

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2016

OR

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

For the transition period from _____ to _____

Commission File Number 001-33166



Allegiant Travel Company

(Exact Name of Registrant as Specified in Its Charter)

Nevada

(State or Other Jurisdiction of Incorporation or Organization)

20-4745737

(IRS Employer Identification No.)

1201 North Town Center Drive

Las Vegas, Nevada

(Address of Principal Executive Offices)

89144

(Zip Code)

Registrant's Telephone Number, Including Area Code: (702) 851-7300

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

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

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

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

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

The number of shares of the registrant's common stock outstanding as of the close of business on October 14, 2016 was 16,546,142.

Allegiant Travel Company
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PART I. FINANCIAL INFORMATION**Item 1. Consolidated Financial Statements**

ALLEGIANT TRAVEL COMPANY
CONSOLIDATED BALANCE SHEETS
(in thousands)

	September 30, 2016	December 31, 2015
	(unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 48,718	\$ 87,112
Restricted cash	13,787	10,358
Short-term investments	269,341	245,583
Accounts receivable	28,173	15,146
Expendable parts, supplies and fuel, net	16,627	15,583
Prepaid expenses	15,129	18,276
Other current assets	1,654	3,185
TOTAL CURRENT ASSETS	393,429	395,243
Property and equipment, net	1,066,108	885,942
Long-term investments	65,247	64,752
Other assets	10,030	5,725
TOTAL ASSETS	\$ 1,534,814	\$ 1,351,662
CURRENT LIABILITIES:		
Accounts payable	\$ 11,021	\$ 6,801
Accrued liabilities	106,876	109,462
Air traffic liability	220,527	198,136
Current maturities of long-term debt, net of related costs	137,452	74,069
TOTAL CURRENT LIABILITIES	475,876	388,468
Long-term debt, net of current maturities and related costs	561,493	567,609
Deferred income taxes	47,740	45,580
Other noncurrent liabilities	7,417	—
TOTAL LIABILITIES :	1,092,526	1,001,657
SHAREHOLDERS' EQUITY:		
Common stock, par value \$.001	22	22
Treasury stock	(515,821)	(453,415)
Additional paid in capital	234,298	228,945
Accumulated other comprehensive income, net	57	834
Retained earnings	723,732	573,619
TOTAL EQUITY	442,288	350,005
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,534,814	\$ 1,351,662

The accompanying notes are an integral part of these consolidated financial statements.

ALLEGiant TRAVEL COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
OPERATING REVENUE:				
Scheduled service revenue	\$ 177,361	\$ 170,002	\$ 568,089	\$ 556,842
Ancillary revenue:				
Air-related charges	127,301	107,554	376,944	326,055
Third party products	11,259	9,890	34,482	31,663
Total ancillary revenue	138,560	117,444	411,426	357,718
Fixed fee contract revenue	9,183	4,640	22,690	11,993
Other revenue	8,377	7,870	24,743	24,745
Total operating revenue	333,481	299,956	1,026,948	951,298
OPERATING EXPENSES:				
Aircraft fuel	69,305	68,272	182,969	216,985
Salary and benefits	73,424	58,968	211,185	171,119
Station operations	32,252	26,454	96,313	74,768
Maintenance and repairs	26,263	25,369	82,016	70,488
Depreciation and amortization	25,881	24,346	75,962	73,597
Sales and marketing	5,650	4,053	16,774	16,907
Aircraft lease rentals	472	695	924	2,092
Other	23,394	14,717	58,363	47,402
Total operating expenses	256,641	222,874	724,506	673,358
OPERATING INCOME	76,840	77,082	302,442	277,940
OTHER (INCOME) EXPENSE:				
Interest expense	6,938	6,687	21,567	20,531
Interest income	(1,028)	(301)	(2,932)	(948)
Other, net	(61)	(67)	(142)	(117)
Total other expense	5,849	6,319	18,493	19,466
INCOME BEFORE INCOME TAXES	70,991	70,763	283,949	258,474
PROVISION FOR INCOME TAXES	25,538	26,305	105,669	94,853
NET INCOME	45,453	44,458	178,280	163,621
Net loss attributable to noncontrolling interest	—	—	—	(44)
NET INCOME ATTRIBUTABLE TO ALLEGiant TRAVEL COMPANY	\$ 45,453	\$ 44,458	\$ 178,280	\$ 163,665
Earnings per share to common stockholders:				
Basic	\$ 2.76	\$ 2.63	\$ 10.74	\$ 9.57
Diluted	\$ 2.75	\$ 2.62	\$ 10.73	\$ 9.55
Shares used for computation:				
Basic	16,389	16,831	16,493	17,010
Diluted	16,406	16,869	16,514	17,050
Cash dividend declared per share:	\$ 0.70	\$ 0.30	\$ 1.70	\$ 0.80

The accompanying notes are an integral part of these consolidated financial statements.

ALLEGiant TRAVEL COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net income	\$ 45,453	\$ 44,458	\$ 178,280	\$ 163,621
Other comprehensive (loss) income:				
Change in available for sale securities, net of tax	(101)	(21)	336	377
Foreign currency translation adjustment	238	(32)	176	230
Change in derivatives, net of tax	(208)	171	(533)	712
Reclassification of derivative gains into Other revenue	(247)	(260)	(756)	(1,003)
Total other comprehensive (loss) income	(318)	(142)	(777)	316
TOTAL COMPREHENSIVE INCOME	45,135	44,316	177,503	163,937
Comprehensive loss attributable to noncontrolling interest	—	—	—	(44)
COMPREHENSIVE INCOME ATTRIBUTABLE TO ALLEGiant TRAVEL COMPANY	\$ 45,135	\$ 44,316	\$ 177,503	\$ 163,981

The accompanying notes are an integral part of these consolidated financial statements.

ALLEGiant TRAVEL COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2016	2015
OPERATING ACTIVITIES:		
Net income	\$ 178,280	\$ 163,621
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	75,962	73,597
Loss on aircraft and other equipment disposals	3,510	3,043
Provision for obsolescence of expendable parts, supplies and fuel	1,803	1,183
Amortization of deferred financing costs	1,154	945
Share-based compensation expense	4,342	10,736
Deferred income taxes	2,336	2,659
Excess tax benefits from share-based compensation	—	(3,869)
Changes in certain assets and liabilities:		
Accounts receivable	(13,027)	(1,495)
Prepaid expenses	3,147	1,489
Accounts payable	4,220	(1,775)
Accrued liabilities	26,153	(2,228)
Air traffic liability	22,391	24,410
Other, net	(2,178)	(4,706)
Net cash provided by operating activities	308,093	267,610
INVESTING ACTIVITIES:		
Purchase of investment securities	(291,954)	(272,970)
Proceeds from maturities of investment securities	268,037	293,181
Aircraft pre-delivery deposits	(113,771)	—
Purchase of property and equipment, including capitalized interest	(150,314)	(173,926)
Other investing activities	3,999	687
Net cash used by investing activities	(284,003)	(153,028)
FINANCING ACTIVITIES:		
Cash dividends paid to shareholders	(55,895)	(57,410)
Excess tax benefits from share-based compensation	—	3,869
Proceeds from the issuance of long-term debt	120,410	93,000
Repurchase of common stock	(63,363)	(121,119)
Principal payments on long-term debt	(63,478)	(46,447)
Other financing activities	(158)	2,460
Net cash used by financing activities	(62,484)	(125,647)
Net change in cash and cash equivalents	(38,394)	(11,065)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	87,112	89,610
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 48,718	\$ 78,545
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
CASH PAYMENTS FOR:		
Interest paid, net of amount capitalized	\$ 17,070	\$ 18,568
Income taxes paid, net of refunds	\$ 79,818	\$ 85,996

The accompanying notes are an integral part of these consolidated financial statements.

