 16, 2001.

"Cape Town Aircraft Protocol" means the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, signed in Cape Town, South Africa, on November 16, 2001.

"Cape Town Treaty" means, collectively, the Cape Town Convention and the Cape Town Aircraft Protocol, together with the regulations and procedures thereto and the declarations of the United States of America with respect thereto.

"Change in Law" means the occurrence, after the date hereof, of (a) the adoption, taking effect or phasing in of any law, rule, regulation or treaty; (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof; or (c) the making, issuance or application of any request, guideline, requirement or directive (whether or not having the force of law) by any governmental authority. For the avoidance of doubt, "Change in Law" shall include the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directions issued thereunder or in connection therewith or in implementation thereof regardless of the date enacted, adopted, issued or implemented.

"Change of Control" means (a) the occurrence of any event (whether in one or more transactions) which results in a transfer of Control of any Borrower to a Person who is not an original owner of Equity Interests in such Borrower on the Closing Date or (b) any merger or consolidation of or with any Borrower or sale of all or substantially all of the property of such Borrower (other than mergers and consolidations with other Borrowers). "Control of any Borrower" shall mean the power, direct or indirect, to (i) vote 50% or more of the Equity Interests having ordinary voting power for the election of directors or managing agents of any such Borrower or (ii) direct or cause the direction of the management and the policies of any such Borrower by contract or otherwise.

"Closing Date" means the date on which the initial Loan is funded hereunder.

"Collateral" means all of the property and interests in property described in **Section 4.1** of this Agreement, all property described in any of the Security Documents as security for the payment or performance of any of the Obligations, and all other property and interests in property that

now or hereafter secure (or are intended to secure) the payment or performance of any of the Obligations. For the avoidance of doubt, the definition of "Collateral" shall expressly exclude "Excluded Property."

"Collections Account" means any Deposit Account maintained by any Borrower at a bank or other financial institution to which collections, deposits and other payments on account of or with respect to the Collateral are to be made pursuant to the terms hereof and in respect of which only Lender shall have access to withdraw or otherwise direct the disposition of the balances therein.

"Commitment Termination Date" means the date that is the sooner to occur of (i) the last day of the Term or (ii) the date on which the Commitments are terminated pursuant to **Section 3.2**.

"Commitments" means all commitments and other undertakings of Lender in this Agreement to make Loans or other extensions of credit to or for the benefit of Borrowers in accordance with this Agreement.

"Compliance Certificate" means a Compliance Certificate, in the form of **Exhibit B** attached hereto, with appropriate insertions, to be submitted to Lender by Borrowers pursuant to this Agreement and certified as true and correct in all material respects by a Senior Officer.

"Copyright Security Agreement" means that certain Copyright Security Agreement between AirNet Management and AloStar dated on or about the date hereof.

"Credit Support" means any guaranty, indemnity, security or other assurance of payment or performance provided by Lender to induce a Person to extend credit or other financial accommodations to or for the benefit of any Obligor, including the issuance of any Letter of Credit by such Person for the account of any Obligor.

"Daily LIBOR Rate" shall have the meaning ascribed to such term in **Item 8** of the Terms Schedule.

"Debt" means, as applied to a Person, without duplication: (a) all items which in accordance with GAAP would be included in determining total liabilities as shown on the liability side of a balance sheet of such Person, including capitalized lease obligations; (b) all contingent obligations of such Person; (c) all reimbursement obligations in connection with letters of credit issued for the account of such Person; and (d) in the case of Borrowers (without duplication), the Obligations. The Debt of a Person shall include any recourse Debt of any partnership or joint venture in which such Person is a general partner or joint venturer.

"Default" means an event or condition the occurrence of which would, with the lapse of time or the giving of notice, or both, become an Event of Default.

"Deposit Account Control Agreement" means a deposit account control agreement among Borrower, Lender and the financial institution named therein, pursuant to which Lender shall have obtained "control" (as contemplated by Section 9-104 of the UCC) of such deposit account.

"Dilution Percentage" means, as of any date of determination, a percentage that is determined for Borrowers' most recent fiscal quarter, equal to (a) bad debt write-downs, discounts, returns, promotions, advertising allowances, credits, deductions, credit memos or other dilutive items as determined by Lender (which, for the avoidance of doubt, shall not include concentration) with respect to Borrower's Accounts, divided by (b) gross sales.

"Dilution Reserve" means, as of any date of determination, (i) the amount by which the Dilution Percentage exceeds five percent (5.0%), multiplied by (ii) Eligible Accounts on such date.

"Disbursement Account" means any Deposit Account maintained by any Borrower with a financial institution for the purpose of receiving and disbursing the proceeds of Loans made pursuant hereto.

"Disclosure Schedule" means the Disclosure Schedule annexed hereto.

"Distribution" means, in respect of any entity, (i) any payment of dividends or other distributions on Equity Interests of the entity (except distributions consisting of such Equity Interests or other Equity Interests) and (ii) any purchase, redemption or other acquisition or retirement for value of any Equity Interests of the entity or an Affiliate of the entity unless made contemporaneously from the net proceeds of the sale of Equity Interests.

"Distribution Conditions" means, with respect to a Distribution, each of the following conditions, which must be satisfied at the time of and after giving effect to such Distribution: (a) no Default or Event of Default shall have occurred and be continuing; (b) Borrower is Solvent; and (iii) such Distribution shall not be violative of applicable law.

"Dollars" and the sign "\$" means lawful money of the United States of America.

"DOT" means the United States Department of Transportation.

"Early Termination Fee" means a fee to be paid by Borrowers pursuant to Items 4 and Item 9(a)(iv) of the Terms Schedule.

"Eligible Account" means an Account which arises in the Ordinary Course of Business of Borrower from the sale of goods or rendition of services, is payable in Dollars, is subject to Lender's duly perfected Lien and no other Lien that is not a Permitted Lien, and is deemed by Lender, in its reasonable credit judgment, to be an Eligible Account. Without limiting the generality of the foregoing, no Account shall be an Eligible Account if: (a) it arises out of a sale made by a Borrower to a Borrower Affiliate or to a Person controlled by a Borrower Affiliate; (b) it is due more than 60 days after the original due date shown on the invoice; (c) it is unpaid more than 90 days after the original invoice date; (d) 50% or more of the Accounts from the Account Debtor are not deemed Eligible Accounts under clause (b) or (c) above; (e) the total unpaid Accounts of any Account Debtor exceed 25% of the aggregate amount of all Accounts, in each case, to the extent of such excess; (f) any covenant, representation or warranty contained in this Agreement with respect to such Account has been breached; (g) the Account Debtor is also a Borrower's creditor or supplier, or the Account Debtor has disputed liability with respect to such Account, or the Account Debtor has made any claim with respect to any other Account due from such Account Debtor to any Borrower, or the Account otherwise is or may become subject to any right of setoff, counterclaim, recoupment, reserve, defense or chargeback,

provided that the Accounts of such Account Debtor shall be ineligible only to the extent of such dispute, right of setoff, counterclaim, recoupment, reserve, defense or chargeback; (h) an Insolvency Proceeding has been commenced by or against the Account Debtor or the Account Debtor has failed, suspended or ceased doing business; (i) the Account Debtor is not or has ceased to be Solvent; (j) it arises from a sale to an Account Debtor that is organized under the laws of any jurisdiction outside of the United States or Canada or that has its principal office, assets or place of business outside the United States or Canada, except to the extent that the sale is wholly supported or secured by a letter of credit or credit insurance that is acceptable in all respects to Lender in its discretion and duly assigned to Lender; (k) it arises from a sale to the Account Debtor on a bill-and-hold, guaranteed sale, sale-or-return, sale-on-approval, consignment or any other repurchase or return basis; (l) the Account Debtor is the United States of America or any department, agency or instrumentality thereof, unless the applicable Borrower is not prohibited from assigning the Account and does assign its right to payment of such Account to Lender, in a manner satisfactory to Lender, so as to comply with the Assignment of Claims Act of 1940 (31 U.S.C. §3727 and 41 U.S.C. §15), or is a state, county or municipality, or a political subdivision or agency thereof and applicable law disallows or restricts an assignment of Accounts on which it is the Account Debtor; (m) the Account Debtor is located in a state in which Borrowers are deemed to be doing business under the laws of such state and which denies creditors access to its courts in the absence of qualification to transact business in such state or of the filing of any reports with such state, unless Borrowers have qualified as a foreign entity authorized to transact business in such state or has filed all required reports; (n) the goods giving rise to such Account have not been delivered to and accepted by the Account Debtor or the services giving rise to such Account have not been performed by a Borrower and accepted by the Account Debtor or the Account otherwise does not represent a final sale; (o) the Account is evidenced by Chattel Paper or an Instrument of any kind (other than a letter of credit described in clause (j)), or has been reduced to judgment; (p) the Account represents a progress billing or a retainage or arises from a sale on a cash-on-delivery basis; (q) the applicable Borrower has made any agreement with the Account Debtor for any deduction therefrom, except for discounts or allowances which are made in the Ordinary Course of Business for prompt payment and which discounts or allowances are reflected in the calculation of the face value of each invoice related to such Account; (r) the applicable Borrower has made an agreement with the Account Debtor to extend the time of payment thereof; (s) the Account represents, in whole or in part, a billing for interest, fees or late charges, provided that such Account shall be ineligible only to the extent of the amount of such billing; (t) it arises from the sale of Inventory that is not Eligible Inventory pursuant to clause (b) of the definition of "Eligible Inventory"; or (u) it arises from a retail sale of Inventory to a Person who is purchasing the same primarily for personal, family or household purposes.

"Eligible Aircraft Fleet" means Aircraft Fleet that are owned by a Borrower and which Lender, in its reasonable credit judgment, deems to be Eligible Aircraft Fleet. Without limiting the generality of the foregoing, no Aircraft Fleet shall be Eligible Aircraft Fleet unless: (a) a Borrower has good, valid and marketable title thereto; (b) it is located in the United States of America; (c) it has been delivered to and accepted by a Borrower; (d) it is subject to Lender's Liens, which are perfected as to such Aircraft Fleet, and is not subject to any other Lien whatsoever that is not a Permitted Lien (unless the holder of any other Lien agrees in writing to disclaim any interest in such Aircraft Fleet); (e) it is not subject to any agreement that restricts the ability of any Borrower to use, sell, transport or dispose of such Aircraft Fleet or which restricts the Lender's ability to take possession of, sell or otherwise dispose of such Aircraft Fleet; (f) it is

airworthy in accordance with FAA standards or other standards acceptable to Lender; (g) it has been maintained in accordance with an FAA approved maintenance program or another maintenance program acceptable to Lender; (h) it is in compliance with all airworthiness directives and mandatory service bulletins then in effect; (i) all maintenance on such Aircraft Fleet has been conducted by a Part 121, Part 135 or Part 145 FAA approved maintenance facility or another maintenance facility acceptable to Lender; (j) it is registered exclusively in the United States of America; and (k) Lender has received evidence satisfactory to it that an Aircraft Mortgage for such Aircraft Fleet, in form and substance satisfactory to Lender, has been duly filed with the FAA and the international interests or prospective international interests related to the Aircraft Mortgage, and any other interests registrable on the International Registry and deemed necessary by Lender to perfect and effectuate Lender's interests with respect to such Aircraft Fleet (including, without limitation, any assignments of international interests or prospective assignments of international interests relating to any Assignment of Aircraft Lease, and any subordinations or prospective subordinations of interests by the Borrower (or other lessor) and by any lessee), have been duly registered on the International Registry against the airframe and the Engine relating to the Aircraft Fleet (or that comparable filings have been made with the relevant governmental authority in the FAA), together with such legal opinions with respect to the FAA filing and International Registry registration (or comparable filing) as Lender deems necessary to appropriate in its discretion. Notwithstanding the foregoing, Aircraft Fleet which is substantially in the same condition as it was at the time of its most recent appraisal, as determined by Lender, shall be deemed to have satisfied the eligibility criteria set forth in subclauses (f), (g), (h) and (i) above.

"Eligible Inventory" means Inventory which is owned by a Borrower (other than packaging or shipping materials, labels, samples, display items, bags and manufacturing supplies) and which Lender, in its reasonable credit judgment, deems to be Eligible Inventory. Without limiting the generality of the foregoing, no Inventory shall be Eligible Inventory unless it: (a) consists of an Engine or Parts; (b) is owned by a Borrower, has not been sold on a bill-and-hold basis, and it is not held by a Borrower on consignment from or subject to any guaranteed sale, sale-or-return, sale-on-approval or repurchase agreement with any supplier; (c) is in good condition and is not damaged, defective or otherwise unfit for sale or use; (d) meets all standards imposed by any governmental authority; (e) conforms in all respects to the warranties and representations set forth in this Agreement and is fully insured in the manner required by this Agreement; (f) is at all times subject to Lender's duly perfected, first priority security interest and no other Lien that is not a Permitted Lien; (g) is in a Borrower's possession and control (or the possession and control of a third party that has executed a Lien Waiver/Access Agreement acceptable to Lender) at a location in compliance with this Agreement, is not in transit (other than in transit to or among locations owned or leased by a Borrower) or outside the continental United States and is not consigned to any Person; (h) has not been sold or leased and no Borrower has received any deposit or down payment in respect thereof in anticipation of a sale; (i) with respect to any Engine, (i) Lender has received certificates executed by independent aircraft insurance brokers as to the applicable Borrower's compliance with the insurance provisions of **Section 5.1(b)** as to such Engines, and (ii) with respect to any Engine having five hundred fifty (550) or more rated takeoff horsepower or its equivalent, Lender has received evidence satisfactory to it that an Aircraft Mortgage for such Engine, in form and substance satisfactory to Lender, has been duly filed with the FAA and the international interests or prospective international interests related to the Aircraft Mortgage for such Engine, and any other interests registrable on the International Registry and deemed necessary by the Lender to perfect and

effectuate Lender's interests with respect to such Engine, have been duly registered on the International Registry against the Engine (or that comparable filings have been made with the relevant governmental authority in the FAA), together with such legal opinions with respect to the FAA filing and International Registry registration (or comparable filing) as Lender deems necessary to appropriate in its discretion; and (j) with respect to any Part, (i) Lender has received certificates executed by independent aircraft insurance brokers as to the applicable Borrower's compliance with the insurance provisions of **Section 5.1(b)** as to such Parts, (ii) if such Parts are in the process of being torn down into component parts or overhauled or repaired by a third party, Borrowers have provided Lender with a letter from such third party, within 30 days after Lender's request, which letter shall acknowledge Lender's security interest and be otherwise in form and substance satisfactory to the Lender, and (iii) Lender has received evidence satisfactory to it that an Aircraft Parts Security Agreement for such Parts, in form and substance satisfactory to Lender, has been duly filed with the FAA (or that comparable filings have been made with the relevant governmental authority in the FAA), together with such legal opinions with respect to the FAA filing (or comparable filing) as Lender deems necessary to appropriate in its discretion.

"Engines" means inventory owned by a Borrower consisting of whole aircraft engines that have not been broken down into their component parts.

"Environmental Laws" means all federal, state, local and foreign laws, rules, regulations, codes, ordinances, orders and consent decrees (together with all programs, permits and guidance documents promulgated by regulatory agencies, to the extent having the force of law), now or hereafter in effect, that relate to protection of human health and the environment (but excluding occupational safety and health, to the extent regulated by OSHA), or regulation of Hazardous Materials, including the Comprehensive Environmental Response Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Clean Water Act, the Clean Air Act, the Toxic Substances Act, and the Resource Conservation and Recovery Act.

"Equity Interest" means the interest of (a) a shareholder in a corporation, (b) a partner (whether general or limited) in a partnership (whether general, limited or limited liability), (c) a member in a limited liability company, or (d) any other Person having any other form of equity security or ownership interest.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"Event of Default" means the occurrence of any one of the events set forth in **Section 10**.

"Exchange Act" is the Securities Exchange Act of 1934 and the regulations promulgated thereunder, as amended and in effect.

"Executive Order No. 13224" means executive order no. 13224 effective September 24, 2001, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

"Excluded Account(s)" means, with respect to any Obligor, any deposit account of such obligor that is used as (i) a payroll, pension, or employee benefits or related employee benefit account, to the extent used solely for such purposes, and (ii) a withholding, tax, escrow, and fiduciary account, to the extent used solely for such purposes.

"Excluded Issuances" means (a) equity securities of any Subsidiary of a Borrower issued to such Borrower or any other Subsidiary; (b) equity securities of a Borrower issued from time to time to employees and independent directors of any Obligor under any employee stock option or stock purchase plan or other employee benefits plan or compensation agreement in existence from time to time; and (c) equity securities of a Borrower issued at any time after the Closing Date to the equity holders of such Borrower existing as of the Closing Date, to the extent the Net Cash Proceeds of such issuances are promptly contributed to the capital of such Borrower.

"Excluded Property" means the following:

- (i) any lease, license, contract or agreement to which an Obligor is a party or any of its rights or interests thereunder if and only for so long as the grant of a security interest or Lien hereunder shall constitute or result in a breach, termination or default under any such lease, license, contract or agreement, or would permit the third party to terminate such lease, license, contract or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC of any relevant jurisdiction or any other applicable law or principles of equity);
- (ii) more than 65% of the Equity Interests of any first-tier foreign Subsidiary or the Equity Interests of any second-tier or lower foreign Subsidiary;
- (iii) any asset owned by any Obligor on the date hereof or hereafter acquired by an Obligor and in each case, the proceeds thereof, that is subject to a Lien securing a purchase money obligation or capitalized lease obligation permitted to be incurred pursuant to the provisions of this Agreement, only to the extent and for so long as the contract or other agreement in which such Lien is granted (or the documentation providing for such purchase money obligation or capital lease obligation) prohibits the creation of any other Lien on such asset and its proceeds;
- (iv) any "intent-to-use" application for trademark or service mark registration filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, to the extent that, and solely during the period in which, the grant of security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable federal law with respect thereto;
- (v) any assets of any foreign Subsidiary; and
- (vi) Excluded Accounts.

"FAA" means the United States Federal Aviation Administration, and any instrumentality of the United States of America succeeding to its function.

"Fees" means all fees payable pursuant to **Section 2.4(a)**.

"Fiscal Year" means the fiscal year of Borrowers and their Subsidiaries for accounting and tax purposes, as described in the Disclosure Schedule.

"Full Payment" means the full and final payment in full of all Obligations, other than contingent Obligations for which no claim has been made (or, in the case of Letters of Credit, the cash

collateralization of such contingent Obligations in a manner satisfactory to Lender and to the extent of 105% of the face amount of such Letters of Credit); termination of the Commitments; and release by each Obligor (and by any representative of creditors of such Obligor in any Insolvency Proceeding of such Obligor) of any claims that such Obligor has or asserts to have against each Lender Party.

"GAAP" means generally accepted accounting principles in the United States of America in effect from time to time.

"Guarantor" means individually, and "Guarantors" means collectively, each Person who at any time guarantees the payment or performance of any Obligations, including each Person listed on Item 5 of the Terms Schedule as a Guarantor.

"Guaranty" means each guaranty agreement at any time executed by a Guarantor with respect to any of the Obligations.

"Hazardous Materials" means any hazardous, toxic, chemical, or dangerous substance, pollutant, contaminant, waste or material, including petroleum, which is regulated under any and all federal, state, or local statutes, ordinances, rules, regulations, or common law relating to chemical management, environmental protection, contamination, or cleanup including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 as amended (42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act as amended (42 U.S.C. § 6901 et seq.) or any other Federal, state, county, or city law, or any other ordinance or regulation existing or which may exist.

"Indemnitees" means Lender Parties and the respective officers, directors, employees and agents (including legal counsel) of each Lender Party.

"Indemnified Claim" means any and all claims, demands, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, awards, remedial response costs, expenses or disbursements of any kind or nature whatsoever (including reasonable attorneys', accountants', consultants' or paralegals' fees and expenses, but specifically excluding lost profits and opportunity costs), whether arising under or in connection with any of the Loan Documents, any applicable law (including any Environmental Laws) or otherwise, that may now or hereafter be suffered or incurred by any Indemnitee and whether suffered or incurred in or as a result of any investigation, litigation, arbitration or other judicial or non-judicial proceedings or any appeals related thereto.

"Insolvency Proceeding" means any action, case or proceeding commenced by or against a Person under any state, federal or foreign law, or any agreement of such Person, for (a) the entry of an order for relief under any chapter of the Bankruptcy Code or other insolvency or debt adjustment law (whether state, federal or foreign), (b) the appointment of a receiver (or administrative receiver), trustee, liquidator, administrator, conservator or other custodian for such Person or any part of its property, (c) an assignment or trust mortgage for the benefit of creditors of such Person, or (d) the liquidation, dissolution or winding up of the affairs of such Person.

"Intellectual Property" means all intellectual and similar property of a Person, including inventions, designs, patents, copyrights, trademarks, service marks, trade names, trade secrets,

confidential or proprietary information, customer lists, know-how, software and databases; all embodiments or fixations thereof and all related documentation, applications, registrations and franchises; all licenses or other rights to use any of the foregoing; and all books and records relating to the foregoing.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

"Inventory Formula Amount" means, on any date of determination thereof, an amount determined in accordance with the formula set forth in Item 6 of the Terms Schedule.

"Inventory Reserve" means such reserves as may be established from time to time by Lender in its reasonable credit judgment to reflect changes in the merchantability or salability of any Eligible Inventory in the Ordinary Course of Business or such other factors as may negatively impact the value of any Eligible Inventory. Without limiting the generality of the foregoing, such reserves may include reserves based on obsolescence, seasonality, theft or other shrinkage, imbalance, change in composition or mix, or markdowns. Notwithstanding the foregoing, Inventory Reserve shall not be duplicative of eligibility criteria.

"Landing Fees Reserve" means a reserve in the amount of \$600,000.

"Lender Expenses" means all of the following: (a) Taxes and insurance premiums which are required to be paid by Borrowers under this Agreement or any of the other Loan Documents and which are paid or advanced by Lender; (b) filing, recording, publication and search fees paid or incurred by Lender, including all recording taxes and indebtedness taxes; (c) the reasonable out-of-pocket costs, fees (including reasonable, outside attorneys' and paralegals' fees) and expenses incurred by Lender (i) to inspect, copy, audit or examine Borrowers or any of Borrowers' Records or inspect, verify, count or appraise any Collateral, (ii) to correct any Default or enforce any provision of any of the Loan Documents, whether or not litigation is commenced, (iii) in gaining possession of, maintaining, handling, preserving, insuring, storing, shipping, preparing for sale, advertising for sale, selling or foreclosing a Lien upon any of the Collateral, whether or not a sale is consummated, (iv) in collecting any Accounts or Payment Intangibles or recovering any of the Obligations, (v) in structuring, drafting, reviewing, implementing or preparing any of the Loan Documents and any amendment, modification or waiver of this Agreement or any of the other Loan Documents, (vi) in defending the validity, priority or enforceability of Lender's Liens, and (vii) in monitoring or seeking any relief in any Insolvency Proceeding involving an Obligor; and (d) all other costs and expenses incurred by Lender and described in **Section 2.4(b)**.

"Lender Party" means Lender or any of its Affiliates.

"Letter of Credit" means a letter of credit issued by a Lender Party or another Person in reliance (in whole or in part) upon Credit Support provided by Lender.

"Lien" means any interest in property securing an obligation owed to, or a claim by, a Person other than the owner of the property, whether such interest is based on common law, statute or contract. The term "Lien" shall also include reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances affecting real property. For purposes hereof, Borrowers shall be deemed to be the owner of any property which they have acquired or hold subject to a conditional sale

agreement or other arrangement pursuant to which title to the property has been retained by or vested in some other Person for security purposes.

"Lien Waiver/Access Agreement" means an agreement in favor of Lender providing for the waiver or subordination of Liens from any lessor, mortgagee, warehouse operator, processor, customs broker, carrier, or other Person that may have lienholders' enforcement rights with respect to any Collateral, by which such Person shall waive or subordinate its Liens and claims with respect to any Collateral in favor of Lender's Liens and shall assure Lender's access to any Collateral in such Person's possession for the purpose of allowing Lender to enforce its rights and Liens with respect to such Collateral.

"Loan" means an advance of money made by Lender to Borrowers pursuant to the terms of this Agreement.

"Loan Documents" means this Agreement, each Note, the Security Documents, Lien Waiver/Access Agreements, and any other agreements entered into between Lender and any Obligor in connection with this Agreement or to evidence or govern the terms of any of the Obligations, including letter of credit agreements, mortgages, deeds of trust, guaranties, assignments, pledge agreements, subordination agreements, agreements relating to Bank Products, and any and all other documents, agreements, certificates and instruments executed and/or delivered by any Obligor pursuant hereto or in connection herewith.

"Lockbox Agreement" means each agreement between any Borrower and a bank concerning the establishment of a lockbox and related bank Deposit Account for the collection of and remittance to Lender of payments received with respect to the Accounts.

"Management Agreement" means that certain Management Services Agreement, dated as of June 10, 2008, by and between AirNet Systems and Sponsor.

"Management Acknowledgment Agreement" means that certain Acknowledgment of Manager's Subordination dated the date hereof and executed by AirNet Systems and Sponsor, relating to the limitations on AirNet Systems' right to pay, and Sponsor's right to receive and retain, management fees set forth in Section 9.10(f).

"Margin Stock" shall have the meaning ascribed to it in Regulation U of the Board of Governors of the Federal Reserve System.

"Material Agreement" means any agreement or arrangement to which any Borrower or any Subsidiary is a party for which default in the performance, observance or fulfillment of any of the material obligations, covenants or conditions contained therein could reasonably be expected to have a Material Adverse Effect.

"Material Adverse Effect" means the effect of any event, condition, action, omission or circumstance, which, alone or when taken together with other events, conditions, actions, omissions or circumstances occurring or existing substantially contemporaneously therewith, (a) has, or with the passage of time could be reasonably expected to have, a material adverse effect upon the business, operations, properties, prospects or condition (financial or otherwise) of any Obligor; (b) has or could be reasonably expected to have any material adverse effect upon the validity or enforceability of the Loan Documents; (c) has any material adverse effect

upon the value of the whole or any material part of the Collateral, the Liens of Lender with respect to the Collateral or the priority of any such Liens; (d) materially impairs the ability of any Obligor to perform its obligations under any of the Loan Documents, including repayment of any of the Obligations when due; or (e) materially impairs the ability of Lender to enforce or collect the Obligations or realize upon any of the Collateral in accordance with the Loan Documents or applicable law.

"Maximum Revolver Facility Amount" means an amount equal to the amount shown on Item 7 of the Terms Schedule.

"Minimum Availability Reserve" means a reserve in the amount of \$500,000.

"Money Borrowed" means, as applied to any Obligor, without duplication: (a) Debt arising from the lending of money by any Person to such Obligor; (b) Debt, whether or not in any such case arising from the lending of money by another Person to such Obligor, (i) which is represented by notes payable or drafts accepted that evidence extensions of credit, (ii) which constitutes obligations evidenced by bonds, debentures, notes or similar instruments, or (iii) upon which interest charges are customarily paid (other than accounts payable); (c) Debt under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP; (d) reimbursement obligations with respect to letters of credit or guarantees relating thereto; and (e) Debt of such Obligor under any guaranty of any obligations that would constitute Debt for Money Borrowed under clauses (a) through (d) hereof, if owed directly by such Obligor.

"Multiemployer Plan" shall have the meaning set forth in Section 4001(a)(3) of ERISA.

"Net Income" shall have the meaning ascribed to such term in Item 16 of the Terms Schedule.

"NFLV" means, as to any property, the expected Dollar amount to be realized at a forced sale of such property, net of operating expenses, liquidation expenses, and commissions, as determined by Lender from time to time based on the most recent Qualified Appraisal of such property.

"Note" means a promissory note executed by Borrowers at Lender's request to evidence any of the Obligations, including the Revolver Note.

"Obligations" means all Debts, liabilities, obligations, covenants, and duties at any time or times owing by Borrowers to Lender of any kind and description incurred pursuant to any of the Loan Documents or in connection with any Bank Products, and whether direct or indirect, absolute or contingent, due or to become due, or joint or several, including the principal of and interest on the Loans, all Bank Product Obligations, all Fees, all obligations of Borrowers under any indemnification of Lender, all obligations of Borrowers to reimburse Lender in connection with any Letter of Credit or bankers acceptances, all obligations of Borrowers to reimburse Lender for any Credit Support, and all Lender Expenses. Without limiting the generality of the foregoing, the term "Obligations" shall include all Debts, liabilities and obligations of Borrowers to Lender in any Insolvency Proceeding of any Borrower and any interest, fees or other charges accrued in any such bankruptcy case, whether or not any such interest, fees or other charges are recoverable from such Borrower or its estate under 11 U.S.C. §506.

"Obligor" means each Borrower, each Guarantor, and each other Person that is at any time liable for the payment of all or any part of the Obligations or that has granted in favor of Lender a Lien upon any of such Person's assets to secure payment of any Obligations.

"Ordinary Course of Business" means, with respect to any Person, the ordinary course of such Person's business, as conducted by such Person in accordance with past practices and undertaken by such Person in good faith and not for the purpose of evading any covenant or restriction in any Loan Document.

"Organic Documents" means, with respect to any entity, its charter, certificate or articles of incorporation, bylaws, articles of organization, limited liability agreement, operating agreement, members agreement, partnership agreement, certificate of partnership, certificate of formation, or similar agreement or instrument governing the formation or operation of such Person.

"OSHA" means the Occupational Safety and Hazard Act of 1970.

"Parts" means Inventory owned by a Borrower consisting of airframe parts, aircraft purchased for disassembly, or engine parts or components held for sale or lease by a Borrower.

"Permitted Asset Disposition" means a sale, lease, license, consignment or other transfer or disposition of assets (real or personal, tangible or intangible) of a Person, including a disposition of such Person's property in connection with a sale-leaseback transaction or synthetic lease, in each case only if such disposition (a) consists of such Person's sale of Inventory in the Ordinary Course of Business; (b) is a disposition of Equipment permitted by **Section 5.4(b)**; (c) a disposition of Aircraft permitted by **Section 5.5(b)**; (d) arises solely from a termination of a lease of real or personal property that is not necessary in such Person's Ordinary Course of Business, could not reasonably be expected to have a Material Adverse Effect and does not result from such Person's default or failure to perform under such lease; (e) consists of the non-exclusive licenses and sub-licensing of intellectual property, in each case made in the Ordinary Course of Business; (f) is made by an Obligor to a Borrower; (g) is pursuant to casualty or condemnation; (h) consists of the granting of Permitted Liens; (i) is a transaction otherwise expressly permitted under this Agreement; (j) consists of the forgiveness of the promissory notes taken in exchange for Equity Interests in an Obligor; (k) consists of the lapse of licenses or rights which are no longer necessary to the operation of the Obligors' business; (l) consists of the forgiveness of Accounts in connection with the settlement thereof in the Ordinary Course of Business; or (m) consists of sales, transfers or other dispositions for consideration not in excess of \$100,000 in the aggregate in any fiscal year of Borrower.

"Permitted Lien" means any of the following: (a) Liens at any time granted in favor of Lender; (b) Liens for Taxes (excluding any Lien imposed pursuant to the provisions of ERISA) not yet due or being Properly Contested; (c) statutory Liens (excluding any Lien for Taxes, but including statutory liens in favor of customs authorities in connection with the importation of goods) arising in the Ordinary Course of Business of any Borrower or a Subsidiary, but only if and for so long as payment in respect of such Liens is not at the time required or the Debt secured by any such Liens is being Properly Contested and such Liens do not materially detract from the value of the property of such Borrower or such Subsidiary and do not materially impair the use thereof in the operation of such Borrower's or such Subsidiary's business; (d) purchase money

Liens and Liens relating to capitalized lease obligations securing Debt incurred for the purchase of fixed assets, provided that such Liens are confined to the fixed assets so acquired and proceeds from the sale or disposition of such fixed assets, and secure only the Debt incurred to acquire such fixed assets; (e) Liens arising from the rendition, entry or issuance against any Borrower or any Subsidiary, or any property of any Borrower or any Subsidiary, of any judgment, writ, order, or decree (or the bonding of such) for so long as each such Lien is in existence for less than 30 consecutive days after it first arises or the judgment is being Properly Contested and each such Lien is at all times junior in priority to any Liens in favor of Lender; (f) normal and customary rights of setoff upon deposits of cash in favor of banks and other depository institutions and Liens of a collecting bank arising under the UCC on payment items in the course of collections; (g) Liens in existence immediately prior to the Closing Date that are satisfied in full and released on the Closing Date as a result of the application of Borrowers' cash on hand at the Closing Date or the proceeds of Loans made on the Closing Date; (h) cash collateral posted by Borrowers in connection with the issuance of letters of credit permitted by clause (vi) of **Section 9.2** or obligations under corporate credit card programs incurred in the Ordinary Course of Business; (i) such other Liens (if any) as appearing on the Disclosure Schedule or any title insurance policy accepted by Lender, to the extent provided therein and any replacements thereof in connection with a refinancing of the underlying obligations to the extent such refinancing was permitted under this Agreement; (j) deposits or pledges to secure the payment of worker's compensation, unemployment insurance or other social security benefits or obligations, public or statutory obligations, surety or appeal bonds, bid or performance bonds, or other obligations of a like nature incurred in the Ordinary Course of Business; (k) inchoate Liens arising under ERISA to secure current service pension liabilities as they are incurred under the provisions of employee benefit plans from time to time in effect; (l) purported Liens evidenced by the filing of precautionary financing statements relating solely to operating leases of personal property entered into in the Ordinary Course of Business and not otherwise prohibited or restricted by this Agreement; (m) Liens granted in favor of insurance companies (or their financing affiliates) on the unearned portion of insurance premiums or on insurance proceeds from the financed policy in connection with the financing of insurance premiums, but in each case only during the period commencing on the Closing Date and concluding May 31, 2013; (n) deposits to secure the performance of bids, trade contracts, leases and other obligations of a like nature, in each case, in the Ordinary Course of Business; (o) customary rights of set-off, revocation, refund or chargeback under deposit agreements or under the Internal Revenue Code or common law of banks or other financial institutions where Borrowers or any of their Subsidiaries maintains deposits in the Ordinary Course of Business; and (p) any interest or title of a licensor or sublicensor under license permitted hereunder and any licenses or sublicenses granted by an Obligor to third parties in the Ordinary Course of Business and not interfering in any material respect with the business of such Obligor.