ALLEGiant TRAVEL COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements include the accounts of Allegiant Travel Company (the “Company”) and its majority-owned operating subsidiaries. The Company has no independent assets or operations, and all guarantees of the Company's publicly held debt are full and unconditional and joint and several. Investments in affiliates in which the Company's ownership interest ranges from 20 to 50 percent and in which the Company has the ability to exercise significant influence over operating and financial policies are accounted for under the equity method. All intercompany balances and transactions have been eliminated.

These unaudited consolidated financial statements reflect all normal recurring adjustments which management believes are necessary to present fairly the financial position, results of operations, and cash flows of the Company for the respective periods presented. Certain information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) have been omitted pursuant to the rules and regulations of the Securities and Exchange Commission for Form 10-Q. These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company and notes thereto included in the annual report of the Company on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, intended to create a unified model to determine when and how revenue is recognized. Under this ASU and subsequently issued amendments, the core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. Under the new standard, revenue related to certain air-related ancillary fees directly related to ticket revenue, such as seat fees and baggage fees, will likely no longer be considered distinct performance obligations separate from passenger travel. In addition, change fees previously recognized when received, will likely be recognized when air travel is provided.

The standard is effective for annual and interim periods beginning after December 15, 2017. Early adoption of the standard is permitted, but not before December 15, 2016. The Company is evaluating the impact on its financial statements of adopting this new accounting standard.

In August 2016, the FASB issued ASU 2016-15, which amends the guidance in Accounting Standards Codification (“ASC”) 230 on the classification of certain cash receipts and payments in the statement of cash flows. The primary purpose of the ASU is to reduce the diversity in practice that has resulted from the lack of consistency on this topic. The standard is effective for annual and interim periods beginning after December 15, 2017. Early adoption is permitted. The Company does not expect significant classification modifications as a result of this ASU.

In March 2016, the FASB issued ASU 2016-09 which is intended to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements. This ASU is effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2016 and early adoption is permitted. The Company has adopted the changes related to income taxes and cash flow presentation for excess tax benefits as of March 31, 2016 on a prospective basis, and prior periods have not been retrospectively adjusted. The remaining provisions of this ASU do not have an impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02 related to leases. This standard will require leases with durations greater than twelve months to be recognized on the balance sheet, and is effective for interim and annual reporting periods beginning after December 15, 2018 with early adoption permitted. The Company is assessing the impact of this new standard, specifically on

its consolidated balance sheets, and does not expect adoption to significantly change the recognition, measurement or presentation of lease expense within the consolidated statements of income or cash flows.

Note 2 — Update to Accounting Policies

Prior to the quarter ended June 30, 2016, the Company's Airbus A320 series aircraft (and Boeing 757-200) had not experienced any major maintenance events, so a method to account for major maintenance events had not yet been applied. The first major maintenance events for the Airbus A320 series aircraft occurred during the second quarter 2016.

The Company accounts for major maintenance costs for its MD-80 airframes and the related JT8D-219 engines using the direct expense method. Under this method, major maintenance costs are charged to expense as incurred. The Company accounts for major maintenance costs for its Airbus airframes and the related CFM engines using the deferral method. Under this method, the Company capitalizes the cost of major maintenance events, which are amortized, as a component of depreciation and amortization expense, over the estimated period until the next scheduled major maintenance event. The Company has not experienced any major maintenance events for the Boeing 757-200 fleet.

On September 1, 2016, the Company launched the Allegiant World MasterCard issued by Bank of America. This is a co-branded credit card program providing cardholder benefits, which generates points based on dollar spend to be converted into dollars for items sold on the website such as flights, hotel rooms, car rentals and show tickets. The Company accounts for this new program using the relative selling price approach in accordance with ASU 2009-13 "Revenue Recognition (Topic 605) Multiple-Deliverable Arrangements." A portion of the revenue under the program is recognized monthly over the term of the arrangement as various marketing related services are performed by the Company. The remainder is deferred and recognized as points are redeemed for travel or other program benefits.

Note 3 — Investment Securities

The Company's investments in marketable securities are classified as available-for-sale and are reported at fair market value with the unrealized gain or loss reported as a component of accumulated other comprehensive income ("AOCI") in shareholders' equity. Excluded from the following table is the change in fair value attributable to the foreign currency risk being hedged. Refer to Note 7 - Derivative Instruments for additional information related to the Company's foreign currency hedge. Investment securities are classified as cash equivalents, short-term investments, and long-term investments based on maturity date. Cash equivalents have maturities of three months or less, short-term investments have maturities of greater than three months but equal to or less than one year, and long-term investments are those with a maturity date greater than one year.

Investment securities (in thousands):

	As of September 30, 2016				As of December 31, 2015			
	Cost	Unrealized		Market Value	Cost	Unrealized		Market Value
		Gains	(Losses)			Gains	(Losses)	
Commercial paper	\$ 128,714	\$ 8	\$ (136)	\$ 128,586	\$ 83,155	\$ —	\$ (1)	\$ 83,154
Corporate debt securities	107,649	10	(92)	107,567	108,485	50	(154)	108,381
Federal agency debt securities	58,460	\$ 9	\$ (38)	\$ 58,431	73,783	—	(80)	73,703
Municipal debt securities	35,678	1	(29)	35,650	52,669	2	(1)	52,670
US Treasury Bonds	4,607	3	—	4,610	1,607	—	(1)	1,606
Money market funds	36	—	—	36	781	—	—	781
Total	\$ 335,144	\$ 31	\$ (295)	\$ 334,880	\$ 320,480	\$ 52	\$ (237)	\$ 320,295

Note 4 — Property and Equipment

Property and equipment (in thousands):

	As of September 30, 2016	As of December 31, 2015
Flight equipment, including pre-delivery deposits	\$ 1,335,364	\$ 1,123,115
Computer hardware and software	96,027	78,200
Ground property and equipment	78,203	72,078
Total property and equipment	1,509,594	1,273,393
Less accumulated depreciation and amortization	(443,486)	(387,451)
Property and equipment, net	<u>\$ 1,066,108</u>	<u>\$ 885,942</u>

Note 5 — Long-Term Debt

Long-term debt (in thousands):

	As of September 30, 2016	As of December 31, 2015
Fixed-rate notes payable due through 2020	\$ 334,951	\$ 341,738
Variable-rate notes payable due through 2021	363,994	299,940
Total long-term debt, net of related costs	698,945	641,678
Less current maturities	137,452	74,069
Long-term debt, net of current maturities and related costs	<u>\$ 561,493</u>	<u>\$ 567,609</u>

Maturities of long-term debt for the remainder of 2016 and for the next four years and thereafter, in the aggregate (in thousands):

	As of September 30, 2016
Remaining in 2016	\$ 59,723
2017	99,952
2018	145,152
2019	350,973
2020	35,374
Thereafter	7,771
Total	<u>\$ 698,945</u>

Secured Debt - 2016 Transactions

In July 2016, the Company drew down \$50.4 million under a senior secured revolving credit facility entered into during the second quarter 2016. The notes for the amounts borrowed under the facility bear interest at a floating rate based on LIBOR plus 1.85 percent and are due on December 31, 2017.

Also in July 2016, the Company borrowed \$42.0 million under a loan agreement secured by three Airbus A319 aircraft. The notes bear interest at a floating rate based on LIBOR plus 1.70 percent and are payable in quarterly installments through July 2021.

In January 2016, the Company received \$28.0 million of proceeds from notes executed in December 2015. The notes bear interest at a floating rate based on LIBOR plus 1.75 percent, are payable in quarterly installments through January 2021, and are secured by two Airbus A319 aircraft.

Note 6 — Fair Value Measurements

The Company measures certain financial assets and liabilities at fair value on a recurring basis. Fair value is an exit price, representing the amount that would be received by selling an asset or paid to transfer a liability in an orderly transaction between market participants.