"Person" means an individual, partnership, corporation, limited liability company, limited liability partnership, joint stock company, land trust, business trust, or unincorporated organization, or a governmental authority.

"Plan" means an employee pension benefit plan that is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code and that is either maintained (a) by Borrowers for employees or (b) pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes

contributions and to which Borrowers are then making or accruing an obligation to make contributions or has within the preceding five (5) years made or accrued such contributions.

"Properly Contested" means, in the case of any Debt of an Obligor (including any Taxes) that is not paid when due or payable, (a) such Debt is the subject of a bona fide dispute as to liability or amount and is being properly contested in good faith by appropriate proceedings promptly instituted and diligently conducted; (b) such Obligor has established appropriate reserves as shall be required in conformity with GAAP; (c) the non-payment of such Debt will not have a Material Adverse Effect and will not result in a forfeiture or sale of any assets of such Obligor; (d) no Lien is imposed upon any of such Obligor's assets with respect to such Debt unless such Lien is at all times junior and subordinate in priority to the Liens in favor of Lender (except only with respect to property taxes that have priority as a matter of applicable state law) and enforcement of such Lien is stayed during the period prior to the final resolution or disposition of such dispute; (e) if the Debt results from, or is determined by the entry, rendition or issuance against an Obligor or any of its assets of a judgment, writ, order or decree, enforcement of such judgment, writ, order or decree is at all times stayed pending a timely appeal or other judicial review; and (f) if such contest is abandoned, settled or determined adversely (in whole or in part) to such Obligor, such Obligor forthwith pays such Debt and all penalties, interest and other amounts due in connection therewith.

"Qualified Appraisal" means an appraisal conducted in a manner and with such scope and using such methods as are reasonably acceptable to Lender by an appraiser selected by, or reasonably acceptable to, Lender, the results of which are reasonably acceptable to Lender in all respects.

"Reportable Event" means any of the events described in Section 4043 of ERISA and the regulations thereunder, other than a reportable event for which the thirty-day notice requirement to the Pension Benefit Guaranty Corporation has been waived.

"Revolver Note" means the Revolver Note to be made by Borrowers to Lender or its registered assigns in the form of **Exhibit A** attached hereto, which shall be in the face amount of the Maximum Revolver Facility Amount and shall evidence all Revolver Loans made pursuant to this Agreement.

"Rider" means any Rider to this Agreement from time to time.

"Schedules" means the Terms Schedule and the Disclosure Schedule.

"SEC" shall mean the Securities and Exchange Commission, any successor thereto, and any analogous governmental authority.

"Security Documents" means each instrument or agreement now or at any time hereafter securing or assuring payment of the whole or any part of the Obligations, including each Guaranty, Aircraft Perfection Document, Deposit Account Control Agreement and Lockbox Agreement.

"Senior Officer" means, on any date, any person occupying any of the following positions with each Borrower: president, vice president, chief executive officer, chief financial officer, manager, managing partner, treasurer or secretary of each Borrower.

"Solvent" means, as to any Person, such Person (a) owns property whose fair salable value (as defined below) is greater than the amount required to pay all of such Person's debts (including contingent, subordinated, unmatured and unliquidated liabilities), (b) owns property whose present fair salable value (as defined below) is greater than the probable total liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of such Person as they become absolute and matured, (c) is generally able to pay all of its debts as such debts mature, (d) has capital that is not unreasonably small for its business and is sufficient to carry on its business and transactions and all business and transactions in which it is about to engage, (e) is not "insolvent" within the meaning of Section 101(32) of the Bankruptcy Code, and (f) has not incurred (by way of assumption or otherwise) any obligations or liabilities (contingent or otherwise) under any of the Loan Documents, or made any conveyance pursuant to or in connection therewith, with actual intent to hinder, delay or defraud either present or future creditors of such Person or any of its Subsidiaries. As used herein, the term "fair salable value" of a Person's assets means the amount that may be realized within a reasonable time, either through collection or sale of such assets on a going concern basis at the regular market value, based upon the amount that could be obtained for such assets within such period by a capable and diligent seller from an interested buyer who is willing (but is under no compulsion) to purchase under ordinary selling conditions.

"Sponsor" means Bayside Capital, Inc., a Delaware corporation, and its Affiliates.

"Subordinated Debt" means all Debt of any Borrower that is subordinated to the repayment of the Obligations on terms acceptable to Lender in its discretion.

"Subsidiary" means any Person in which 50% or more of all Equity Interests (or 50% of all Equity Interests having a power to vote) is owned, directly or indirectly, by a Borrower, one or more other Subsidiaries of a Borrower or a Borrower and one or more other Subsidiaries.

"Taxes" means any present or future taxes, levies, imposts, duties, fees, assessments, deductions, withholdings or other charges of whatever nature imposed by any governmental authority, including income, receipts, excise, property, sales, use, transfer, license, payroll, withholding, social security and franchise taxes now or hereafter imposed or levied by the United States or any other governmental authority and all interest, penalties, additions to tax and similar liabilities with respect thereto, but excluding, in the case of Lender, taxes imposed on or measured solely by the taxable income or overall gross receipts of Lender.

"Terms Schedule" means the Terms Schedule annexed hereto.

"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 regulations promulgated pursuant thereto or any subsequent legislation that amends, supplements or supersedes such provisions.

"Trademark Security Agreement" means that certain Trademark Security Agreement between AirNet Management and AloStar dated on or about the date hereof.

"UCC" means the Uniform Commercial Code (or any successor statute) as adopted and in force in the State of Georgia from time to time or, when the laws of any other state govern the method or manner of the perfection or enforcement of any security interest in any of the Collateral, the Uniform Commercial Code (or any successor statute) of such state.

"Upstream Payment" means a Distribution by a Subsidiary of a Borrower to such Borrower.

"USA PATRIOT ACT" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001).

"Value" means, with reference to Eligible Inventory or Eligible Aircraft Fleet, value determined by Lender on the basis of the lower of cost or market of such Eligible Inventory or such Eligible Aircraft Fleet, calculated on a first-in, first-out basis or on a specific identification basis, in each case in accordance with GAAP.

1.2 Other Terms Defined in this Agreement. The following terms are defined in the applicable provisions of this Agreement:

Blocked Person	Section 7.16
Default Rate	Section 2.3(a)
Excess	Section 2.5
Governing Rate	Section 2.3(a)
Interest	Section 2.5
Loan Account	Section 2.8
Overadvance	Section 2.1(c)
Restricted Investment	Section 9.8
Revolver Loan	Section 2.1(a)
Schedule of Accounts	Section 5.2(a)
Term	Section 3.1

1.3 UCC Terms. All other capitalized terms contained in this Agreement and not otherwise defined herein shall have, when the context so indicates, the meanings provided for by the UCC to the extent the same are used or defined therein. Without limiting the generality of the foregoing, the following terms shall have the meaning ascribed to them in the UCC: Accessions, Account, Account Debtor, Chattel Paper, Commercial Tort Claim, Deposit Account, Document, Electronic Chattel Paper, Equipment, Fixtures, Goods, General Intangible, Instrument, Inventory, Investment Property, Letter-of-Credit Right, Payment Intangible, Proceeds, Securities, Securities Account, Software, and Supporting Obligations.

1.4 Accounting Terms. Unless otherwise specified herein, all terms of an accounting nature used in this Agreement shall be interpreted, all accounting determinations under this Agreement shall be made, and all financial statements required to be delivered under this Agreement shall be prepared in accordance with GAAP, applied on a basis consistent with the most recent audited financial statements of Borrowers and their Subsidiaries delivered to Lender prior to the Closing Date and using the same method for Inventory valuation as used in such audited financial statements, except for any changes required by GAAP. In the event that changes in GAAP shall be mandated by the Financial Accounting Standards Board, or any similar accounting body of comparable standing, Borrower Agent will promptly notify Lender (or at its option, Lender may notify Borrower Agent) of such changes, and to the extent such changes would modify such accounting terms or the interpretation or computation thereof under this Agreement, (a) Borrowers and Lender agree to enter into good faith negotiations in order to amend such provisions of this Agreement so as to equitably reflect such changes in GAAP to the

effect that the criteria for evaluating the financial condition and performance of Borrowers shall be the same after such changes in GAAP as if such changes in GAAP had not been made, and (b) Borrowers agree to provide to Lender financial statements and other documents required under this Agreement and the other Loan Documents, or as otherwise reasonably requested by Lender hereunder, setting forth a reconciliation between calculations of the ratios or the requirements hereunder made before and after giving effect to such changes in GAAP. Until such time as such an amendment shall have been executed and delivered by Borrowers and Lender, all financial covenants, financial standards and other terms in this Agreement shall continue to be calculated or construed as if such changes in GAAP had not occurred.

1.5 Certain Matters of Construction. The terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. Any pronoun used shall be deemed to cover all genders. Section titles and list of exhibits appear as a matter of convenience only and shall not affect the interpretation of this Agreement. All references to statutes shall include all amendments of same and implementing regulations and any amendments of same and any successor statutes and regulations; to any instrument, agreement or other documents (including any of the Loan Documents) shall include all modifications and supplements thereto and all restatements, extensions or renewals thereof to the extent such modifications, supplements, restatements, extensions or renewals of any such documents are permitted by the terms thereof and not prohibited by the terms of this Agreement; to any Person (including any Borrower or Lender) shall mean and include the successors and permitted assigns of such Person; to "including" and "include" shall be understood to mean "including, without limitation"; or to the time of day shall mean the time of day on the day in question in Atlanta, Georgia, unless otherwise expressly provided in this Agreement. A Default or an Event of Default shall be deemed to exist at all times during the period commencing on the date that such Default or Event of Default first occurs to the date on which such Default or Event of Default is waived in writing pursuant to this Agreement or, in the case of a Default, is cured within any period of cure expressly provided in this Agreement; and an Event of Default shall "continue" or be "continuing" until such Event of Default has been waived in writing. All calculations of value shall be in Dollars, all Loans shall be funded in Dollars and all Obligations shall be repaid in Dollars. Whenever in any provision of this Agreement Lender is authorized (a) to take any action, Lender shall be authorized to do so through or with the assistance of any employee, agent or consultant, or (b) to take or decline to take any action (including making any determination) in the exercise of its "discretion," such provision shall be understood to mean that Lender may take or refrain to take such action in its sole and absolute discretion. Whenever the phrase "to the best of Borrower's knowledge" or words of similar import relating to the knowledge or the awareness of any Borrower are used in this Agreement or other Loan Documents, such phrase shall mean and refer to the actual knowledge of a Senior Officer of any Borrower.

SECTION 2. LOANS AND TERMS OF REPAYMENT

2.1 Revolver Loans.

(a) Subject to the terms and conditions in this Agreement, Lender agrees to make advances to Borrowers (each a "Revolver Loan") on any Business Day during the period from the Closing Date through the Business Day before the last day of the Term, not to exceed in aggregate principal amount outstanding at any time the Maximum Revolver

Facility Amount, which Revolver Loans may be repaid and reborrowed in accordance with the provisions of this Agreement; provided, however, that Lender shall have no obligation to honor any request for a Revolver Loan on or after the Commitment Termination Date or if at the time of the proposed funding thereof the aggregate principal amount of all Revolver Loans outstanding (together with the amount of any Revolver Loans for which a request is pending) exceeds, or would exceed after the funding of such Revolver Loan, the Borrowing Base. The proceeds of Revolver Loans shall be used by Borrowers solely for one or more of the following purposes: (i) to satisfy any non-insider Debt owing on the Closing Date; (ii) to pay the Fees and transaction expenses associated with the closing of the transaction described herein; (iii) to pay any of the Obligations in accordance with this Agreement; and (iv) to make expenditures for its working capital, general corporate purposes and other lawful purposes of Borrowers to the extent such expenditures are not prohibited by this Agreement or applicable law. No Revolver Loan proceeds may be used to purchase or to carry, or to reduce, retire or refinance any Debt incurred to purchase or carry, any Margin Stock or for any related purpose that violates the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System. The Revolver Loans and interest accruing thereon shall be evidenced by the records of Lender (including the Loan Account) and by the Revolver Note and shall bear interest as set forth in **Section 2.3**.

(b) Whenever Borrowers desire to obtain funding of a Revolver Loan, Borrower Agent shall give Lender prior written notice (or telephonic notice promptly confirmed in writing) of such borrowing request, which shall be in such form as may be required by Lender (provided that an email containing a PDF copy of such notice shall be sufficient) and signed by a Senior Officer. Such notice of borrowing shall be given by Borrower Agent no later than 2:00 p.m. on the Business Day of the requested borrowing. Notices received by Lender after 2:00 p.m.) shall be deemed received on the next Business Day. Each notice of borrowing (or telephonic notice thereof) shall be irrevocable and shall specify (A) the principal amount of the borrowing, (B) the date of borrowing (which shall be a Business Day), and (C) the account of Borrowers to which the proceeds of such borrowing are to be disbursed. Unless payment is otherwise timely made by Borrowers, the becoming due of any Obligations (including any interest thereon) shall be deemed to be a request (without any requirement for the submission of a notice of borrowing) for a Revolver Loan on the due date of and in an aggregate amount required to pay such Obligations and the proceeds of such Revolver Loan may be disbursed in direct payment of the relevant Obligations; provided, however, that Lender shall have no obligation to honor any deemed request for a Revolver Loan on or after the Commitment Termination Date, when an Overadvance exists or would result from such funding or when any applicable condition precedent set forth in **Section 6** hereof is not satisfied, but may do so in its discretion and without regard to the existence of, and without being deemed to have waived, any Default or Event of Default.

(c) If the unpaid balance of Revolver Loans outstanding at any time should exceed the Borrowing Base (such excess referred to as an "Overadvance"), such Revolver Loans shall nevertheless constitute Obligations that are secured by all of the Collateral and entitled to all the benefits of the Loan Documents, shall be payable **on demand** and shall bear interest as provided in **Section 2.3** of this Agreement.

(d) Borrowers irrevocably authorize Lender to disburse the proceeds of each Revolver Loan requested, or deemed to be requested, pursuant to **Section 2.1(b)**, as follows: (i) the proceeds of Revolver Loans requested by Borrower Agent shall be disbursed by Lender in immediately available funds, in the case of the initial borrowing, in accordance with the terms of the written disbursement letter from Borrower Agent, and in the case of each subsequent borrowing, by wire transfer to the Disbursement Account or such other bank account as may be agreed upon by Borrowers and Lender from time to time; and (ii) the proceeds of Revolver Loans deemed requested by Borrowers shall be disbursed by Lender by way of direct payment of the relevant Obligations.

2.2 Payments. (a) All payments with respect to any of the Obligations shall be made to Lender on the date when due, in immediately available funds, without offset or counterclaim. Except where evidenced by a Note or other instrument made by Borrowers to Lender or its order specifically containing payment provisions in conflict with this **Section 2.2** (in which event the conflicting provisions of said Note or other instrument shall govern and control), the Obligations shall be due and payable as follows:

(i) Principal payable on account of the Loans shall be payable by Borrowers to Lender immediately upon the earliest of (A) the receipt by Lender or Borrowers of any proceeds of any of the Collateral, to the extent of such proceeds, (B) the occurrence of an Event of Default in consequence of which the maturity and payment of the Obligations is accelerated, and (C) the Commitment Termination Date; provided, however, that if an Overadvance exists at any time, Borrowers shall, **on demand**, repay the Obligations to the extent necessary to eliminate the Overadvance.

(ii) Interest accrued on the principal balance of the Loans shall be due and payable on each of (A) the first day of each month, computed through the last day of the preceding month; (B) the occurrence of an Event of Default in consequence of which the maturity and payment of the Obligations is accelerated; and (C) the Commitment Termination Date.

(iii) The balance of the Obligations requiring the payment of money, if any, shall be payable by Borrowers as and when provided in the Loan Documents, or, if the date of payment is not specified in the Loan Documents, **on demand**.

(b) Whenever any payment of any of the Obligations is due on a day that is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day and, if the day for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended period of time.

(c) To the extent Borrowers make a payment to Lender, or Lender receives payment from the proceeds of any Collateral or exercises setoff rights, and such payment or the proceeds of such Collateral or setoff (or any part thereof) are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other Person, then to the extent of any loss of Lender, the Obligations or part thereof originally intended to be satisfied, and all Liens,

rights and remedies therefor, shall be revived and continued in full force and effect as if such payment or proceeds had not been made or received and any such enforcement or setoff had not occurred.