Accounting standards pertaining to fair value measurements establish a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than Level 1 inputs that are either directly or indirectly observable; and Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The Company uses the market approach valuation technique to determine fair value for investment securities. The assets classified as Level 1 consist of money market funds for which original cost approximates fair value. The assets classified as Level 2 consist of commercial paper, municipal debt securities, federal agency debt securities, US Treasury Bonds, and corporate debt securities, which are valued using quoted market prices or alternative pricing sources including transactions involving identical or comparable assets and models utilizing market observable inputs. The Company has no investment securities classified as Level 3.

For those assets classified as Level 2 that are not in active markets, the Company obtains fair value from pricing sources using quoted market prices for identical or comparable instruments, and uses pricing models which include all significant observable inputs: maturity dates, issue dates, settlement dates, benchmark yields, reported trades, broker-dealer quotes, issue spreads, benchmark securities, bids, offers and other market related data. These inputs are observable or can be derived from, or corroborated by, observable market data for substantially the full term of the asset.

The fair value of the Company's derivative instrument is determined using standard valuation models. The significant inputs used in these models are readily available in public markets or can be derived from observable market transactions and therefore have been classified as Level 2. Inputs used in these standard valuation models for derivative instruments include the applicable exchange and interest rates.

Financial instruments measured at fair value on a recurring basis (in thousands):

	As of September 30, 2016			As of December 31, 2015		
	Total	Level 1	Level 2	Total	Level 1	Level 2
Cash equivalents						
Municipal debt securities	\$ 256	\$ —	\$ 256	\$ 754	\$ —	\$ 754
Money market funds	36	36	—	781	781	—
Commercial paper	—	—	—	8,426	—	8,426
Total cash equivalents	292	36	256	9,961	781	9,180
Short-term						
Commercial paper	128,586	—	128,586	74,728	—	74,728
Corporate debt securities	95,479	—	95,479	80,957	—	80,957
Federal agency debt securities	21,914	—	21,914	42,825	—	42,825
Municipal debt securities	21,757	—	21,757	47,073	—	47,073
US Treasury Bonds	1,605	—	1,605	—	—	—
Total short-term	269,341	—	269,341	245,583	—	245,583
Long-term						
Federal agency debt securities	36,517	—	36,517	30,878	—	30,878
Municipal debt securities	13,637	—	13,637	4,843	—	4,843
Corporate debt securities	12,088	—	12,088	27,425	—	27,425
US Treasury Bonds	3,005	—	3,005	1,606	—	1,606
Derivative instruments	1,487	—	1,487	2,480	—	2,480
Total long-term	66,734	—	66,734	67,232	—	67,232
Total financial instruments	\$ 336,367	\$ 36	\$ 336,331	\$ 322,776	\$ 781	\$ 321,995

The fair value of the Company's publicly held long-term debt is determined based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets; therefore, the Company has categorized its publicly held debt as Level 2. The remaining debt agreements are not publicly held. The Company has determined the estimated fair value of these notes to be Level 3, as certain inputs used to determine the fair value of these agreements are unobservable and, therefore, could be sensitive to changes in inputs. The Company utilizes the discounted cash flow method to estimate the fair value of Level 3 debt.

Carrying value and estimated fair value of long-term debt, including current maturities and excluding related costs (in thousands):

	As of September 30, 2016		As of December 31, 2015		Hierarchy Level
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	
Publicly held debt	\$ 300,000	\$ 312,750	\$ 300,000	\$ 299,250	2
Non-publicly held debt	403,101	378,445	346,179	327,321	3
Total long-term debt	\$ 703,101	\$ 691,195	\$ 646,179	\$ 626,571	

Due to the short-term nature, carrying amounts of cash, cash equivalents, restricted cash, accounts receivable and accounts payable approximate fair value.

Note 7 — Derivative Instruments

The Company entered into a foreign currency swap in order to mitigate the foreign currency exchange rate risk associated with the forecasted lease revenue from 12 Airbus A320 series aircraft leased to a European carrier until 2018. The Company uses a cash flow hedge to minimize the variability in cash flows of assets, liabilities and forecasted transactions caused by fluctuations in foreign currency exchange rates. For the nine months ended September 30, 2016, the net change in fair value recorded in accumulated other comprehensive income related to the unrealized loss on the hedge was \$0.5 million compared to an unrealized gain of \$0.7 million for the nine months ended September 30, 2015.

At inception, the Company formally designated and documented this financial instrument as a hedge of a specific underlying exposure, the risk management objective, and the strategy for undertaking the hedge transaction. The Company also assessed whether the financial instrument used in the hedging transactions was effective at offsetting changes in either the fair values or cash flows of the related underlying exposures. This assessment is monitored on at least a quarterly basis, and the change in fair market value of any ineffective portion of a financial instrument would be immediately recognized into earnings. For the nine months ended September 30, 2016, the Company realized \$0.8 million in gains from its cash flow hedge into Other revenue, compared to \$1.0 million for the nine months ended September 30, 2015. As of September 30, 2016, the Company expects \$0.6 million to be reclassified from Other comprehensive income into Other revenue within the next 12 months.

At September 30, 2016, the fair value of the Company's derivative instrument was \$1.5 million compared to \$2.5 million at December 31, 2015, and is reported in the Company's consolidated balance sheet within other assets. Refer to Note 6 - Fair Value Measurements for additional information related to the estimated fair value.

Note 8 — Shareholders' Equity

The Company is authorized by the Board of Directors to acquire its stock through open market purchases under its share repurchase program. As repurchase authority is used, the Board of Directors has, to date, authorized additional expenditures for share repurchases.

Share repurchases consisted of the following during the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Shares repurchased (not in thousands)	—	175,142	369,997	644,603
Average price per share	—	\$218.67	\$166.70	\$185.43
Total (in thousands)	—	\$38,298	\$61,679	\$119,530

During the three months ended September 30, 2016 , the Company declared and paid recurring cash dividends of \$0.70 per share, or \$11.5 million . During the nine months ended September 30, 2016 , the Company declared and paid recurring cash dividends of \$1.70 per share, or \$28.2 million .

Note 9 — Earnings per Share

Basic and diluted earnings per share are computed pursuant to the two-class method. Under this method, the Company attributes net income to two classes: common stock and unvested restricted stock. Unvested restricted stock awards granted to employees under the Company's Long-Term Incentive Plan are considered participating securities as they receive non-forfeitable rights to cash dividends at the same rate as common stock.

Diluted net income per share is calculated using the more dilutive of the two methods. Under both methods, the exercise of employee stock options is assumed using the treasury stock method. The assumption of vesting of restricted stock, however, differs:

1. Assume vesting of restricted stock using the treasury stock method.
2. Assume unvested restricted stock awards are not vested, and allocate earnings to common shares and unvested restricted stock awards using the two-class method.

For the three and nine months ended September 30, 2016 , the second method, which assumes unvested awards are not vested, was used in the computation because it was more dilutive than the first method.

The following table sets forth the computation of net income per share, on a basic and diluted basis, for the periods indicated (share count and dollar amounts in table are in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Basic:				
Net income attributable to Allegiant Travel Company	\$ 45,453	\$ 44,458	\$ 178,280	\$ 163,665
Less net income allocated to participating securities	(298)	(199)	(1,074)	(802)
Net income attributable to common stock	\$ 45,155	\$ 44,259	\$ 177,206	\$ 162,863
Net income per share, basic	\$ 2.76	\$ 2.63	\$ 10.74	\$ 9.57
Weighted-average shares outstanding	16,389	16,831	16,493	17,010
Diluted:				
Net income attributable to Allegiant Travel Company	\$ 45,453	\$ 44,458	\$ 178,280	\$ 163,665
Less net income allocated to participating securities	(297)	(198)	(1,073)	(800)
Net income attributable to common stock	\$ 45,156	\$ 44,260	\$ 177,207	\$ 162,865
Net income per share, diluted	\$ 2.75	\$ 2.62	\$ 10.73	\$ 9.55
Weighted-average shares outstanding	16,389	16,831	16,493	17,010
Dilutive effect of stock options and restricted stock	26	68	34	68
Adjusted weighted-average shares outstanding under treasury stock method	16,415	16,899	16,527	17,078
Participating securities excluded under two-class method	(9)	(30)	(13)	(28)
Adjusted weighted-average shares outstanding under two-class method	16,406	16,869	16,514	17,050

For the three and nine months ended September 30, 2016 , anti-dilutive shares excluded from the calculation of earnings per share were 24,986 and 69,377 , respectively (shares not in thousands).

Note 10 — Commitments and Contingencies

The Company is subject to certain legal and administrative actions it considers routine to business activities. The Company believes the ultimate outcome of any pending legal or administrative matters will not have a material adverse impact on its financial position, liquidity or results of operations.

As of September 30, 2016 , the Company had firm commitments to purchase the following aircraft:

Aircraft Type	Number of Aircraft Under Contract
Airbus A319	6
Airbus A320	27

Future minimum fixed payments for the Company's commitments related to the acquisition of aircraft, airport fees under use and lease agreements, and other operating lease obligations are as follows (in thousands):

	As of September 30, 2016	
Remaining in 2016	\$	34,860
2017		397,691
2018		116,962
2019		78,932
2020		41,473
Thereafter		3,613
Total commitments	\$	673,531

Note 11 — Related Party Transactions

The Company previously entered into lease agreements for approximately 70,000 and 10,000 square feet of office space in buildings for which the Company's Chairman and Chief Executive Officer ("CEO") and the Company's President owned minority interests as limited partners. For the nine months ended September 30, 2015, the Company made rent payments of \$1.1 million under the terms of these agreements. Beginning in 2016, payments for the 10,000 square feet of office space are no longer being made to a related party entity as the lender has taken ownership of the property. Additionally, the Company exercised its option to terminate the lease for 70,000 square feet of space effective in May 2015. The Company paid \$1.3 million in January 2016 in settlement of litigation in connection with the termination of this lease.

Game Plane, LLC, a wholly owned subsidiary of the Company, partnered with Alpine Labs, LLC to produce and distribute game shows filmed on Company flights. The Company's Chairman and CEO owns a 25 percent interest in, and is on the managing board of, Alpine Labs, LLC. For the nine months ended September 30, 2015, the Company made payments of \$0.4 million to Alpine Labs, LLC. No payments were made for the nine months ended September 30, 2016, as no additional shows are being filmed. The Company does not expect any further expenses related to this project.

GMS Racing, LLC competes in the NASCAR Camping World Truck Series and ARCA Racing Series. The Company's Chairman and CEO owns a controlling interest in GMS Racing, LLC. During the nine months ended September 30, 2015, the Company made sponsorship payments totaling \$2.3 million to GMS Racing, LLC. No payments were made for the nine months ended September 30, 2016 and no future payments are anticipated.

Entities owned or controlled by the Company's Chairman and CEO have been paid for the building of corporate training content, with a current focus on the Company's operating groups. This approach to training focuses on concept mastery, recognizing that individuals learn at varying paces, through different styles, and is designed to ensure the trainee fully understands each module before moving on to more advanced training. The Company also expects program development to facilitate recurrent training and to contribute to cost savings in the future, and is in the process of seeking approval from the Federal Aviation Administration ("FAA") on various aspects of this training program. During the nine months ended September 30, 2015 and 2016, the Company made payments to these entities of \$2.1 million and \$1.4 million, respectively. The project is expected to conclude in 2017.

Note 12 — Fuel Tax Refunds

During the second quarter 2016, the Company recorded \$8.3 million in fuel tax refunds which have been received as of October 2016. These refunds were reflected as a decrease to Aircraft fuel expense on the Company's consolidated statements of income for the second quarter 2016.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis presents factors that had a material effect on our results of operations during the three and nine months ended September 30, 2016 and 2015. Also discussed is our financial position as of September 30, 2016 and December 31, 2015. You should read this discussion in conjunction with our unaudited consolidated financial statements, including the notes thereto, appearing elsewhere in this Form 10-Q and our consolidated financial statements appearing in our annual report on Form 10-K for the year ended December 31, 2015. This discussion and analysis contains forward-looking

statements. Please refer to the section below entitled "Cautionary Note Regarding Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements.

THIRD QUARTER REVIEW

Financial highlights:

- Total operating revenue increase of \$33.5 million over third quarter 2015,
- operating margin of 23.0 percent ,
- \$2.75 earnings per share (fully diluted),
- operating 337 routes as of quarter end versus 271 at the same point in 2015, and 29 new routes currently scheduled to begin within the next two quarters,
- payment of quarterly recurring cash dividends of \$11.5 million during the quarter, \$28.2 million year to date

Overview

In September 2016, we appointed John Redmond as President of the Company. Mr. Redmond served as an independent member of our board of directors since 2007 (excluding one year while attending to business obligations overseas) and will continue to serve as a member of the board. His prior experience as chief executive officer of MGM entities and extensive experience with other premier leisure organizations provides valuable travel industry knowledge.

Also in September, we launched the Allegiant World MasterCard issued by Bank of America. This is a co-branded credit card program that provides cardholder benefits and generates points based on dollar spend which can be converted into purchases for items sold on our website such as flights, hotel rooms, car rentals and show tickets. This program gives our customers more opportunities to travel, and we expect it will be accretive to earnings in the long-term.

In July 2016, we signed a purchase agreement to acquire 12 newly manufactured Airbus A320 series aircraft expected to enter service in 2017 and 2018. Although these aircraft will have higher purchase prices, we expect the benefits of a greater number of seats, better fuel efficiency, lower maintenance costs, and longer depreciable lives will make these aircraft efficient additions to our fleet.

The tentative agreement reached with the International Brotherhood of Teamsters ("IBT") for a collective bargaining agreement with our pilots was ratified in July 2016 and became effective on August 1, 2016.

Capacity grew by nearly 19 percent over third quarter 2015 as a result of market growth, in addition to opportunities for increased profitable off-peak flying due to lower fuel prices. Our average number of aircraft in service also increased (all Airbus aircraft) by 12.4 percent , as we continue our move toward a single fleet type. Operating expense per available seat mile ("CASM") decreased quarter over quarter, largely attributable to the decrease in system average price per gallon of fuel as well as the improved fuel efficiency of our fleet.

AIRCRAFT

The following table sets forth the aircraft in service and operated by us as of the dates indicated:

	September 30, 2016	December 31, 2015	September 30, 2015
MD83/88	48	51	51
B757-200	4	5	6
A319 (1)	15	10	7
A320	16	14	10
Total	83	80	74

(1) Excludes 12 A319 aircraft on lease to a European carrier until 2018.

We have solidified our plan for the full retirement of our MD-80 fleet in 2019 as we continue to transition to a single fleet type of Airbus A320 series aircraft. As of September 30, 2016, we have firm commitments to purchase 33 new and used Airbus A320 series aircraft which we expect to be delivered between 2016 and 2020. In addition, we expect to add to our operating

fleet 12 owned Airbus A320 series aircraft currently on lease to a European carrier. We will continue to purchase used Airbus A320 series aircraft on an opportunistic basis.