2.3 Interest Rates.

(a) Except where otherwise provided in a Note or other instrument (including any Rider hereto) issued or made by Borrowers to Lender or its order specifically containing interest rate provisions that are in conflict with this **Section 2.3** (in which event the conflicting provisions of said Note or other instrument shall govern and control), the principal balance of Revolver Loans and other Obligations outstanding from time to time shall bear interest from the respective dates such principal amounts are advanced or incurred until paid at the Governing Rate. "Governing Rate" means, on any date, a rate per annum equal to the sum of (A) the Applicable Variable Rate in effect on such date plus (B) the applicable interest margin set forth in Item 8(b) of the Terms Schedule. The Applicable Variable Rate shall be adjusted daily, with each change to the Applicable Variable Rate to be effective as of the opening of business on the day of such change. Upon and after the occurrence of an Event of Default and during the continuation thereof, the principal balance of the Obligations shall, at the election of (and upon notice to Borrowers from) Lender and without the necessity of declaring the Obligations immediately due and payable, bear interest at a rate (the "Default Rate") equal to the lesser of (i) the otherwise applicable interest rate in effect from time to time hereunder plus the default margin set forth in Item 8(c) of the Terms Schedule and (ii) the highest rate allowed by applicable law; provided, that, notwithstanding the date on which Lender notifies Borrowers of its election to impose the Default Rate, the Default Rate shall accrue from the time at which the applicable Event of Default first occurred. The amount of any Overadvance shall bear interest at the Default Rate. All interest chargeable under this Agreement shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

(b) The Applicable Variable Rate on the date hereof is the per annum rate set forth in Item 8(d) of the Terms Schedule, and therefore the rate of interest in effect hereunder with respect to Revolver Loans and other Obligations that bear interest at the Governing Rate, expressed in simple interest terms as of the date hereof, is the per annum rate set forth in Item 8(e) of the Terms Schedule.

2.4 Fees and Reimbursement of Expenses.

(a) Borrowers shall pay to Lender the Fees set forth in Item 9(a) of the Terms Schedule and shall reimburse Lender for all reasonable costs and expenses incurred in connection with examinations of Borrowers' Records and appraisals of the Collateral and such other matters as Lender shall deem reasonable and appropriate, as set forth in Item 9(b) of the Terms Schedule. All Fees shall be fully earned by Lender when due and payable and, except as otherwise set forth herein or required by applicable law, shall not be subject to rebate, refund or proration. All Fees provided for in this **Section 2.4** are and shall be deemed to be for compensation for services and are not, and shall not be deemed to be, interest or any other charge for the use, forbearance or detention of money.

(b) If at any time (regardless of whether any Event of Default exists), Lender incurs outside legal, accounting or other out-of-pocket costs or expenses in connection with the loan transaction described herein, including reasonable fees and expenses incurred in connection with: (i) the negotiation and preparation of any Loan Document or amendment of or modification thereto or documents evidencing or otherwise relating to any workout, restructuring or forbearance with respect to any Loan Documents or Obligations; (ii) the administration of any Loan Documents and the transactions contemplated thereby; (iii) any litigation, contest, dispute, suit, proceeding (including any Insolvency Proceeding) or action (whether instituted by Lender, Borrowers or any other Person) in any way relating to the Collateral, any Loan Documents or Borrowers; (iv) any attempt to enforce any rights of Lender against any Obligor; or (v) any consultations regarding any Loan Documents or any transaction concluded thereunder; then all such outside legal and accounting expenses, other reasonable costs and out-of-pocket expenses of Lender shall be charged to Borrowers, shall be Obligations secured by all of the Collateral, shall be payable to Lender on demand, and shall bear interest from the date such demand is made until paid in full at the rate applicable to Revolver Loans from time to time.

2.5 Maximum Interest. Regardless of any provision contained in any Loan Document, in no contingency or event whatsoever shall the aggregate of all amounts that are contracted for, charged or received by Lender pursuant to any Loan Document and that are deemed interest under applicable law exceed the highest rate permissible under any applicable law (the "Maximum Rate"). No agreements, conditions, provisions or stipulations contained in any of the Loan Documents or the exercise by Lender of the right to accelerate the payment or the maturity of all or any portion of the Obligations or the exercise of any other option whatsoever in any of the Loan Documents, or the prepayment by Borrowers of any of the Obligations, or the occurrence of any contingency whatsoever, shall entitle Lender to charge or receive, in any event, interest or charges, amounts, premiums or fees deemed interest by applicable law (such interest, charges, amounts, premiums and fees referred to collectively as "Interest") in excess of the Maximum Rate, and no Obligor shall be obligated to pay Interest exceeding such Maximum Rate, and all agreements, conditions, or stipulations, if any, that may operate to bind, obligate or compel any Obligor to pay Interest exceeding the Maximum Rate shall be without binding force or effect, at law or in equity, to the extent only of the excess of Interest over such Maximum Rate. If any Interest is charged or received in excess of the Maximum Rate ("Excess"), Borrowers acknowledge and stipulate that any such charge or receipt shall be the result of an

accident and bona fide error, and such Excess, to the extent received, shall be, at Borrowers' option, returned to Borrowers forthwith or credited as a payment of principal, but shall not be applied to the payment of interest, it being the intent of the parties hereto not to enter into a usurious or other illegal relationship. The right to accelerate the maturity of the Obligations does not include the right to accelerate any interest that has not otherwise accrued on the date of such acceleration, and Lender does not intend to collect any unearned interest in the event of any such acceleration. For the purpose of determining whether or not any Excess has been contracted for, charged or received by Lender, all interest at any time contracted for, charged or received from Borrowers in connection with any of the Loan Documents shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread in equal parts throughout the full term of the Obligations. The provisions of this Section shall be deemed to be incorporated into every Loan Document (whether or not any provision of this Section is referred to therein).

2.6 Borrowing Base Certificate: Authorizations. (a) At least once during each Borrowing Base Reporting Period (as defined in Item 10 of the Terms Schedule), Borrowers shall deliver to Lender a fully completed Borrowing Base Certificate certified by a Senior Officer of Borrower Agent as being true and correct. Concurrent with the delivery of the Borrowing Base Certificate, Borrowers shall provide a written report to Lender of all material disputes, claims and other deductions, together with sales and other reports and supporting information relating to the Accounts, Inventory and Aircraft Fleet, as required by Lender. Lender may review and adjust any calculations made in a Borrowing Base Certificate (A) to reflect errors in calculation, and (B) if and to the extent that such calculation is not in accordance with this Agreement or does not accurately reflect the amount of the Availability Reserve. In no event shall the Borrowing Base on any date be deemed to exceed the amount of the Borrowing Base shown on the Borrowing Base Certificate last received by Lender prior to such date, as such Borrowing Base Certificate may be adjusted from time to time by Lender as authorized herein. If Borrowers fail to deliver to Lender the Borrowing Base Certificate on the date when due, then notwithstanding any of the provisions contained in **Section 2.1** or in any other Loan Document to the contrary, Lender may suspend honoring any requests for Revolver Loans until a current Borrowing Base Certificate is delivered to Lender.

(b) Lender is authorized to make Loans and other extensions of credit under this Agreement based on telecopied, electronically communicated or other instructions and transaction reports received from any Individual believed to be an Authorized Officer of Borrower Agent or any Borrower or, in Lender's discretion, if such extensions of credit are to satisfy any Obligations that are past due and payable. Lender shall not be responsible for determining the authenticity of any such telecopied or electronically communicated Instructions and Lender may act on the instructions of any individual whom Lender reasonably believes to be an Authorized Officer.

2.7 Collections. All payments by Borrowers to Lender with respect to the Accounts and other Collateral shall be forwarded by Borrowers to the Collections Account, provided that Borrowers shall establish a lockbox under the control of Lender to which all Account Debtors shall be directed to forward payments with respect to the Accounts. Lender may (a) whether or not an Event of Default exists, in connection with any field exams, and (b) if an Event of Default exists, at any time: contact directly any or all Account Debtors to ensure that payments on the Accounts are directed to Lender or to the lockbox. To expedite collection, Borrowers shall endeavor in the first instance to make collection of its Accounts for Lender. All payment items

received by a Borrower with respect to the Accounts and other Collateral shall be held by Borrowers, as trustee of an express trust, for Lender's benefit and shall not be commingled with Borrowers' other funds and shall be deposited promptly to the Collections Account. All such payment items shall be the exclusive property of Lender, to the extent of any Obligations then outstanding, upon the earlier of the receipt thereof by Lender or by Borrowers. Borrowers hereby grant to Lender a Lien upon all items and balances held in any lockbox and the Collections Account as security for the payment of the Obligations, in addition to and cumulative with the general security interest in all other assets of Borrowers (including all Deposit Accounts (other than Excluded Accounts)) as provided elsewhere in this Agreement or any other Loan Document. For purposes of calculating Availability, Lender shall be entitled to apply immediately to the Obligations any wire transfer, check or other item of payment received by Lender, but interest shall continue accruing on the amount of such wire transfer, check or other payment item for the number of collection days set forth in Item 11 of the Terms Schedule after the date that the proceeds of such wire transfer, check or other payment item become good, collected funds.

2.8 Loan Account; Account Stated. Lender shall maintain in accordance with its usual and customary practices an account or accounts (collectively, the "Loan Account") evidencing the Loans, including the amount of principal and interest payable to Lender from time to time hereunder. Any failure of Lender to make an entry in the Loan Account, or any error in doing so, shall not limit or otherwise affect Borrowers' obligation under the Loan Documents to pay all amounts owing to Lender. The entries made in the Loan Account shall constitute rebuttably presumptive evidence of the information contained therein, provided that if a copy of information contained in the Loan Account is provided to any Obligor, or any Obligor inspects the Loan Account, at any time, then the information in the Loan Account shall be conclusive and binding on such Obligor for all purposes, absent manifest error, unless such Obligor notifies Lender in writing within 30 days after such Obligor's receipt of such copy or such Obligor's inspection of the Loan Account of its intention to dispute the information contained therein.

2.9 Application of Payments and Collections. During the continuance of an Event of Default, Borrowers irrevocably waive, to the extent permitted by applicable law, the right to direct the application of all payments and collections at any time hereafter received by Lender from or on behalf of Borrowers, and Borrowers irrevocably agree that Lender shall have the continuing exclusive right during the continuance of an Event of Default to apply and reapply any and all such payments and collections against the Obligations in such manner as Lender may elect in its discretion. If as the result of collections of Borrowers' Accounts or other proceeds of Collateral a credit balance exists in the Loan Account, such credit balance shall not accrue interest in favor of Borrowers, but shall be available to Borrowers.

2.10 All Loans to Constitute One Obligation. All Loans shall constitute one general obligation of Borrowers and, except to the extent otherwise expressly provided in a Security Document, shall be secured by Lender's Liens upon all of the Collateral.

2.11 Capital Requirements. If either (a) any Change in Law or the interpretation of any applicable law or (b) compliance with any guideline or request from any central bank or comparable agency or other governmental authority (whether or not having the force of law), has or would have the effect of reducing the rate of return on the capital of, or has affected or would affect the amount of capital required to be maintained by, Lender as a consequence of, or with reference to, the credit facility hereunder or Commitments, below the rate that Lender

or such other corporation could have achieved but for such change, interpretation or compliance, then within ten (10) Business Days after Lender's written demand, Borrowers shall pay Lender from time to time as specified by Lender additional amounts sufficient to compensate Lender for such reduction. A certificate as to such amounts submitted to Borrowers by Lender shall, in the absence of manifest error, be presumed to be correct and binding for all purposes.

2.12 Increased Costs. If any Change in Law shall: (a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, Lender, (b) subject Lender to any Tax (other than a tax based on income) with respect to any Loan or Loan Document or change the basis of taxation of payments to Lender in respect thereof (other than a tax based on income), or (c) impose on Lender any other condition, cost or expense affecting any Loan or Loan Document, and the result thereof shall be to increase the cost to Lender of making or maintaining any Loan (or of maintaining its Commitments), or to reduce the amount of any sum received or receivable by Lender hereunder (whether of principal, interest or any other amount), then, upon Lender's request, Borrowers will pay to Lender such additional amount or amounts as will compensate Lender for such additional costs incurred or reduction suffered.

2.13 Dealings with Multiple Borrowers.

(a) **Borrower Agent.** AirNet Systems shall be deemed to constitute the "Borrower Agent" and, in that capacity, shall be authorized to act for and on behalf of each other Borrower, including for the purpose of requesting any Loans or other extensions of credit under the Loan Agreement and receiving proceeds of Loans and other extensions of credit for and on behalf of each other Borrower; and any Loan or other extension of credit funded to or at the direction of Borrower Agent shall be deemed made to and on behalf of all Borrowers.

(b) **Joint and Several Liability.** Each Borrower shall be jointly and severally liable with each other Borrower for the payment and performance of all of the Obligations; shall be deemed to have separately made the representations and warranties set forth herein; shall be responsible jointly and severally with each other Borrower for all of the indemnities set forth in any of the Loan Documents; shall be responsible for discharging the covenants contained in each of the Loan Documents applicable to it; and shall be deemed separately to have granted (and does hereby grant), as security for the payment of the Obligations, a security interest in the types and items of its property constituting Collateral. Lender shall have the right to deal with any individual of Borrower Agent with regard to all matters concerning the rights and obligations of Lender and the duties and liabilities of Borrowers under the Loan Documents. All actions or inactions of the officers, managers, members and agents of any Borrower with regard to the transactions contemplated under any of the Loan Documents shall be deemed to be binding upon all Borrowers hereunder. Any Loans or other extensions of credit made to one Borrower shall be deemed to have been made to and for the benefit of all Borrowers, it being understood that Borrowers' businesses are a mutual and collective enterprise and Borrowers believe that the consolidation of all Loans under this Agreement will enhance the aggregate borrowing powers of each Borrower and ease the administration of their loan relationship with Lender, all to the mutual advantage of each Borrower. Notwithstanding the appointment of AirNet Systems to serve as Borrower Agent, each Borrower hereby appoints each other

Borrower as its true and lawful attorney-in-fact, with full right and power, for purposes of exercising all rights of such appointing Borrower hereunder and under applicable law with regard to the transactions contemplated under the Loan Documents.

(c) Unconditional Nature of Liabilities. Borrowers' joint and several liability with respect to the Loans and other Obligations shall, to the fullest extent permitted by applicable law, be unconditional irrespective of (i) the validity, enforceability, avoidance or subordination of any of the Obligations or of any document evidencing or securing any part of the Obligations, (ii) the absence of any attempt to collect any of the Obligations from any other Obligor or any Collateral or other security therefor, or the absence of any other action to enforce the same, (iii) the waiver, consent, extension, forbearance or granting of any indulgence by Lender with respect to any Loan Documents, (iv) the failure by Lender to take any steps to perfect or maintain the perfected status of its security interest in or Lien upon, or to preserve its right to, any of the Collateral or Lender's release of any Collateral or its termination or release of any Liens upon any Collateral, (v) the release or compromise, in whole or in part, of the liability of any Obligor for the payment of any of the Obligations, (vi) any amendment or modification of any of the Loan Documents or any waiver of a Default or Event of Default, (vii) any increase in the amount of the Obligations beyond any limits imposed herein or any increase or decrease in the amount of any interest, fees or other charges payable in connection therewith, or (viii) any other circumstances that might constitute a legal or equitable discharge or defense of any Obligor. Each Borrower shall be deemed to have waived any provision under applicable law that might otherwise require Lender to pursue or exhaust its remedies against any Collateral or Obligor before pursuing such Borrower or any other Obligor. Each Borrower consents that Lender shall be under no obligation to marshal any assets in favor of any Obligor or against or in payment of any or all of the Obligations.

(d) Subordination. Each Borrower subordinates any claims, including any right of payment, subrogation, contribution and indemnity, that it may have from or against any other Obligor, and any successor or assign of the Obligor, including any trustee, receiver or debtor-in-possession, howsoever arising, due or owing or whether heretofore, now or hereafter existing, to the full and final payment of all of the Obligations.

SECTION 3. TERM AND TERMINATION

3.1 Term. All Commitments hereunder shall, subject to the satisfaction (or waiver by Lender in its discretion) of each condition set forth in **Section 6** hereof, become effective on the date of this Agreement and shall expire at the close of business on the day specified in Item 12 of the Terms Schedule (the "Term"), unless sooner terminated as provided in **Section 3.2** hereof.

3.2 Termination of Commitments. At any time an Event of Default exists, Lender may terminate the Commitments without notice, and all of the Commitments shall automatically terminate upon the occurrence of an Event of Default resulting from the commencement of an Insolvency Proceeding by or against Borrowers. Upon at least ten (10) days prior written notice to Lender, Borrowers may, at their option, terminate the Commitments; provided, however, no such termination of the Commitments by Borrowers shall be effective until Full Payment of the Obligations (including the Early Termination Fee). Any notice of termination given by Borrowers shall be irrevocable unless Lender otherwise agrees in writing. Borrowers may elect to

terminate the Commitments in their entirety only. No section of this Agreement may be terminated by Borrowers singly.

3.3 Effect of Termination. On the effective date of any termination of the Commitments, all Obligations (including the Early Termination Fee) shall become immediately due and payable without notice to or demand upon Borrowers and shall be paid to Lender by a wire transfer of immediately available funds. No termination of the Commitments shall in any way affect any of Lender's rights or remedies hereunder, any of Borrowers' duties or obligations hereunder (including its obligation to pay all of the Obligations (including the Early Termination Fee) on the effective date of such termination) or any Liens held by Lender.

SECTION 4. COLLATERAL

4.1 Grant of Security Interest. To secure the prompt payment and performance of all Obligations, each Borrower hereby grants to Lender a continuing security interest in and Lien upon all personal property of such Borrower, including all of the following property and interests in property of such Borrower, whether now owned or existing or hereafter created, acquired or arising and wheresoever located: all Accounts; all Goods, including all Inventory and Equipment (including Fixtures); all Instruments; all Chattel Paper; all Documents (including bills of lading); all General Intangibles, including Intellectual Property, Payment Intangibles and Software; all Deposit Accounts; all Investment Property (including all Securities and Securities Accounts, but excluding any Securities that constitute Margin Stock unless otherwise expressly provided in any Security Document and, in the case of Securities in a Subsidiary organized under a law other than a state of the United States or the District of Columbia, limited to 65% of such Securities); all Letter-of-Credit Rights; all Supporting Obligations; all Commercial Tort Claims (including those that are disclosed in the Disclosure Schedule); all monies now or at any time or times hereafter in the possession or under the control of Lender; all Accessions to, substitutions for and replacements, products and cash and non-cash Proceeds of any of the foregoing, including Proceeds of and unearned premiums with respect to insurance policies insuring any of the Collateral and claims against any Person for loss of, damage to or destruction of any of the Collateral; and all of Borrowers' Records. Notwithstanding the foregoing, in no event shall the Collateral include the Excluded Property, and no Obligor consents to the granting of a security interest in the Excluded Property.

4.2 Other Collateral; Collateral Assignment of Leases; Setoff. Lender shall have, in addition to Liens upon the property of Borrowers described in **Section 4.1**, Liens upon all other property of Borrowers and each other Person as described in the Security Documents, excluding the Excluded Property. To further secure the prompt payment and performance of all Obligations, each Borrower hereby transfers and collaterally assigns to Lender all of such Borrower's right, title and interest in, to and under all now or hereafter existing leases of real property to which such Borrower is a party, whether as lessor or lessee, and all extensions, renewals, modifications and proceeds thereof, in each case, excluding the Excluded Property. All sums at any time standing to Borrowers' credit balance on Lender's books and all of Borrowers' property at any time in Lender's possession, or upon or in which Lender has a Lien shall be security for all Obligations in each case, excluding the Excluded Property. In addition to and not in limitation of the above, with respect to any deposits of property of Borrowers in Lender's possession or control, now or in the future, Lender shall have the right to set off all or any portion thereof, at any time, against any Obligations then due and owing, without prior notice

or demand to Borrower Agent; provided, that Lender shall give Borrower Agent prompt written notice of such setoff as soon as possible after such setoff; provided, further that the foregoing shall not impair Lender's right to apply amounts on deposit in the Collections Account to the Obligations in accordance with this Agreement.

4.3 Continuation of Liens. Notwithstanding termination of the Commitments, until Full Payment of all Obligations, Lender shall retain its Liens upon all Collateral, and Borrowers shall continue to deliver to Lender, in kind, all collections received respecting the Accounts and other Collateral. If any of the Collateral shall be sold, transferred or otherwise disposed of by an Obligor in the Ordinary Course of Business in a transaction that is permitted hereunder, Lender agrees to cooperate with such Obligor to promptly release any Liens of Lender in such Collateral, including, upon request by such Obligor and at such Obligor's sole expense, the execution and delivery to such Obligor of all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral.

4.4 Perfection of Liens. Promptly after Lender's request therefor, Borrowers shall execute and deliver (or cause to be executed and delivered) to Lender such instruments, assignments, title certificates or other documents as are necessary under the UCC, Title 49 of the United States Transportation Code and the Federal Aviation Regulations promulgated thereunder, the Cape Town Treaty or other applicable law (other than any motor vehicle certificate of title act) to perfect (or continue the perfection of) Lender's Liens upon the Collateral and shall take such other action as may be requested by Lender to give effect to or carry out the intent and purposes of this Agreement. Each Borrower hereby irrevocably authorizes Lender to execute and file in any jurisdiction any UCC financing statement or amendment thereto on such Borrower's behalf, including UCC financing statements that indicate the Collateral (i) as all assets or all personal property of such Borrower or words to similar effect or (ii) as being of equal or lesser scope, or with greater or lesser detail, than as set forth in this Section 4. Each Borrower also hereby ratifies its authorization for Lender to have filed in any jurisdiction any like financing statement or amendment thereto if filed prior to the date hereof.

4.5 Access to Collateral. Lender and its agents shall have the right to conduct inspections, verifications, appraisals, and field examinations of the Collateral, including Borrowers' Records, during Borrowers' usual business hours or during the usual business hours of any Obligor having control over any Collateral or the records of Borrowers, and with such frequency as Lender may request from time to time, with (a) when no Default or Event of Default is in existence, reasonable notice thereof and (b) when any Default or Event of Default is in existence, no notice thereof, and Borrowers shall provide Lender access to any information stored online, together with access to any such computer programs used by Borrowers to compile, analyze or otherwise manipulate such information. Borrowers shall reimburse Lender for the cost of such inspections, verifications, appraisals, and field examinations in accordance with Item 9(b) of the Terms Schedule. Borrowers shall, at their expense, conduct physical inventories of its and its Subsidiaries' Inventory and Aircraft Fleet with such frequency as Lender shall request from time to time and, before conducting any such physical inventory, shall provide reasonable written notice thereof to Lender and allow Lender or its agents to witness such physical inventory.

4.6 Power of Attorney. Each Borrower hereby irrevocably makes, constitutes and appoints Lender (and any of Lender's officers, employees or agents designated by Lender) as such Borrower's true and lawful attorney with power to:

- (a) Sign the name of such Borrower on any of the documents described in **Section 4.4** or on any other similar documents that need to be executed, recorded and/or filed in order to perfect or continue perfected Lender's Liens upon any of the Collateral, if such Borrower fails or refuses to comply, or delays in complying, with its undertakings contained in **Section 4.4**;
- (b) Endorse such Borrower's name on any checks, notes, acceptances, money orders, drafts or other forms of payment or security that may come into Lender's possession;
- (c) Sign such Borrower's name on drafts against Account Debtors, on schedules and assignments of Accounts, on notices to Account Debtors and on any invoice or bill of lading relating to any Account;
- (d) Do all things necessary to carry out this Agreement.
- (e) After the occurrence and during the continuance of an Event of Default, notify the post office authorities to change the address for delivery of such Borrower's mail to any address designated by Lender, to receive and open all mail addressed to such Borrower, and to retain all mail relating to the Collateral and forward, within 2 Business Days of Lender's receipt thereof, all other mail to such Borrower; and
- (f) To send requests for verification of Accounts, and to contact Account Debtors in any other manner permitted by this Agreement in order to verify the Accounts.

The appointment of Lender as such Borrower's attorney and each and every one of Lender's rights and powers, being coupled with an interest, are irrevocable until Full Payment of the Obligations. Each Borrower ratifies and approves all acts of the attorney. Neither Lender nor its employees, officers, or agents shall be liable for any acts or omissions or for any error in judgment or mistake of fact or law in exercising the foregoing power except for gross negligence or willful misconduct.

4.7 Aircraft Collateral. To further secure the full payment and performance of all of the Obligations, each Borrower has granted to Lender, pursuant to the Aircraft Perfection Documents, a continuing security interest in the Aircraft Collateral.

4.8 After-Acquired Collateral. Borrowers shall promptly notify Lender in writing if, after the Closing Date, any Obligor obtains any interest in any Collateral consisting of (i) Deposit Accounts (other than Excluded Accounts), or (ii) Chattel Paper, Commercial Tort Claims with a claimed amount in excess of \$50,000, Documents, Instruments, Intellectual Property, Investment Property or Letter-of-Credit Rights, and, upon Lender's request, shall promptly take such actions as Lender deems necessary to effect Lender's duly perfected, first priority Lien upon such Collateral, including obtaining any appropriate possession, control agreement (for the avoidance of doubt, except with respect to Excluded Accounts) or Lien Waiver/Access Agreement, to the extent required hereunder. If any Borrower acquires any real estate hereafter, such Borrower shall, within 30 days, execute, deliver and record a mortgage, deed of trust or security deed (as applicable) in form and substance satisfactory to Lender that is sufficient to create a first priority Lien in favor of Lender on such real estate, and shall deliver all other documentation reasonably requested by Lender in connection therewith (including title

insurance policies, surveys, flood insurance documentation, environmental assessments and indemnity agreements, assignments of leases, consents, releases and third party agreements), in each case in form and substance satisfactory to Lender.

SECTION 5. COLLATERAL ADMINISTRATION

5.1 General Provisions.

(a) All tangible items of Collateral, other than (i) Inventory, Equipment and Aircraft Fleet in transit, or (ii) (A) vehicles and Equipment out for repair with an aggregate value not to exceed \$250,000 at any time, or (B) Inventory and Equipment in the possession of employees in the Ordinary Course of Business, with an aggregate value not to exceed \$10,000 at any time), shall at all times be kept by Borrowers, (x) in the case of Inventory, at one or more of the business locations of Borrowers set forth in the Disclosure Schedule (as such may be amended or supplemented from time to time), or (y) in the case of Aircraft Fleet, at one of the airport locations set forth on the Disclosure Schedule (as such may be amended or supplemented from time to time), and in each case shall not be moved therefrom without the prior written approval of Lender, except that in the absence of an Event of Default, Borrowers may (1) make sales or other dispositions of any Collateral to the extent not prohibited by **Sections 9.2 and 9.10** hereof, and (2) move Inventory or Equipment (other than Aircraft Fleet) or any record relating to any Collateral to a location in the United States of America other than those shown on the Disclosure Schedule (as such may be amended or supplemented from time to time) so long as Borrowers have given Lender at least 10 days prior written notice of such new location. Notwithstanding anything to the contrary contained in this Agreement, Borrowers shall not be permitted to keep, store or otherwise maintain any Collateral at any location (other than (A) Inventory, Equipment and Aircraft Fleet in transit, or (B) vehicles and Equipment out for repair with an aggregate value not to exceed \$250,000 at any time, or Inventory and Equipment in the possession of employees in the Ordinary Course of Business, with an aggregate value not to exceed \$10,000 at any time), unless (X) a Borrower is the owner of such location, (Y) a Borrower leases such location or, in the case of Aircraft Fleet, such location is an airport listed on the Disclosure Schedule (as such may be amended or supplemented from time to time), and in each case the landlord or authorized representative of such airport has executed in favor of Lender a Lien Waiver/Access Agreement (or, if Borrowers cannot obtain a Lien Waiver/Access Agreement, Lender has established an Availability Reserve with respect to such location), or (Z) the Collateral consists of Inventory placed with a warehouseman, bailee or processor, and Lender has received from such warehouseman, bailee or processor an acceptable Lien Waiver/Access Agreement (or, if Borrowers cannot obtain a Lien Waiver/Access Agreement, Lender has established an Availability Reserve with respect to such warehouseman, bailee or processor).

(b) Borrowers shall maintain and pay for insurance as and to the extent required by the Security Documents and applicable law and, without duplication, upon all Collateral (including personal property coverage), wherever located, covering casualty, hazard, public liability, theft, malicious mischief, and such other risks in such amounts and with such insurance companies as are reasonably satisfactory to Lender. The Disclosure Schedule describes all property insurance of Borrowers in effect on the date hereof. All

proceeds payable under each such policy shall be payable to Lender as lender's loss payee for application to the Obligations. Borrowers shall deliver the originals or copies of such policies to Lender with satisfactory lender's loss payable endorsements reasonably satisfactory to Lender and shall name Lender as lender's loss payee, assignee or additional insured, as appropriate. Each policy of insurance or endorsement shall contain a clause requiring the insurer to give 30 days (or 10 days in the case of nonpayment of premiums) prior written notice to Lender in the event of cancellation of the policy for any reason whatsoever and a clause specifying that the interest of Lender shall not be impaired or invalidated by any act or neglect of Borrowers or the owner of the property or by the occupation of the premises for purposes more hazardous than are permitted by said policy. If Borrowers fail to provide and pay for such insurance, Lender may, at its option, but shall not be required to, procure the same and charge Borrowers therefor. Borrowers agree to deliver to Lender, promptly as rendered, true copies of all reports made in any reporting forms to insurance companies. For so long as no Event of Default exists, Borrowers shall have the right to settle, adjust and compromise any claim with respect to any insurance maintained by Borrowers, provided that all proceeds thereof are applied in the manner specified in this Agreement, and Lender agrees promptly to provide any necessary endorsement to any checks or drafts issued in payment of any such claim. At any time that an Event of Default exists, Lender shall be authorized to settle, adjust and compromise such claims and Lender shall have all other rights and remedies with respect to such policies of insurance as are provided for in the Loan Documents.

(c) All expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping any Collateral, all Taxes imposed on any of the Collateral or in respect of the sale thereof, and all other payments required to be made by Lender to any Person to realize upon any Collateral shall be borne and paid by Borrowers. Lender shall not be liable or responsible in any way for the safekeeping of any of the Collateral or for any loss or damage thereto (except for reasonable care in the custody thereof while any Collateral is in Lender's actual possession) or for any diminution in the value thereof, or for any act or default of any warehouseman, carrier, forwarding agency, or other Person whomsoever, but the same shall be at Borrowers' sole risk.

5.2 Administration of Accounts.

(a) Borrowers shall keep accurate and complete records of its Accounts and all payments and collections thereon and shall submit to Lender on such periodic basis as Lender shall request a sales and collections report for the preceding period, in form reasonably satisfactory to Lender. Borrowers shall also provide to Lender, on or before the 20th day of each month, a detailed aged trial balance of all Accounts existing as of the last day of the preceding month, specifying the names, addresses, face value, dates of invoices and due dates for each Account Debtor obligated on an Account so listed ("Schedule of Accounts"), and, upon Lender's reasonable request therefor, copies of proof of delivery and a copy of all documents, including repayment histories and present status reports relating to the Accounts so scheduled and such other matters and information relating to the status of then existing Accounts as Lender shall reasonably request. Borrowers shall deliver to Lender, promptly upon Lender's reasonable request, copies of invoices or invoice registers related to all of its Accounts.

(b) No Borrower shall grant any discounts, allowances or credits in excess of \$25,000 individually that are not shown on the face of the Invoice for the Account involved, or accept any return of merchandise from an Account Debtor except, in each case, in the Ordinary Course of Borrowers' business. If any amounts due and owing in excess of \$25,000 are in dispute between Borrowers and any Account Debtor, or if any returns are made in excess of \$25,000 with respect to any Accounts owing from an Account Debtor, Borrowers shall provide Lender with written notice thereof at the time of submission of the next Schedule of Accounts, explaining in detail the reason for the dispute or return, all claims related thereto and the amount in controversy.

(c) If an Account of any Borrower includes a charge for any Taxes payable to any governmental authority, Lender is authorized, in its discretion, to pay the amount thereof to the proper governmental authority for the account of such Borrower and to charge such Borrower therefor, provided that Lender shall be not liable for any Taxes that may be due by such Borrower.

(d) Whether or not a Default or an Event of Default exists, Lender shall have the right at any time, in the name of Lender, any designee of Lender or any Borrower to verify the validity, amount or any other matter relating to any Accounts of any Borrower by mail, telephone, telegraph or otherwise. Borrowers shall cooperate fully with Lender in an effort to facilitate and promptly conclude any such verification process. Lender retains the right (i)(x) whether or not an Event of Default exists, in connection with any field exams, and (y) at any time an Event of Default exists, at all times, to notify Account Debtors of Borrowers that Accounts have been assigned to Lender and, (ii) at any time an Event of Default exists, to collect Accounts directly in its own name and to charge to Borrowers the out-of-pocket collection costs and expenses incurred by Lender, including reasonable outside attorneys' fees.