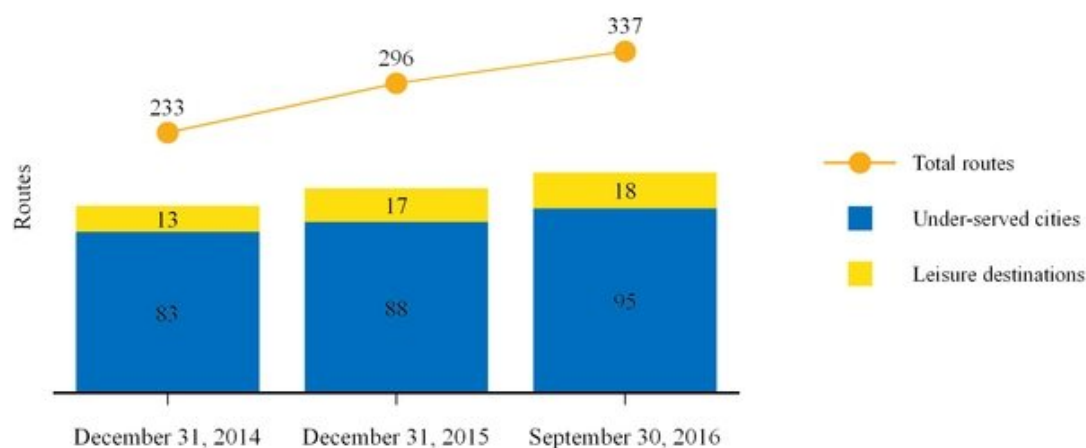
Fleet Plan

The below table indicates the number of aircraft expected to be in service by the end of 2016 based on currently scheduled additions to, and retirements from, our operating fleet.

	As of December 31, 2016
MD-80	48
B757-200	4
A319	17
A320	16
Total	85

NETWORK

The following illustrates our network as of the dates indicated (includes cities served seasonally):



Our network as of the end of third quarter 2016 represents a 24.4 percent increase in the number of routes flown compared to the end of the same quarter in 2015. Mid-sized cities (included in number of under-served cities in chart above) served as of December 31, 2014, December 31, 2015 and September 30, 2016 were zero, 17 and 19, respectively.

Including recent service announcements, we were selling 366 routes at September 30, 2016, including one new destination: San Juan, Puerto Rico (while discontinuing service to Palm Beach, Florida) and one new under-served city: Trenton, New Jersey. We also announced our move from Akron-Canton Airport to Cleveland Hopkins International Airport to better service the Cleveland, Ohio area.

TRENDS

We are systematically retiring our MD-80 and Boeing 757-200 fleets as we transition to the Airbus A320 series aircraft as our single fleet type. Our ability to grow service and profitability during the period of fleet transition will be limited. Although this fleet transition will result in operating cost pressure in the short-term, we expect the long-term benefits of better fuel efficiency, lower maintenance costs, and longer depreciable lives of an all-Airbus fleet will more than offset the additional costs incurred in the transition. We plan to place two additional A320 series aircraft into service prior to the end of 2016, and retired one MD-80 and one Boeing 757-200 aircraft in third quarter 2016.

Although Airbus aircraft are significantly more fuel efficient than our other fleet types, in the long-term, fuel costs remain uncertain and volatility could materially affect our future operating costs.

The collective bargaining agreement with our pilots was ratified in July 2016, and provides for enhancements to pay scales, benefits, and work rules conducive to our unique operating schedule. Estimated incremental expense in the first year of the contract is expected to be approximately \$44.5 million and an estimated increase in total cost of \$290.0 million is expected over the five-year agreement term which became effective on August 1, 2016.

In August 2016, our flight attendants, represented by the Transport Workers Union, reached a tentative collective-bargaining agreement with us. The flight attendants chose not to approve this agreement and the parties will continue negotiations. Any labor agreement reached following negotiations would likely increase our operating costs.

In October 2016, our flight dispatchers voted in favor of representation by the IBT Local 986. We are in the initial stages of the process and a negotiating committee has yet to be formed.

In the current low-cost fuel environment, we expect competitive capacity trends will continue to put pressure on our yields in competitive markets. Based on published schedules by us and other carriers, we expect there will be mainline competition on 66 of the 360 routes we expect to be operating by the end of 2016.

RESULTS OF OPERATIONS

Comparison of three months ended September 30, 2016 to three months ended September 30, 2015

Operating Revenue

Scheduled service revenue . Scheduled service revenue for the third quarter 2016 increased by 4.3 percent compared to 2015 . The increase was primarily driven by a 21.8 percent increase in scheduled service passengers, offset by a 14.4 percent decrease in scheduled service average base fare which was adversely affected by capacity growth into newer markets and increased off-peak flying to capitalize on the current low-cost fuel environment.

Ancillary air-related charges . Ancillary air-related charges for the third quarter 2016 increased 18.4 percent compared to 2015 , due mostly to the increase in scheduled service passengers resulting from capacity growth. These effects were diluted by a 2.9 percent decrease in ancillary air-related charges per passenger as items such as bag fees tend to decrease in correlation with reduced stage length.

Ancillary third party products . The following table details the calculation of ancillary revenue from third party products. Third party products consist of revenue from the sale of hotel rooms, ground transportation (rental cars and hotel shuttle products), attraction and show tickets, and fees we receive from other merchants selling products through our website:

(dollars in thousands)	Three Months Ended September 30,		Percent Change
	2016	2015	
Gross ancillary revenue - third party products	\$ 36,701	\$ 31,319	17.2 %
Cost of goods sold	(25,163)	(21,148)	19.0
Transaction costs (1)	(279)	(281)	(0.7)
Ancillary revenue - third party products	\$ 11,259	\$ 9,890	13.8
<i>As percent of gross ancillary revenue - third party</i>	<i>30.7%</i>	<i>31.6%</i>	<i>(0.9) pp</i>
Hotel room nights	114,185	103,750	10.1
Rental car days	399,859	305,750	30.8 %

(1) Includes payment expenses and travel agency commissions.

Ancillary third party revenue increased 13.8 percent for the third quarter 2016 compared to 2015 as a result of our increase in scheduled service passengers, which was offset by a 6.5 percent decrease in ancillary third party revenue per passenger largely attributable to a quarter over quarter decrease in hotel revenue margin.

Fixed fee contract revenue. Fixed fee contract revenue for the third quarter 2016 increased \$4.5 million from 2015 due mostly to the Apple Vacations charter which began in December 2015 as well as increased flying for the Department of Defense. The effects of this activity were slightly offset by the discontinuation of Peppermill Resorts charter service in January 2016.

Other revenue . Other revenue for the third quarter 2016 increased slightly compared with 2015 , due mostly to foreign currency exchange rates impacting aircraft lease revenue related to 12 Airbus A320 series aircraft.

Operating Expenses

We primarily evaluate our expense management by comparing our costs per passenger and per ASM across different periods, which enables us to assess trends in each expense category. The following table presents operating expense per passenger for the indicated periods. The table also presents operating expense per passenger, excluding fuel, a statistic which gives management and investors the ability to measure and monitor our cost performance absent fuel price volatility. Both the cost and availability of fuel are subject to many economic and political factors beyond our control.

	Three Months Ended September 30,		Percent Change
	2016	2015	
Aircraft fuel	\$ 23.58	\$ 28.20	(16.4)%
Salaries and benefits	24.98	24.36	2.5
Station operations	10.97	10.93	0.4
Maintenance and repairs	8.94	10.48	(14.7)
Depreciation and amortization	8.81	10.06	(12.4)
Sales and marketing	1.92	1.67	15.0
Aircraft lease rentals	0.16	0.29	(44.8)
Other	7.96	6.08	30.9
Operating expense per passenger	\$ 87.32	\$ 92.07	(5.2)%
Operating expense per passenger, excluding fuel	\$ 63.74	\$ 63.87	(0.2)%

The following table presents unit costs on a per ASM basis, or CASM, for the indicated periods. As on a per-passenger basis, excluding fuel on a per ASM basis provides management and investors the ability to measure and monitor our cost performance absent fuel price volatility.

	Three Months Ended September 30,		Percent Change
	2016	2015	
Aircraft fuel	2.22¢	2.63¢	(15.6)%
Salaries and benefits	2.35	2.27	3.5
Station operations	1.03	1.02	1.0
Maintenance and repairs	0.84	0.98	(14.3)
Depreciation and amortization	0.83	0.94	(11.7)
Sales and marketing	0.18	0.16	12.5
Aircraft lease rentals	0.02	0.03	(33.3)
Other	0.75	0.55	36.4
CASM	8.22¢	8.58¢	(4.2)%
Operating CASM, excluding fuel	6.00¢	5.95¢	0.8 %

Aircraft fuel expense. Aircraft fuel expense increased 1.5 percent for the third quarter 2016 compared to 2015 , as the system average fuel cost per gallon decreased by 13.7 percent , offsetting the effect of a 17.8 percent increase in system fuel gallons consumed (resulting from a 20.2 percent increase in system capacity).

Additionally, ASMs per gallon increased over third quarter 2015 as Airbus aircraft flew 49.0 percent of scheduled service ASMs in the third quarter 2016, compared to 32.5 percent for the same period in 2015. We anticipate our fuel efficiency will continue to improve as we transition to an all Airbus fleet.

Salary and benefits expense. Salary and benefits expense increased 24.5 percent for the third quarter 2016 when compared to the same period last year. The increase is primarily attributable to a 23.9 percent increase in the number of full-time equivalent employees needed to support an increase in aircraft in service and the transition to a single fleet type. A quarter over quarter decline in our stock price led to a \$3.1 million decrease in stock compensation expense.

The collective bargaining agreement for our pilots also went into effect on August 1, 2016, increasing salary and benefits expense for this work group by approximately \$4.5 million over the same quarter 2015. Salary and benefits expense is expected to continue to increase at a higher rate than employee growth due to the increased costs associated with this agreement.

Station operations expense. Station operations expense for the third quarter 2016 increased 21.9 percent compared to the same period in 2015 due primarily to a 23.4 percent increase in system departures.

Maintenance and repairs expense . Maintenance and repairs expense for the third quarter 2016 increased by 3.5 percent compared to the same period in 2015 despite a 12.4 percent increase in the average number of aircraft in service, due to fewer MD-80 aircraft major maintenance events quarter over quarter. Additionally, major maintenance events for the MD-80 aircraft are expected to continue to decline as we retire aircraft consistent with our fleet retirement plan.

Depreciation and amortization expense . Depreciation and amortization expense for the third quarter 2016 increased 6.3 percent compared to 2015 , on a 12.4 percent increase in the average number of aircraft in service. The effect of the increase in fleet size was diluted due to reduced depreciation on our MD-80 fleet as it nears full depreciation. However, we expect depreciation expense to increase in the fourth quarter 2016 and full-year 2017 as a result of our condensed MD-80 retirement schedule.

Sales and marketing expense. Sales and marketing expense for the third quarter 2016 increased \$1.6 million compared to the same period in 2015 . This is primarily due to increased advertising efforts for our expanding network, as well as expenses related to a national advertising campaign to support new market growth. The full effect of these increases was slightly offset by a decrease in credit card fee expense. We charge for credit card fee reimbursement, at zero margin, which is applied as a reduction to sales and marketing expense, and the net amount paid by us for credit card fees is reduced. Credit card fee reimbursements for the third quarter 2016 and 2015, were \$6.2 million and \$5.6 million respectively.

Other operating expense. Other operating expense for the third quarter 2016 increased \$8.7 million compared to 2015 . The increase is due to flight crew training needed to support our growing operating fleet, information technology expenses, increased property taxes, as well as additional crew costs due to irregular operations.

Income Tax Expense

Our effective tax rate decreased slightly quarter over quarter, at 36.0 percent for the three months ended September 30, 2016 , compared to 37.1 percent for the three months ended September 30, 2015 . The effective tax rate for 2016 differed from the statutory federal income tax rate of 35.0 percent primarily due to state and foreign taxes, the early adoption of ASU 2016-09 related to share-based payments, as well as executive compensation deduction limitations. The effective tax rate for the same period in 2015 differed from the federal tax rate due to state and foreign taxes, the effect of which was reduced by a one-time tax benefit related to the liquidation of a subsidiary.

While we expect our tax rate to be fairly consistent in the near term, it will vary depending on recurring items such as the amount of income we earn in each state and the state tax rate applicable to such income. Discrete items during interim periods may also affect our tax rates.

Comparison of nine months ended September 30, 2016 to nine months ended September 30, 2015

Operating Revenue

Scheduled service revenue . Scheduled service revenue for the nine months ended September 30, 2016 increased 2.0 percent compared with 2015. The increase was mostly the result of an 18.3 percent increase in scheduled service passengers offset by a 13.8 percent decrease in scheduled service average base fare, which was affected by capacity growth into new markets and increased off-peak flying to capitalize on the current low-cost fuel environment.

Ancillary air-related charges . Ancillary air-related charges for the nine months ended September 30, 2016 increased 15.6 percent compared with 2015 due mostly to the increase in scheduled service passengers. These effects were diluted by a 2.3

percent decrease in ancillary air-related charges per passenger as items such as bag fees tend to decrease in correlation with reduced stage length.

Ancillary third party products . The following table details the calculation of ancillary revenue from third party products. Third party products consist of revenue from the sale of hotel rooms, ground transportation (rental cars and hotel shuttle products), attraction and show tickets, and fees we receive from other merchants selling products through our website:

(dollars in thousands)	Nine Months Ended September 30,		Percent Change
	2016	2015	
Gross ancillary revenue - third party products	\$ 112,309	\$ 104,612	7.4 %
Cost of goods sold	(76,915)	(71,798)	7.1
Transaction costs (1)	(912)	(1,151)	(20.8)
Ancillary revenue - third party products	\$ 34,482	\$ 31,663	8.9
<i>As percent of gross ancillary revenue - third party</i>	<i>30.7%</i>	<i>30.3%</i>	<i>0.4 pp</i>
Hotel room nights	339,504	362,592	(6.4)
Rental car days	1,168,544	939,888	24.3 %

(1) Includes payment expenses and travel agency commissions.

Ancillary third party products revenue for the nine months ended September 30, 2016 increased \$2.8 million over the same period in 2015. This was due to the increase in scheduled service passengers and offset by an 8.0 percent decrease in ancillary third party products revenue per passenger, largely attributable to lower hotel room take rate.

Fixed fee contract revenue. Fixed fee contract revenue for the nine months ended September 30, 2016 increased \$10.7 million compared with 2015, due to increased charter services for the Department of Defense and the commencement of charter service for Apple Vacations (contract began in December 2015), resulting in a combined \$14.5 million of revenue during the first nine months of 2016. The effects of these agreements were partially offset by the discontinuation of Peppermill Resorts charter service in January 2016.

Operating Expenses

The following table presents operating expense per passenger for the indicated periods:

	Nine Months Ended September 30,		Percent Change
	2016	2015	
Aircraft fuel*	\$ 21.76	\$ 30.39	(28.4)%
Salaries and benefits	25.11	23.97	4.8
Station operations	11.45	10.47	9.4
Maintenance and repairs	9.75	9.87	(1.2)
Depreciation and amortization	9.03	10.31	(12.4)
Sales and marketing	1.99	2.37	(16.0)
Aircraft lease rentals	0.11	0.29	(62.1)
Other	6.94	6.64	4.5
Operating expense per passenger*	\$ 86.14	\$ 94.31	(8.7)%
Operating expense per passenger, excluding fuel	\$ 64.38	\$ 63.92	0.7 %

*Includes effect of \$8.3 million fuel tax refunds in the second quarter of 2016.