5.3 Administration of Inventory.

(a) Borrowers shall keep accurate and complete records of their Inventory (including records showing the cost thereof and daily withdrawals therefrom and additions thereto) and shall furnish Lender on or before the 20th day of each month inventory reports respecting such Inventory in form and detail reasonably satisfactory to Lender as of the last day of the preceding month, or, at any time a Default or Event of Default has occurred and is continuing, at such other times as Lender may reasonably request (but in such case, no more frequently than once each week. Borrowers shall, at its own expense, conduct a physical inventory no less frequently than annually (and on a more frequent basis if requested by Lender when an Event of Default exists) and additional periodic cycle counts consistent with Borrowers' historical practices, shall provide Lender prior written notice of the conduct of a physical inventory or cycle count, and shall provide to Lender a report based on each such physical inventory and cycle count promptly after completion thereof, together with such supporting information as Lender shall reasonably request. Lender may participate in and observe each physical count or inventory, which participation shall be at Borrowers' expense at any time that an Event of Default exists.

(b) Borrowers shall not return any of its Inventory to a supplier or vendor thereof, or any other Person, whether for cash, credit against future purchases or then existing payables, or otherwise, unless (i) such return is in the Ordinary Course of Business of Borrowers and such Person; (ii) no Default or Event of Default exists or would result therefrom; (iii) the return of such Inventory will not result in an Overadvance; (iv) Borrowers promptly notify Lender thereof if the aggregate value of all Inventory returned in any month exceeds the amount shown on Item 13(a) of the Terms Schedule; and (v) any payments received by Borrowers in connection with any such return are either received by Borrowers in the Collections Account or, to the extent not received therein, promptly deposited by Borrowers in the Collections Account in accordance with **Section 2.7**.

(c) Borrowers shall not acquire or accept any Inventory on consignment or approval and shall not sell or deliver any Inventory to any customer on approval or any other basis upon which the customer has a right to return or obligates any Borrower to repurchase such Inventory, other than the granting of customary warranties and rights of inspection.

(d) Borrowers shall produce, use, store and maintain all Inventory with all reasonable care and caution in accordance with applicable standards of any insurance and in conformity with applicable law (including the requirements of the Fair Labor Standards Act) and will maintain current rent payments (within applicable grace periods provided for in leases) at all locations at which any Inventory is maintained or stored.

5.4 Administration of Equipment.

(a) Borrowers shall keep materially accurate records itemizing and describing the kind, type, quality, quantity and cost of its Equipment and all dispositions made in accordance with **Section 5.4(b)**, and shall furnish Lender with a current schedule containing the foregoing information on at least an annual basis and more often if reasonably requested by Lender. Promptly after request therefor by Lender, Borrowers shall deliver to Lender all evidence of ownership, if any, of any of the Equipment .

(b) Borrowers shall not sell, lease, enter into any sale-leaseback or similar transaction or otherwise dispose of or transfer any of the Equipment or any part thereof, whether in a single transaction or a series of related transactions, without the prior written consent of Lender other than (i) a disposition of Equipment that is no longer useful in Borrowers' business so long as the aggregate fair market value or book value (whichever is greater) of all such dispositions during any Fiscal Year does not exceed the amount shown in Item 13 of the Terms Schedule, no Default or Event of Default exists at the time of such disposition and all proceeds thereof are promptly deposited by Borrowers in the Collections Account in accordance with **Section 2.7**, and (ii) a replacement of Equipment that is substantially worn, damaged or obsolete with Equipment of like kind, function and value, provided that the replacement Equipment shall be acquired prior to or within 60 days of the disposition of the Equipment that is to be replaced, the replacement Equipment shall be free and clear of Liens other than Permitted Liens that are not purchase money Liens (except to the extent that the

Equipment being replaced thereby is secured by purchase money Liens), and Borrowers shall have given Lender at least 5 days prior written notice of such disposition.

(c) The Equipment used in Borrowers' business is in good operating condition and repair, and all necessary replacements of and repairs thereto shall be made so that the value and operating efficiency of the Equipment shall be maintained and preserved, reasonable wear and tear and casualty and condemnation excepted. Borrowers shall ensure that the Equipment shall be mechanically and structurally sound, capable of performing the functions for which the Equipment was originally designed, in accordance with the manufacturer's published and recommended specifications. Borrowers will not permit any of the Equipment to become affixed to any real property leased to Borrowers so that an interest arises therein under applicable law unless the landlord of such real property has executed a Lien Waiver/Access Agreement in favor of and in form reasonably acceptable to Lender, and Borrowers will not permit any of the Equipment to become an accession to any personal property that is subject to a Lien unless the Lien is a Permitted Lien.

Notwithstanding anything to the contrary set forth in this **Section 5.4**, the term "Equipment" for purposes of this **Section 5.4** shall not include Aircraft Fleet, which is covered by **Section 5.5** hereof.

5.5 Administration of Aircraft Fleet.

(a) Borrowers shall keep accurate and complete records itemizing and describing the kind, type, quantity, cost and usage of its Aircraft Fleet and all dispositions made in accordance with **Section 5.5(b)**, and shall furnish Lender with a current schedule containing the foregoing information on at least a quarterly basis and more often if requested by Lender. Borrowers shall also furnish Lender with a report (in form and substance satisfactory to Lender) listing all Aircraft Fleet that has been acquired since the most recent Qualified Appraisal, including (x) the purchase price thereof; (y) all Aircraft Fleet that has been sold since the most recent Qualified Appraisal, including the corresponding NFLV of such Aircraft Fleet from the most recent Qualified Appraisal; and (z) the calculation of the cumulative Aircraft Fleet Curtailment Amount on at least a monthly basis and more often if requested by Lender.

(b) Borrowers shall not sell, lease, enter into any sale-leaseback or similar transaction or otherwise dispose of or transfer any of the Aircraft Fleet or any part thereof, whether in a single transaction or a series of related transactions, without the prior written consent of Lender (which, in the case of any lease or sale-leaseback, shall not be unreasonably withheld by Lender) other than (i) a disposition of Aircraft Fleet that is no longer useful in Borrowers' business so long as the aggregate fair market value or book value (whichever is greater) of all such dispositions (other than dispositions permitted by clause (ii) hereof) during the Term does not exceed the amount shown in Item 13 of the Terms Schedule, no Default or Event of Default exists at the time of such disposition and all proceeds thereof are remitted to Lender for application to the Obligations, and (ii) a disposition of Aircraft Fleet that is no longer useful in Borrowers' business so long as replacement Aircraft Fleet shall be acquired prior to, concurrently with or within six (6) months after, any disposition of the Aircraft Fleet that is to be

replaced, the replacement Aircraft Fleet shall be free and clear of Liens other than Permitted Liens that are not purchase money Liens, the replacement Aircraft Fleet shall be subject to Lender's first priority Lien, Borrowers shall have given Lender at least ten (10) days' prior written notice of such disposition and all proceeds thereof are remitted to Lender for application to the Obligations. Notwithstanding the foregoing, Borrowers shall be permitted to lease out up to two (2) Navajo Aircraft at any time so long as the lease term with respect to such lease does not exceed six (6) months.

(c) The Aircraft Fleet is in good operating condition and repair, casualty excepted, or is scheduled to be or is in the process of being overhauled, repaired or maintained consistent with the maintenance requirements of Borrowers and as approved by the FAA. All necessary replacements of and repairs thereto shall be made so that the value and operating efficiency of the Aircraft Fleet shall be maintained and preserved, reasonable wear and tear, casualty and condemnation excepted. Borrowers shall ensure that the Aircraft Fleet shall be mechanically and structurally sound, capable of performing the functions for which the Aircraft Fleet was originally designed, in accordance with the manufacturer's published and recommended specifications and any standards promulgated by the FAA.

SECTION 6. CONDITIONS PRECEDENT

6.1 Initial Conditions Precedent. Lender shall not be obligated to fund any Loan or make any other extension of credit hereunder unless, on or before December 17, 2012, each of the following conditions has been satisfied, in the sole opinion of Lender:

(a) Each Borrower and each other Person that is to be a party to any Loan Document has executed and delivered each such Loan Document, all in form and substance satisfactory to Lender.

(b) Borrowers have caused to be delivered to Lender the following documents, each in form and substance satisfactory to Lender:

(i) A copy of the Organic Documents of each Borrower and each Subsidiary;

(ii) An incumbency certificate and certified resolutions of the board of directors (or other appropriate governing body) of each Borrower and each other Obligor executing any Loan Documents, signed by a Senior Officer of each Borrower or such other Obligor, authorizing the execution, delivery and performance of the Loan Documents;

(iii) A favorable legal opinion of (i) each Obligor's outside legal counsel addressed to Lender regarding such matters as Lender and its counsel may request, and (ii) Borrowers' special FAA/International Registry counsel in Oklahoma City, Oklahoma, concerning the due registration of all aircraft comprising the Aircraft Collateral, proper recordation of all Aircraft Mortgages (and other applicable Aircraft Perfection Documents), proper registration of all International interests or prospective international interests related to the Aircraft Mortgage and any other interests registrable on the International

Registry and deemed necessary by the Lender to perfect and effectuate Lender's interests with respect to such Aircraft Fleet, and due perfection of Lender's Liens on the Aircraft Collateral, the absence of other Liens with respect to any Aircraft Collateral, and such other issues as Lender may request;

(iv) A satisfactory Borrowing Base Certificate duly completed by Borrowers, together with all supporting statements, schedules and reconciliations as required by Lender;

(v) Evidence of insurance, satisfactory to Lender and otherwise meeting the requirements of the Loan Documents;

(vi) Duly executed Lien Waiver/Access Agreements as required by any of the Loan Documents;

(vii) Borrowers' and their Subsidiaries' financial statements for the Fiscal Year ended on December 31, 2011 and the fiscal month ended October 31, 2012, and such other financial reports and information as Lender shall request;

(viii) A mortgage, deed of trust or security deed (as applicable) that is sufficient to create a first priority Lien in favor of Lender on the leasehold interest of AirNet Systems in the premises consisting of an approximately 8.098 acre tract of real property located within Rickenbacker International Airport, assignment of rents and leases, and fixture filing; a title policy and copies of all title exceptions; an ALTA survey; a flood zone certification (together with the notice to AirNet Systems regarding flood zone certification) and, if applicable, flood insurance; any indemnity agreements, consents, releases and third party agreements required by Lender; and such other documents, agreements, instruments, and related items, all respecting such real estate as Lender shall require, in each case in form and substance satisfactory to Lender; and

(ix) All additional opinions, documents, certificates and other assurances that Lender or its counsel may require.

(c) Lender has received evidence, by virtue of UCC searches and other Lien searches (including, without limitation, lien searches conducted in the recording office of the FAA and searches of the International Registry) satisfactory to it that there are no existing Liens with respect to any of the Collateral other than Permitted Liens, which results must otherwise be satisfactory to Lender in all respects. Lender shall have received, in the case of searches conducted in the recording office of the FAA, evidence indicating that a Borrower is the registered owner of each of the Aircraft Fleet that is intended to be covered by an Aircraft Mortgage.

(d) Lender has received a final payoff letter from any Person whose outstanding Debt is to be satisfied on the Closing Date by remittance of proceeds from the Loans hereunder, and, if applicable, a disbursement letter to direct the payment of Loan proceeds to such Person.

(e) Lender has received, in form and content satisfactory to it, all appraisals (including appraisals of Inventory, Equipment and Aircraft Fleet real estate) and field exams of any of the Collateral that Lender requires.

(f) Lender has received assurances, satisfactory to it, that no litigation is pending or threatened against any Obligor that could reasonably be expected to have a Material Adverse Effect.

(g) Lender has determined, based upon its review of a current Borrowing Base Certificate submitted to it, that after giving effect to the initial Loans and any other extensions of credit to be made by Lender to Borrowers on the Closing Date, the payment of all Fees to Lender as required by this Agreement and the reimbursement of all expenses pursuant to the Loan Documents, Borrowers will have Availability of not less than the amount shown in Item 14 of the Terms Schedule.

(h) Borrowers have satisfied such additional conditions precedent as are set forth in Item 15 of the Terms Schedule.

6.2 Ongoing Conditions Precedent. Lender shall not be obligated to fund any Loan or make any other extension of credit hereunder unless and until each of the following conditions is satisfied, in the sole opinion of Lender:

(a) Lender has received from Borrower Agent either a notice of borrowing or e-mail notice of such borrowing.

(b) No Default or Event of Default exists.

(c) All representations and warranties made by any Obligor in any of the Loan Documents, or otherwise in writing to Lender, are true and correct in all material respects with the same effect as though the representations and warranties have been made on and as of the date of the funding of the requested Loan or other extension of credit (except to the extent a representation or warranty specifically applies to an earlier date).

(d) No event has occurred and no condition exists which could reasonably be expected to have a Material Adverse Effect.

(e) No Overadvance exists at the time of, or would result from funding, the proposed Loan or other extension of credit.

SECTION 7. BORROWERS' REPRESENTATIONS AND WARRANTIES

To induce Lender to enter into this Agreement and to make Loans or otherwise extend credit as provided in the Loan Documents, each Borrower makes the following representations and warranties, all of which shall survive the execution and delivery of the Loan Documents, and, unless otherwise expressly provided herein, such representations and warranties shall be deemed made as of the date hereof and as of the date of each request for a Loan or other extension of credit:

7.1 Existence and Rights; Predecessors. Such Borrower and its Subsidiaries is an entity as described in the Disclosure Schedule (as such may be amended or supplemented from time to time), duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and is duly qualified or licensed to transact businesses in all places where the failure to be so qualified could reasonably be expected to have a Material Adverse Effect; has the right and power to enter into, and discharge all of its obligations under the Loan Documents, each of which constitutes a legal, valid and binding obligation of such Person, enforceable against it in accordance with their respective terms, subject only to bankruptcy and similar laws affecting creditors' rights generally; and has the power, authority, rights and franchises to own its property and to carry on its business as presently conducted. Except as provided in the Disclosure Schedule, neither such Borrower nor any Subsidiary has changed its legal status or the jurisdiction in which it is organized within the 5-year period immediately preceding the date of this Agreement; and, during the 5 year period prior to the date of this Agreement, such Borrower has not been a party to any merger, consolidation, or acquisition of all or substantially all of the assets or Equity Interests of any other Person.

7.2 Authority. The execution, delivery and performance of this Agreement and the other Loan Documents by such Borrower and each Borrower Affiliate executing any Loan Document have been duly authorized by all necessary actions of such Person, and do not and will not violate any provision of law, or any writ, order or decree of any court or governmental authority or agency or any provision of the Organic Documents of such Person or any Material Agreement to which such Person is a party, and do not and will not, with the passage of time or the giving of notice, result in a breach of, or constitute a default or require any consent under, or result in the creation of any Lien (other than Lender's Lien) upon any property or assets of such Person pursuant to, any law, regulation, instrument or agreement to which any such Person is a party or by which any such Person or its properties may be subject, bound or affected.

7.3 Litigation.

(a) Except as set forth in the Disclosure Schedule, as of the Closing Date there are no actions or proceedings pending, or to the knowledge of such Borrower threatened, against any Obligor before any court or administrative agency, and such Borrower has no knowledge of any pending, threatened or imminent, governmental investigations or claims, complaints, actions or prosecutions involving any Obligor. No Obligor is in default with respect to any order, writ, injunction, decree or demand of any court or any governmental or regulatory authority.

(b) Except as set forth in the Disclosure Schedule (as supplemented or revised from time to time), as of the date of each request for a Loan or other extension of credit, there are no actions or proceedings pending, or to the knowledge of such Borrower threatened, against any Obligor before any court or administrative agency, and such Borrower has no knowledge of any pending, threatened or imminent, governmental investigations or claims, complaints, actions or prosecutions involving any Obligor, in each case that, if determined adversely to such Obligor, could reasonably be expected to result in liabilities of such Obligor in excess of \$50,000. No Obligor is in default with respect to any order, writ, injunction, decree or demand of any court or any governmental or regulatory authority.

7.4 Financial Condition. All financial statements and information relating to such Borrower and its Subsidiaries that have been delivered by Borrowers to Lender have been prepared in accordance with GAAP in all material respects (subject in the case of interim financial statements to the absence of footnotes and year-end adjustments), unless otherwise stated therein, and fairly and reasonably present in all material respects Borrowers' and their Subsidiaries' financial condition. There has been no material adverse change in the financial condition of such Borrower or any Subsidiary since the date of the most recent of such financial statements submitted to Lender. No financial statement delivered to Lender at any time contains any untrue statement of a material fact, nor fails to disclose any material fact necessary to make such statement not materially misleading. No Borrower or any Subsidiary has entered into any special commitments or contracts that are not reflected in such financial statements and that could reasonably be expected to have a Material Adverse Effect. Such Borrower and each Subsidiary, taken as a whole, is, and after consummating the transactions described in the Loan Documents will be, Solvent.

7.5 Taxes. Such Borrower and its Subsidiaries has filed all federal, state and other material tax returns that are required to be filed, and has paid all Taxes owed by it except for Taxes being Properly Contested; and neither such Borrower nor any Subsidiary is subject to any federal, state or local tax Liens (other than for Taxes being Properly Contested) and has not received any notice of deficiency or other official notice to pay any Taxes which notice has not yet been resolved.

7.6 Title to Assets. Such Borrower and its Subsidiaries have good title to their assets (including those shown or included in their financial statements and Borrowing Base Certificates) and the same are not subject to any Liens other than Permitted Liens.