The following table presents unit costs, defined as Operating CASM, for the indicated periods:

	Nine Months Ended September 30,		Percent Change
	2016	2015	
Aircraft fuel*	1.97¢	2.78¢	(29.1)%
Salaries and benefits	2.27	2.19	3.7
Station operations	1.04	0.96	8.3
Maintenance and repairs	0.88	0.90	(2.2)
Depreciation and amortization	0.82	0.94	(12.8)
Sales and marketing	0.18	0.22	(18.2)
Aircraft lease rentals	0.01	0.03	(66.7)
Other	0.62	0.60	3.3
CASM*	7.79¢	8.62¢	(9.6)%
Operating CASM, excluding fuel	5.82¢	5.84¢	(0.3)%

*Includes effect of \$8.3 million fuel tax refunds in the second quarter of 2016.

Aircraft fuel expense. Aircraft fuel expense decreased 15.7 percent for the nine months ended September 30, 2016 compared to the same period in 2015. Excluding the effect of one-time \$8.3 million in fuel tax refunds, fuel expense decreased 11.9 percent compared to 2015. The system average fuel cost per gallon declined by 24.2 percent compared to 2015 (excluding the fuel tax refunds), which was offset by a 16.1 percent increase in system fuel gallons consumed due to an increase in total system capacity of 19.0 percent.

ASMs per gallon increased 2.6 percent for the nine months ended September 30, 2016 compared to the same period in 2015 as Airbus aircraft flew 47.4 percent of scheduled service ASMs in the first nine months of 2016, compared to 30.2 percent for the same period in 2015. We anticipate our fuel efficiency will continue to improve as we transition to an all Airbus fleet.

Salary and benefits expense. Salary and benefits expense increased 23.4 percent for the nine months ended September 30, 2016 compared to the same period in 2015. The increase is mostly attributable to a 23.9 percent increase in the number of full-time equivalent employees associated with an increase in average number of aircraft in service and the transition to a single fleet type. A year-over-year decline in our stock price led to a \$6.4 million decrease in stock compensation expense.

The collective bargaining agreement for our pilots also went into effect on August 1, 2016, increasing salary and benefits expense for our pilots by approximately \$4.5 million over the same period in 2015.

Station operations expense. Station operations expense for the nine months ended September 30, 2016 increased 28.8 percent compared to the same period in 2015, which outpaced a 20.2 percent increase in system departures. Station expense per departure increased 7.2 percent year over year partially because we are serving more medium-sized cities in 2016 compared to 2015, and these airports typically have higher ground handling fees than the smaller airports we serve. We have also experienced overall rate increases at numerous stations and increased inconvenienced traveler expenses due to irregular operations this summer.

Maintenance and repairs expense. Maintenance and repairs expense for the nine months ended September 30, 2016 increased 16.4 percent compared with the same period in 2015, due to a 13.3 percent increase in average number of aircraft in service over 2015.

Depreciation and amortization expense. Depreciation and amortization expense for the nine months ended September 30, 2016 increased by 3.2 percent, compared to the same period in 2015 despite a 13.3 percent increase in average number of aircraft in service. The effect of the increase in fleet size was diluted due to reduced depreciation on our MD-80 fleet as it nears full depreciation. However, we expect depreciation expense to increase in the fourth quarter 2016 and full-year 2017 as a result of our condensed MD-80 retirement schedule.

Sales and marketing expense. Sales and marketing expense for the nine months ended September 30, 2016 decreased minimally compared to the same period in 2015. We incurred increased expenses in the current year related to a national advertising campaign which launched in late September 2015, the effects of which were offset by the decrease in credit card fee expense. We charge for credit card fee reimbursement, at zero margin, which is applied as a reduction to sales and marketing expense, and the net amount paid by us for credit card fees is reduced. Credit card fee reimbursements for the nine months ended September 30, 2016 and 2015 were \$19.4 million and \$16.1 million respectively.

Other expense. Other expense for the nine months ended September 30, 2016 increased 23.1 percent compared to 2015. This is primarily due to increased crew training in 2016 to support our fleet and network growth. We also had increased expenses related to irregular operations and various information technology initiatives.

Income Tax Expense

Our effective tax rate was 37.2 percent for the nine months ended September 30, 2016 , up slightly from 36.7 percent for the same period in 2015. The effective tax rate for 2016 differed from the statutory federal income tax rate of 35.0 percent primarily due to state and foreign taxes, the early adoption of ASU 2016-09 as well as executive compensation deduction limitations. The effective tax rate for the same period in 2015 differed from the federal statutory rate due to state and foreign taxes, and was reduced by the effect of a one-time tax benefit related to the liquidation of a subsidiary.

While we expect our tax rate to be fairly consistent in the near term, it will vary depending on recurring items such as the amount of income we earn in each state and the state tax rate applicable to such income. Discrete items during interim periods may also affect our tax rates.

Comparative Consolidated Operating Statistics

The following tables set forth our operating statistics for the periods indicated:

	Three Months Ended September 30,		Percent	Nine Months Ended September 30,		Percent
	2016	2015	Change*	2016	2015	Change*
Operating statistics (unaudited):						
Total system statistics:						
Passengers	2,939,055	2,420,819	21.4	8,410,422	7,139,876	17.8
Revenue passenger miles (RPMs) (thousands)	2,645,533	2,235,683	18.3	7,831,436	6,734,217	16.3
Available seat miles (ASMs) (thousands)	3,121,762	2,597,658	20.2	9,302,051	7,814,146	19.0
Load factor	84.7%	86.1%	(1.4)	84.2%	86.2%	(2.0)
Operating expense per ASM (CASM) (cents)***	8.22	8.58	(4.2)	7.79	8.62	(9.6)
Fuel expense per ASM (cents)***	2.22	2.63	(15.6)	1.97	2.78	(29.1)
Operating CASM, excluding fuel (cents)	6.00	5.95	0.8	5.82	5.84	(0.3)
ASMs per gallon of fuel	70.6	69.2	2.0	71.6	69.8	2.6
Departures	21,384	17,330	23.4	61,271	50,976	20.2
Block hours	47,739	39,347	21.3	142,515	118,999	19.8
Average stage length (miles)	864	878	(1.6)	896	900	(0.4)
Average number of operating aircraft during period	84.0	74.7	12.4	83.4	73.6	13.3
Average block hours per aircraft per day	6.2	5.7	8.8	6.2	5.9	5.1
Full-time equivalent employees at end of period	3,287	2,654	23.9	3,287	2,654	23.9
Fuel gallons consumed (thousands)	44,187	37,518	17.8	129,862	111,881	16.1
Average fuel cost per gallon***	\$ 1.57	\$ 1.82	(13.7)	\$ 1.41	\$ 1.94	(27.3)
Scheduled service statistics:						
Passengers	2,904,295	2,383,556	21.8	8,321,716	7,034,244	18.3
Revenue passenger miles (RPMs) (thousands)	2,603,849	2,204,760	18.1	7,714,172	6,647,978	16.0
Available seat miles (ASMs) (thousands)	2,997,529	2,526,292	18.7	8,967,614	7,612,202	17.8
Load factor	86.9%	87.3%	(0.4)	86.0%	87.3%	(1.3)
Departures	20,398	16,563	23.2	58,744	48,833	20.3
Block hours	45,740	38,094	20.1	137,066	115,434	18.7
Total scheduled service revenue per ASM (TRASM) (cents)**	10.54	11.38	(7.4)	10.92	12.01	(9.1)
Average fare - scheduled service	\$ 61.07	\$ 71.32	(14.4)	\$ 68.27	\$ 79.16	(13.8)
Average fare - ancillary air-related charges	\$ 43.83	\$ 45.12	(2.9)	\$ 45.30	\$ 46.35	(2.3)
Average fare - ancillary third party products	\$ 3.88	\$ 4.15	(6.5)	\$ 4.14	\$ 4.50	(8.0)
Average fare - total	\$ 108.78	\$ 120.59	(9.8)	\$ 117.71	\$ 130.01	(9.5)
Average stage length (miles)	869	894	(2.8)	901	915	(1.5)
Fuel gallons consumed (thousands)	42,439	36,458	16.4	125,291	108,837	15.1
Average fuel cost per gallon***	\$ 1.59	\$ 1.83	(13.1)	\$ 1.41	\$ 1.96	(28.1)
Percent of sales through website during period	94.6%	95.2%	(0.6)	94.3%	95.1%	(0.8)

* Except load factor and percent of sales through website during period, which are presented as a percentage point change.