7.7 Material Agreements. No Borrower nor any Subsidiary is a party to any agreement or instrument adversely affecting its business, assets, operations or condition (financial or otherwise), nor is any such Person in material default under any Material Agreement.

7.8 Intellectual Property. Such Borrower possesses all necessary trademarks, trade names, copyrights, patents, patent rights and licenses including those described in the Disclosure Schedule) to conduct its business as now operated, without any known material infringement, misappropriation, or violation of the rights of others.

7.9 Compliance With Laws. Such Borrower and its Subsidiaries has duly complied with, and its properties, business operations and leaseholds are in compliance in all material respects with, the provisions of all applicable laws, including Environmental Laws, OSHA, the Fair Labor Standards Act and all FAA regulations.

7.10 Business and Collateral Locations. Such Borrower's chief executive office, principal place of business, office where Borrowers' Records are located and all other places of business of such Borrower (including places of business where any tangible items of Collateral are kept or maintained) are all correctly described in the Disclosure Schedule (as supplemented or revised from time to time); and, except as otherwise described in the Disclosure Schedule or permitted under **Section 5.1(a)**, none of the Collateral is in the possession of any Person other than such Borrower.

7.11 Accounts and Other Payment Rights. Lender may rely, in determining which Accounts are Eligible Accounts, on all statements and representations made by such Borrower with respect thereto. Such Borrower warrants, with respect to each Account at the time it is shown as an Eligible Account (and with respect to each Document, Instrument, Chattel Paper or other writing evidencing or relating to any such Account) in a Borrowing Base Certificate, that: (a) is genuine and enforceable in accordance with its terms except for such limits thereon arising from bankruptcy or similar laws relating to creditors' rights; (b) is not subject to any reduction or discount (other than as stated in the invoice applicable thereto or otherwise disclosed to Lender), defense, setoff, claim or counterclaim of a material nature against such Borrower except as to which Borrowers have notified Lender in writing; (c) is not subject to any other circumstances that would impair the validity, enforceability or amount of such Collateral except as to which Borrowers have notified Lender in writing; (d) in the case of an Account, arises from a *bona fide* sale of goods or delivery of services in the Ordinary Course of Business and in accordance with the terms and conditions of any applicable purchase order, contract or agreement; (e) is free of all Liens other than Permitted Liens; and (f) is for a liquidated amount maturing as stated in the applicable invoice or other document pertaining thereto. Each Account included in any Borrowing Base Certificate, report or other document as an Eligible Account meets all of the requirements of an Eligible Account.

7.12 Deposit Accounts. As of the Closing Date, neither such Borrower nor any of its Subsidiaries has any Deposit Accounts other than those listed in the Disclosure Schedule.

7.13 Brokers. There has been no mortgage or loan broker in connection with this loan transaction, and Borrowers agree to indemnify and hold Lender harmless from any claim of compensation payable to any mortgage or loan broker in connection with this loan transaction.

7.14 ERISA. Except as otherwise set forth in the Disclosure Schedule (as supplemented or revised from time to time), neither such Borrower nor any of its Subsidiaries has any Plan. No Plan established or maintained by such Borrower had a material accumulated funding deficiency (as such term is defined in Section 302 of ERISA) as of the last day of the most recent fiscal year of such Plan ended prior to the date hereof, or would have had an accumulated funding deficiency (as so defined) on such day if such year were the first year of such Plan to which Part 3 of Subtitle B of Title I of ERISA applied, and no material liability to the Pension Benefit Guaranty Corporation, has been or is expected by such Borrower to be, incurred with respect to any such Plan by such Borrower. Such Borrower is not required to contribute to and is not contributing to a Multiemployer Plan. Such Borrower has no withdrawal liability to any Multiemployer Plan. No Reportable Event has occurred that has resulted or could result in liability of such Borrower; and such Borrower does not have any reason to believe that any other event has occurred that has resulted or could result in liability of such Borrower as set forth above.

7.15 Labor Relations. Except as described in the Disclosure Schedule, neither such Borrower nor any of its Subsidiaries is a party to or bound by any collective bargaining agreement, management agreement or consulting agreement. On the date hereof, there are no material grievances, disputes or controversies with any union or any other organization of such Borrower's or any Subsidiary's employees, or, to such Borrower's knowledge, any threats of strikes, work stoppages or any asserted pending demands for collective bargaining by any union or organization.

7.16 Anti-Terrorism Laws. Neither such Borrower nor any Borrower Affiliate is in violation of any Anti-Terrorism Law; engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law; or is any of the following (each a "Blocked Person"): (1) a Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224; (2) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224; (3) a Person or entity with which any bank or other financial institution is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (4) a Person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in Executive Order No. 13224; (5) a Person or entity that is named as a "specially designated national" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list; or (6) a Person who is affiliated with a Person listed above. Neither such Borrower nor any of its Affiliates conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person or deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224.

7.17 Not a Regulated Entity. No Borrower nor any Subsidiary is (a) an "investment company" or a "person directly or indirectly controlled by or acting on behalf of an investment company" each as defined in the Investment Company Act of 1940 (except to the extent that Sponsor constitutes an "investment company" but is exempt from the provisions of the Investment Company Act of 1940 pursuant to the terms thereof) or (b) subject to regulation under the Federal Power Act, the Interstate Commerce Act, any public utilities code or any other applicable law relating to its authority to incur Debt.

7.18 No Insider Status. Such Borrower is not, and no Person having "control" (as that term is defined in 12 U.S.C. §375(b)(5) or in regulations promulgated pursuant thereto) of such Borrower is, an "executive officer," "director," or "principal shareholder" (as those terms are defined in 12 U.S.C. §375(b) or in regulations promulgated pursuant thereto) of Lender.

7.19 Capital Structure. The Disclosure Schedule sets forth the capital structure of Borrowers (including the number of authorized and issued Equity Interests (and treasury shares) of Borrower and each Subsidiary), as of the date hereof. Except as set forth in the Disclosure Schedule, since the date of the last audited financial statements of Borrowers, No Borrower has made, or obligated itself to make, any Distributions other than Distributions expressly permitted hereunder. There are no outstanding options to purchase, or any rights or warrants to subscribe for, or any commitments or agreements to issue or sell, or any Equity Interests or obligations convertible into, or any powers of attorney relating to, Equity Interests of any Borrower (other than Holdings) or any Subsidiary.

7.20 Air Carrier Status. (a) Such Borrower is an "air carrier" within the meaning of Section 40102 of Title 49. Such Borrower holds an air carrier operating certificate issued pursuant to Chapter 447 of Title 49. Such 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"). Such Borrower possesses all necessary certificates, franchises, licenses, permits, rights, designations, authorizations, exemptions,

concessions and consents which are material to the operation of the routes flown by it and the conduct of its business and operations as currently conducted.

7.21 Disclosure Schedule. All of the representations and warranties in the Disclosure Schedule are true and correct in all material respects on the date of this Agreement and will remain true in all material respects after the date of this Agreement; provided that Borrowers may update the Disclosure Schedule from time to time by delivering written notice thereof to Lender so long as any changes set forth in any such update are not otherwise violative of this Agreement.

SECTION 8. AFFIRMATIVE COVENANTS

At all times prior to Full Payment of the Obligations, each Borrower covenants that it shall, and shall cause each of its Subsidiaries to:

8.1 Notices. Notify Lender, promptly after such Borrower's obtaining knowledge thereof, of (i) any Default or Event of Default; (provided, that any failure to provide notice under this subclause (i) shall be deemed cured upon the cure or waiver of the underlying Default or Event of Default); (ii) the commencement of any material action, suit or other proceeding against, or any demand for arbitration with respect to, any Obligor; (iii) the occurrence or existence of any default (or claimed default) by an Obligor under any agreement relating to Debt for Money Borrowed; or (iv) any other event or transaction that has or could reasonably be expected to have a Material Adverse Effect.

8.2 Rights and Facilities. Maintain and preserve all rights (including all rights related to Intellectual Property material to the conduct of its business), franchises and other authority necessary for the conduct of its business; maintain its properties, equipment and facilities in good order and repair, ordinary wear and tear and casualty and condemnation excepted; conduct its business in an orderly manner without voluntary interruption (other than temporary interruptions in the Ordinary Course of Business); and except for transactions specifically permitted under this Agreement, maintain and preserve its existence.

8.3 Insurance. In addition to the insurance required by the Loan Documents with respect to the Collateral (including the insurance such Borrower is required to maintain on the Aircraft Collateral as set forth in the aircraft Perfection Documents), maintain with its current insurers or with other financially sound and reputable Insurers having a rating of at least A- or better by *Best's Ratings*, a publication of A.M. Best Company, insurance with respect to its properties and business against such casualties and contingencies of such type (including product liability, workers' compensation, larceny, embezzlement or other criminal misappropriation insurance) and in such amounts and with such coverages, limits and deductibles as is customary in the business of such Borrower or such Subsidiary.

8.4 Visits and Inspections. Permit representatives of Lender from time to time, as often as may be reasonably requested, but only during normal business hours and (except when a Default or Event of Default exists) upon reasonable prior notice to Borrowers to: visit and inspect properties of such Borrower and each of its Subsidiaries; inspect, audit and make extracts from Borrowers' Records and each Subsidiary's books and records; and discuss with its officers, employees and independent accountants such Borrower's and each Subsidiary's business, financial conditions, business prospects and results of operations. Such Borrower's

obligation to reimburse the costs to Lender of such visits and inspections shall be limited to the extent set forth in Item 9(b) of the Terms Schedule.

8.5 Taxes; Other Charges. Pay and discharge all Taxes and other charges the non-payment of which could result in a Lien on any Borrower's assets prior to the date on which such Taxes or other charges, as applicable, become delinquent or any penalties attach thereto, except and to the extent only that such Taxes or other charges, as applicable, are being Properly Contested, and, if requested by Lender, shall provide proof of payment or, in the case of withholding or other employee taxes, deposit of payments required by applicable law. Borrowers shall, and shall cause each of its Subsidiaries to, deliver to Lender copies of all Tax returns (and amendments thereto) filed by any Borrower and its Subsidiaries promptly after the filing thereof.

8.6 Financial Information. (a) Keep adequate records and books of account with respect to its business activities in which proper entries are made in accordance with GAAP in all material respects; and cause to be prepared and furnished to Lender the following (all to be prepared in accordance with GAAP in all material respects applied on a consistent basis, except as noted therein, and in the case of interim financial statements, subject to the absence of footnotes and year-end adjustments):

- (i) within 120 days after the close of each Fiscal Year, unqualified audited balance sheets of Borrowers and their Subsidiaries as of the end of such Fiscal Year and the related statements of income, shareholders' equity and cash flow, on a consolidated basis, certified without qualification (except for qualifications resulting from the obligations being classified as short term indebtedness during the year period prior to the last day of the Term) by a firm of independent certified public accountants of recognized regional standing selected by Borrowers but reasonably acceptable to Lender and setting forth in each case in comparative form the corresponding consolidated figures for the preceding Fiscal Year;
- (ii) within 45 days after the end of each month hereafter, including the last month of Borrowers' Fiscal Year, unaudited balance sheets of Borrowers and their Subsidiaries as of the end of such month and the related unaudited consolidated statements of income and cash flow for such month and for the portion of Borrowers' Fiscal Year then elapsed, on a consolidated basis, setting forth in each case in comparative form the corresponding figures for the preceding Fiscal Year and certified by the principal financial officer of Borrower Agent as prepared in accordance with GAAP in all material respects and fairly presenting the consolidated financial position and results of operations of Borrowers and their Subsidiaries for such month and period subject only to changes from audit and year-end adjustments and except that such statements need not contain notes;
- (iii) no later than 45 days after the beginning of each Fiscal Year (beginning with the Fiscal Year commencing January 1, 2013), Borrowers' projected balance sheet and income statement and statement of cash flows for each month of the next Fiscal Year, accompanied by a statement of assumptions and

supporting schedules and information, which are commercially reasonable and in a form acceptable to Lender in its reasonable discretion; and

(iv) promptly after the sending or filing thereof, as the case may be, copies of any proxy statements, financial statements or reports which such Borrower has made generally available to its shareholders in their capacities as such; at all times that such Borrower is subject to the reporting requirements of the Exchange Act, copies of any regular, periodic and special reports or registration statements or prospectuses which such Borrower files with the SEC or any governmental authority which may be substituted therefor, or any national securities exchange; and copies of any press releases or other statements made available by such Borrower to the public concerning material changes to or developments in the business of such Borrower.

Concurrently with the delivery of the financial statements described in clause (i) of this Section, Borrowers shall deliver to Lender a copy of the accountants' letter to Borrowers' management that is prepared in connection with such financial statements.

Within 30 days after the end of each month hereafter, including the last month of Borrowers' Fiscal Year, Borrowers shall provide to Lender a fully completed Borrowing Base Certificate as of the date of such financial statements certified by a Senior Officer of Borrower Agent as being true and correct, which certificate shall include a reconciliation to the Borrowing Base Certificates previously delivered for the calendar month then ending; and concurrently with the delivery of financial statements described in clause (ii) of this paragraph that is also any month ending on the last day of a fiscal quarter, Borrowers shall provide to Lender a comparison to Borrowers' financial statements for the prior Fiscal Year, a comparison to Borrowers' management plan, and a management discussion and analysis of the actual information included in the financial statements described in clause (ii) that is also the month ending on the last day of a fiscal quarter, in comparison to the information included in Borrowers' management plan and audited financial statements for the prior Fiscal Year.

Concurrently with the delivery of the financial statements described in clauses (i) and (ii) of this Section, or more frequently if requested by Lender during any period that a Default or Event of Default exists, Borrowers shall cause to be prepared and furnished to Lender a Compliance Certificate.

(b) Promptly after the sending or filing thereof, Borrowers shall provide to Lender copies of any annual report to be filed in accordance with ERISA in connection with each Plan and such other data and information (financial and otherwise) as Lender, from time to time, may reasonably request, bearing upon or related to the Collateral or Borrowers' and any of their Subsidiaries' financial condition or results of operations.

(c) Borrowers shall provide to Lender not later than 20 days after each calendar month, (i) a listing of all of Borrowers' trade payables as of the last Business Day of such month, specifying the name of and balance due each trade creditor, (ii) a monthly detailed trade payable aging, and (iii) a monthly detailed held checks aging, each in form acceptable to Lender.

8.7 Compliance with Laws. Comply in all material respects with all laws relating to such Borrower, the conducts of its business and the ownership and use of its assets, including ERISA, Environmental Laws, and FAA regulation, OSHA, the Fair Labor Standards Act and all other laws regarding the collection, payment and deposit of federal, state and other material Taxes, and shall obtain and keep in full force and effect any and all governmental and regulatory approvals necessary to the ownership of its properties or the conduct of its business and shall promptly report any material non-compliance to Lender.

8.8 Financial Covenants. Comply with all of the Financial Covenants set forth in Item 16 of the Terms Schedule.

8.9 Aircraft Fleet and Engine Mortgages. As soon as practicable, but in any event within 10 days after such Borrower acquires an interest in an Aircraft Fleet or Engine, such Borrower shall execute and deliver to Lender a mortgage, in proper form for recording with the FAA in order to grant to the Lender a perfected, first-priority security Interest and international interest in such Aircraft Fleet or Engine, along with copies of the necessary FAA Aircraft Registration Application and FAA bill of sale, if applicable, and to the extent necessary, copies of Lien releases and lease terminations relating to any FAA filings, or relating to any International Registry registrations of international Interests or other Interests registered on the International Registry, against any such Aircraft Fleet or Engine, together with such additional legal opinions and documents as Lender may request in its discretion.

8.10 Aircraft Fleet. Maintain all Aircraft Fleet in good and serviceable condition (or, if not in serviceable condition, such Aircraft Fleet shall be promptly overhauled or repaired) and at all time in compliance with such Borrower's internal maintenance standards and the maintenance standards required by the FAA; and comply at all times with all FAA rules and regulations and all rules and regulations of the U.S. Department of Transportation relating to Aircraft Fleet. Notwithstanding the foregoing, Aircraft Fleet that is substantially in the same condition as it was at the time of its most recent appraisal (casualty excepted), as determined by Lender, shall be deemed to have satisfied the requirements of this Section 8.10.

8.11 FAA and DOT Matters. Maintain at all times such Borrower's status at the DOT as an "air carrier" within the meaning of Section 40102(a)(2) of Title 49; (b) at all times hereunder be a United States Citizen; and (c) maintain at all times its status at the FAA as an air carrier and hold an air carrier operating certificate and other operating authorizations issued by the FAA pursuant to 14 C.F.R. Sections 119, 135 and 298 as currently in effect or as may be amended or recodified from time to time.

8.12 Post-Closing Matters.

(a) Within sixty (60) days after the Closing Date, shall cause to be delivered a good standing certificate (or certificate of similar import and substance) for each Borrower from each jurisdiction in which such Borrower is qualified to do business.

(b) Shall use its best efforts to cause to be delivered a revised ALTA survey with respect to the premises consisting of an approximately 8.098 acre tract of real property located within Rickenbacker International Airport that includes appropriate zoning information acceptable to Lender.

(c) Within twenty (20) days after the Closing Date, shall cause to be delivered a notice of cancellation endorsement and an additional insured endorsement in favor of Lender with respect to Borrowers' liability insurance policy number GLA 9381769-03 with Zurich America Insurance Co., each in a form acceptable to Lender.

SECTION 9. NEGATIVE COVENANTS

At all times prior to Full Payment of the Obligations, such Borrower shall not and shall not permit any Subsidiary to:

9.1 Fundamental Changes. Merge, reorganize, or consolidate with any Person, or liquidate, wind up its affairs or dissolve itself, in each case whether in a single transaction or in a series of related transactions, except for mergers or consolidations of any Subsidiary with and into a Borrower; change its name or conduct business under any fictitious name except for any fictitious name shown in the Disclosure Schedule; change its federal employer identification number, organizational identification number or state of organization; relocate its chief executive office or principal place of business without having first provided 30 days prior written notice to Lender; or change any of the provisions in any of its Organic Documents, except for changes that do not affect in any way such Borrower's authority to enter into and perform the Loan Documents to which it is a party, the perfection of Lender's Liens in any of the Collateral, or such Borrower's authority or obligation to perform and pay the Obligations; or amend, modify or otherwise change any of the terms of any Material Agreement in a manner which is or could reasonably be expected to be materially adverse to Lender.

9.2 Conduct of Business. Sell, lease or otherwise dispose of any of its assets (including any Collateral) other than a Permitted Asset Disposition; suspend or otherwise discontinue all or any material part of its business operations; engage in any business other than the business engaged in by it on the Closing Date and any business or activities that are substantially similar, related or incidental thereto; create, incur or suffer to exist any Lien on any of its assets other than Permitted Liens; make any loans, advances or other transfers of assets to any other Person, except transfers in the Ordinary Course of Business by one Subsidiary that is an Obligor to such Borrower or to another Subsidiary that is an Obligor and transfers permitted by **Section 9.8**; or create, incur, assume or suffer to exist any Debt except (i) the Obligations, (ii) Subordinated Debt existing on the Closing Date or incurred after the Closing Date on terms acceptable to Lender, (iii) accounts payable to trade creditors that are not aged more than 60 days from the due date to the extent incurred in the Ordinary Course of Business (unless the same are being Properly Contested), (iv) purchase money obligations and capitalized lease obligations secured by Liens that are Permitted Liens, (v) Debt for accrued payroll Taxes and other operating expenses incurred in the Ordinary Course of Business so long as payment thereof is not past due and payable unless, in the case of Taxes, such Taxes are being Properly Contested, (vi) Debt with respect to the procurement by such Borrower of letters of credit issued by a financial institution in an aggregate face amount not to exceed \$350,000 at any time, (vii) endorsement of negotiable instruments for deposit or collection in the Ordinary Course of Business, (viii) intercompany Debt owed to such Borrower by its Subsidiaries, (ix) Debt under hedging agreements for bona fide hedging purposes and not for speculation (x) Debt described on the Disclosure Schedule and any modification, extension, renewal or refinancing thereof so long as the principal amount thereof is not increased, (xi) Debt in connection with the financing of insurance premiums, (xii) Debt consisting of

promissory notes issued by such Borrower to current or former officers, directors and employees (or their respective spouses, former spouses, successors, executors, administrators or heirs) to finance the repurchase or redemption of Equity Interests of such Person (or any direct or indirect parent thereof) permitted by **Section 9.3**, (xiii) Debt relating to the payment of worker's compensation, unemployment insurance or other social security benefits or obligations, public or statutory obligations, surety or appeal bonds, bid or performance bonds, or other obligations of a like nature incurred in the Ordinary Course of Business, (xiv) Debt relating to judgments which do not otherwise constitute an Event of Default under this Agreement, (xv) Debt for accruals of contingent obligations that do not otherwise result in an Event of Default, (xvi) Debt owing with respect to corporate credit card programs incurred in the Ordinary Course of Business in an amount not to exceed \$500,000, (xvii) guarantees by any Obligor of the Debt of another Obligor so long as such underlying Debt is permitted hereunder, and (xviii) other unsecured Debt in an aggregate amount not in excess of \$50,000 at any time outstanding.

9.3 Distributions. (a) Declare or make any Distribution; provided, that, so long as each of the Distribution Conditions is satisfied, the Obligors may make Distributions to repurchase, retire, redeem or otherwise acquire shares of the Equity Interests of such Borrower held by officers, directors and employees (or their respective spouses, former spouses, successors, executors, administrators or heirs), in an amount not to exceed \$125,000 per fiscal year less amounts paid on account of Debt previously issued to make such repurchases); or (b) create or suffer to exist any encumbrance or restriction on the ability of a Subsidiary to make any Upstream Payment, except for restrictions under the Loan Documents or under applicable law.

9.4 Subordinated Debt. Amend or modify any provision of any instrument or agreement evidencing or securing any Subordinated Debt; or pay any principal of or interest on any Subordinated Debt, in each case other than in accordance with the applicable subordination agreement.

9.5 ERISA. Withdraw from participation in, permit the termination or partial termination of, or permit the occurrence of any other event with respect to any Plan under circumstances that could result in liability to the Pension Benefit Guaranty Corporation, or to any entity which provides funds for such Plan; or withdraw from any Multiemployer Plan described in Section 4001(a)(3) of ERISA that covers such Borrower's employees.

9.6 Certain Tax and Accounting Matters. File or consent to the filing of any consolidated income tax return with any Person other than such Borrower or a Subsidiary; make any significant change in financial accounting treatment or reporting practices, except as may be required by GAAP; or establish a fiscal year for financial reporting purposes different from the Fiscal Year.

9.7 Subsidiaries. Form or acquire any Subsidiary.

9.8 Restricted Investments. Make or have any Restricted Investments. As used herein, the term "Restricted Investment" shall mean any acquisition of property by any Borrower or any of its Subsidiaries in exchange for cash or other property, whether in the form of an acquisition of Equity Interests or Debt, or the purchase or acquisition by any Borrower or any Subsidiary of any other property, or a loan, advance, capital contribution or subscription, except acquisitions

of the following: (i) fixed assets to be used in the Ordinary Course of Business of Borrowers or any Subsidiary so long as the acquisition costs thereof constitute Capital Expenditures and do not violate any financial covenant contained in this Agreement; (ii) Goods held for sale or lease or to be used in the manufacture of goods or the provision of services by any Borrower or any of its Subsidiaries in the Ordinary Course of Business; (iii) current assets arising from the sale or lease of Goods or the rendition of services in the Ordinary Course of Business by such Borrower or any Subsidiary; (iv) investments by such Borrower to the extent existing on the Closing Date and fully disclosed in the Disclosure Schedule; (v) marketable direct obligations issued or unconditionally guaranteed by the United States government and backed by the full faith and credit of the United States government having maturities of not more than 12 months from the date of acquisition, and domestic certificates of deposit and time deposit having maturities of not more than 12 months from the date of acquisition, to the extent they are not subject to rights of offset in favor of any Person other than Lender; (vi) bank deposits in the Ordinary Course of Business; (vii) investments in securities of Account Debtors received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or Insolvency of such Account Debtors; (viii) investments listed in the Disclosure Schedules and any extensions, renewals or reinvestments thereof, so long as the aggregate amount of all investments pursuant to this clause (viii) is not increased at any time above the amount of such Investments existing on the date hereof; (ix) investments in the form of promissory notes to the order of an Obligor, acquired as consideration for dispositions permitted under this Agreement, each of which shall be delivered to, and endorsed in favor of, the Lender to be held by the Lender pursuant to the Loan Documents; (x) non-cash loans or other advances to officers, directors and employees in connection with such Person's purchase of Equity Interests of Holdings; (xi) guarantees by an Obligor of leases or other obligations of an Obligor so long as such underlying leases or other obligations are permitted hereunder; and (xii) loans or advances made to employees in an aggregate amount not to exceed \$25,000 at any time in the aggregate for salary, travel expenses, commissions and similar items in the Ordinary Course of Business.

9.9 Deposit Accounts. Open or maintain any Deposit Accounts except for (a) Deposit Accounts listed in the Disclosure Schedule (as supplemented or revised from time to time), and (b) such other Deposit Accounts as shall be necessary for payroll, petty cash, local trade payables and other occasional needs of Borrowers; provided that the aggregate balance of all Deposit Accounts (other than Deposit Accounts maintained with Lender) which are not subject to a Deposit Account Control Agreement on terms satisfactory to Lender may not at any time exceed \$20,000.

9.10 Affiliate Transactions. Enter into or be party to any transaction with an Affiliate of an Obligor, except (a) transactions contemplated by the Loan Documents, (b) payment of reasonable compensation to officers and employees for services actually rendered, (c) payment of customary directors' fees and indemnities, (d) transactions with Borrower Affiliates that were consummated prior to the Closing Date and fully disclosed in the Disclosure Schedule, and (e) transactions with Affiliates in the Ordinary Course of Business, upon fair and reasonable terms fully disclosed to Lender and no less favorable than would be obtained in a comparable arm's length transaction with a non-Borrower Affiliate, (f) the payment by any Borrower to Sponsor of management fees permitted by the Management Acknowledgment Agreement, and (g) transactions expressly otherwise permitted under this Agreement pursuant to provisions that expressly apply to transactions between such Obligor and one or more of its Affiliates.

9.11 Hedging Agreements. Enter into any hedging agreement, except to hedge risks arising in the Ordinary Course of Business and not for speculative purposes.

SECTION 10. EVENTS OF DEFAULTS; REMEDIES

10.1 Events of Default. The occurrence or existence of any one or more of the following events or conditions shall constitute an Event of Default:

- (a) Borrowers shall fail to pay any of the Obligations on the due date thereof (whether due at stated maturity, on demand, upon acceleration or otherwise);
- (b) Any Obligor fails or neglects to perform, keep or observe any term, provision, condition, covenant or agreement in **Sections 2.1(c), 2.6(a), 2.7, 4.4, 4.5, 8.4, 8.8** (other than as set forth in clause (e) of Item 16 of the Terms Schedule) or 9; any Obligor fails or neglects to perform, keep or observe any term, provision, covenant or agreement in **Section 2.6(a)**, and such failure or neglect is not cured within two (2) Business Days after such failure or neglect; any Obligor fails or neglects to perform, keep or observe any term, provision, covenant or agreement in **Section 8.6(a)**, and such failure or neglect is not cured within five (5) Business Days after any Senior Officer obtains knowledge of such failure or neglect; any Obligor fails or neglects to perform, keep or observe any other term, provision, covenant or agreement, in this Agreement, in any of the other Loan Documents, provided that Borrowers shall have the right to cure any such failure or neglect within thirty (30) days after any Senior Officer obtains knowledge of such failure or neglect if such failure or neglect does not consist of Borrower's breach of or default under **Sections 2.1(c), 2.6(a), 2.7, 4.4, 4.5, 8.4, 8.8** (other than as set forth in clause (e) of Item 16 of the Terms Schedule) or 9;
- (c) Any representation, statement, report, or certificate made or delivered by or on behalf of any Borrower or any Obligor to Lender, including any Borrowing Base Certificate, any aged trial balance of all Accounts, or any accounts payable aging is not true and correct, in any material respect, when made or furnished;
- (d) There is a material impairment of the value or priority of any of Lender's Liens upon the Collateral;
- (e) An Insolvency Proceeding is commenced by an Obligor or is commenced against an Obligor and is not dismissed within 30 days thereafter;
- (f) Any Borrower is enjoined, restrained or in any way prevented by court order from continuing to conduct all or any material part of its business affairs or any Borrower voluntarily ceases to continue to conduct all or any material part of its business, in each case for a period in excess of 30 days;
- (g) One or more judgments or orders for the payment of money shall be entered against any Obligor for an amount in excess of \$200,000 (excluding any amounts covered by insurance) in aggregate for all such judgments outstanding at any time and (i) there shall have been commenced by any creditor an enforcement proceeding upon such judgment or order, (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal

or otherwise, shall not be in effect and such judgment shall have not been satisfied, withdrawn or settled, or (iii) such judgment or order results in the creation or imposition of a Lien upon any of the Collateral that is not a Permitted Lien;

(h) There shall occur any default (beyond any applicable cure period) or event of default on the part of any Obligor under any agreement, document or instrument to which such Obligor is a party or by which such Obligor or any of its properties is bound, creating or relating to any other Debt (other than the Obligations) in excess of \$200,000, if the payment or maturity of such Debt may be accelerated in consequence of such default or event of default or if demand for payment of such Debt may be made;

(i) **[Reserved];**

(j) Any Guarantor shall revoke or attempt to revoke the Guaranty signed by such Guarantor, shall repudiate or dispute such Guarantor's liability thereunder, shall be in default under the terms thereof, or shall fail to confirm in writing, promptly after receipt of Lender's written request therefor, such Guarantor's ongoing liability under the Guaranty in accordance with the terms thereof;

(k) Except as would not reasonably be expected to result in a Material Adverse Effect, a Reportable Event shall occur, or if any Plan shall be terminated or any such trustee shall be appointed to any Plan, or any Borrower or any other Obligor is in "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan resulting from such Borrower's, or such other Obligor's complete or partial withdrawal from such Multiemployer Plan;

(l) **[Reserved];**

(m) Any Obligor shall challenge in any action, suit or other proceeding the validity or enforceability of any of the Loan Documents, the legality or enforceability of any of the Obligations or the perfection or priority of any Lien granted to Lender, or any of the Loan Documents ceases to be in full force or effect for any reason other than a full or partial waiver or release by Lender in accordance with the terms thereof;

(n) A Change of Control shall occur; or

(o) There shall occur any event set forth in Item 17 of the Terms Schedule.

10.2 Remedies. Upon and after the occurrence of an Event of Default and during the continuance thereof, Lender may, at its election, without notice of its election and without demand upon any Obligor, do any one or more of the following:

(a) Declare all Obligations, whether arising pursuant to this Agreement or otherwise, to be due, whereupon the same shall become without further notice or demand (all of which notice and demand Borrowers expressly waive to the extent permitted by applicable law) due and payable and Borrowers shall pay to Lender the entire principal of and accrued and unpaid interest on the Loans and other Obligations plus reasonable, outside attorneys' fees and its court costs if such principal and interest are collected by or through an attorney-at-law;

- (b) Cease advancing money or otherwise extending credit to or for the benefit of Borrowers under this Agreement or under any other agreement between any Borrower and Lender;
- (c) Terminate the Commitments, but without affecting Lender's rights and security interest in the Collateral and without affecting the Obligations owing by Borrowers to Lender;
- (d) Notify Account Debtors of Borrowers that the Accounts have been assigned to Lender and that Lender has a security interest therein, collect them directly, and charge the collection costs and expenses to the Loan Account;
- (e) Take immediate possession of any of the Collateral, wherever located; require Borrowers to assemble the Collateral, at Borrowers' expense, and make it available to Lender at a place designated by Lender which is reasonably convenient to both parties; and enter any premises where any of the Collateral should be located and keep and store the Collateral on said premises until sold (and if said premises are the property of Borrowers, then Borrowers agree not to charge Lender for storage thereof);
- (f) Sell or otherwise dispose of all or any part of the Collateral in its then condition, or after any further manufacturing or processing thereof, at public or private sales, with such notice as may be required by applicable law, in lots or in bulk, for cash or on credit, all as Lender in its discretion may deem advisable; and Borrowers agree to any requirement of notice to Borrowers or any other Obligor of any proposed public or private sale or other disposition of Collateral by Lender shall be deemed reasonable notice thereof if given at least 10 days prior thereto, and such sale may be at such locations as Lender may designate in said notice;
- (g) Petition for and obtain the appointment of a receiver to take possession of any or all of the Collateral and to operate a Borrower's business and to exercise such rights and powers as the court appointing such receiver shall confer upon such receiver, Borrowers hereby waiving any requirement under applicable law that Lender post a bond in connection with the appointment of any such receiver;
- (h) Set off any Deposit Account maintained by Borrowers over which Lender has control and apply the balances therein to the payment of the Obligations then due and owing; and;
- (i) Exercise all other rights and remedies available to Lender under any of the Loan Documents or applicable law (including the rights and remedies of a creditor and/or chargee under Article 8, 9, 10, 12 and 13 of the Cape Town Convention, and Articles IX and XIII of the Cape Town Aircraft Protocol).

Lender is hereby granted an irrevocable, non-exclusive license or other right to use, license or sub-license (exercisable without payment of royalty or other compensation to any Obligor or any other Person) any or all of Borrowers' Intellectual Property and of all Borrowers' computer hardware and software, trade secrets, brochures, customer lists, promotional and advertising materials, labels, and packaging materials, and any property of a similar nature, in advertising for sale, marketing, selling and collecting and in completing the manufacturing of any Collateral,