** Various components of this measure do not have a direct correlation to ASMs. This measure is provided on a per ASM basis so as to facilitate comparison with airlines reporting revenues on a per ASM basis.

*** Nine month statistics include effect of \$8.3 million fuel tax refunds in the second quarter of 2016.

LIQUIDITY AND CAPITAL RESOURCES

Current liquidity

Cash, restricted cash and investment securities (short-term and long-term) decreased from \$407.8 million at December 31, 2015 to \$397.1 million at September 30, 2016. Restricted cash represents escrowed funds under fixed fee contracts and cash collateral against letters of credit required by hotel properties for guaranteed room availability, airports and certain other parties. Under our fixed fee flying contracts, we require our customers to prepay for flights to be provided by us. The prepayments are escrowed until the flight is completed and are recorded as restricted cash with a corresponding amount as air traffic liability. Investment securities represent highly liquid marketable securities which are available-for-sale. As of September 30, 2016, our unrestricted cash and investment securities balance (including short-term and long-term investments) was \$383.3 million.

During the first nine months of 2016, our primary source of funds was \$308.1 million generated by operations as well as \$120.4 million in proceeds from long-term debt issuance. Our operating cash flows and borrowings have allowed us to return value to shareholders and invest in the growth of our fleet. Our future capital needs are primarily for the acquisition of additional aircraft, including our existing Airbus A320 series aircraft commitments and pre-delivery deposits. We believe we have more than adequate liquidity resources through our operating cash flows, borrowings, and cash balances, to meet our future contractual obligations. We expect to finance a significant portion of the purchase price of our new Airbus aircraft order and believe the financing will be available on acceptable terms. In addition, we continue to consider raising funds through debt financing on an opportunistic basis.

In addition to our recurring quarterly cash dividend, we plan to continue repurchasing our stock in the open market subject to availability of cash resources and compliance with our debt covenants. As of September 30, 2016, our authority under our board-approved stock repurchase program was \$92.3 million. There is no expiration date for the program.

Debt

Our long-term debt obligations, without reduction for related costs, increased from \$646.2 million as of December 31, 2015 to \$703.1 million as of September 30, 2016 as we borrowed additional funds during 2016, while making scheduled repayments on our existing debt. During the third quarter 2016, we borrowed \$42.0 million secured by three Airbus A320 series aircraft as well as \$50.4 million against our senior secured revolving credit facility.

Sources and Uses of Cash

Operating Activities. During the nine months ended September 30, 2016, our operating activities provided \$308.1 million of cash compared to \$267.6 million during the same period of 2015. Operating cash inflows are primarily derived from providing air transportation and related ancillary products and services to customers, for which the vast majority of tickets are purchased prior to the day travel occurs. The year-over-year increase in reported cash inflows is primarily due to a \$14.7 million increase in net income and changes in the amounts of certain current assets and liabilities.

Investing Activities. Cash used in investing activities was \$284.0 million for the nine months ended September 30, 2016 compared to \$153.0 million for the same period in 2015. The year-over-year increase is mainly due to \$113.8 million paid in aircraft pre-delivery deposits during the third quarter 2016 and \$150.3 million of other property and equipment purchases. No aircraft pre-delivery deposits were paid in 2015 and other property and equipment purchases totaled \$173.9 million. Our net cash used to purchase investment securities (net of proceeds from maturities) was \$23.9 million in 2016 compared to \$20.2 million net cash received from proceeds of investment maturities (net of purchases) in 2015.

Financing Activities. Cash used in financing activities for the nine months ended September 30, 2016 was \$62.5 million compared to \$125.6 million for the same period in 2015. During the nine months ended September 30, 2016, we repurchased common stock for \$63.4 million and paid cash dividends of \$55.9 million, including the special dividend declared in 2015. We also had \$56.9 million of cash inflows related to debt proceeds, net of principal debt payments. During the same period in 2015, our primary use of cash was also the repurchase of common stock for \$121.1 million and payment of cash dividends of \$57.4 million. These uses were offset by \$46.6 million of proceeds from the issuance of debt, net of principal payments.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this quarterly report on Form 10-Q, and in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” that are based on our management’s beliefs and

assumptions, and on information currently available to our management. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, fleet plan, financing plans, competitive position, industry environment, potential growth opportunities, future service to be provided and the effects of future regulation and competition. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “project” or similar expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in the forward-looking statements. Important risk factors that could cause our results to differ materially from those expressed in the forward-looking statements may be found in our periodic reports filed with the Securities and Exchange Commission at www.sec.gov. These risk factors include, without limitation, an accident involving or problems with our aircraft, our reliance on automation systems, volatility of fuel costs, labor issues and costs, the ability to obtain regulatory approvals as needed, the effect of economic conditions on leisure travel, debt covenants, terrorist attacks, risks inherent to airlines, demand for air services to our leisure destinations from the markets served by us, our dependence on our leisure destination markets, the competitive environment, our reliance on third parties who provide facilities or services to us, the possible loss of key personnel, economic and other conditions in markets in which we operate, governmental regulation, increases in maintenance costs and cyclical and seasonal fluctuations to our operating results.

Any forward-looking statements are based on information available to us today and we undertake no obligation to publicly update any forward-looking statements, whether as a result of future events, new information or otherwise.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A description of our critical accounting policies is included in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015 and as supplemented by disclosure in Part I - Notes to Consolidated Financial Statements, Note 2.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to certain market risks, including commodity prices (specifically aircraft fuel). The adverse effects of changes in these markets could pose potential losses as discussed below. The sensitivity analysis provided does not consider the effects that such adverse changes may have on overall economic activity, nor does it consider additional actions we may take to mitigate our exposure to such changes. Actual results may differ.

Aircraft Fuel . Our results of operations can be significantly impacted by changes in the price and availability of aircraft fuel. Aircraft fuel expense represented 25.3 percent of our operating expenses for the nine months ended September 30, 2016 . Increases in fuel prices, or a shortage of supply, could have a material impact on our operations and operating results. Based on our fuel consumption for the three and nine months ended September 30, 2016 , a hypothetical ten percent increase in the average price per gallon of fuel (excluding the effect of the fuel tax refunds for the nine months then ended) would have increased fuel expense by \$7.0 million and \$18.8 million, respectively.

Interest Rates . As of September 30, 2016 , we had a total of \$366.4 million in variable-rate debt, including current maturities, and excluding related costs. A hypothetical 100 basis point change in market interest rates for the three months ended September 30, 2016 would not have had a significant effect on interest expense, and would have increased interest expense by approximately \$1.8 million for the nine months then ended.

As of September 30, 2016 , we had a total of \$336.7 million in fixed-rate debt, including current maturities, and without reduction for related costs, which had a fair value of \$347.4 million. A hypothetical 100 basis point change in market interest rates as of September 30, 2016 would not have impacted interest expense or have a material effect on the fair value of our fixed-rate debt instruments as of such date.

We have market risk associated with changing interest rates due to the short-term nature of our cash, cash equivalents, and investment securities, which totaled \$383.3 million at September 30, 2016 . Because of the short-term nature of these investments, the returns earned closely parallel short-term floating interest rates. A hypothetical 100 basis point change in market interest rates for the three months ended September 30, 2016 would not have had a significant effect on interest income and would have increased interest income by approximately \$2.4 million for the nine months then ended.

See Item 7A "Quantitative and Qualitative Disclosures About Market Risk" in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, for further information about market risk.

Item 4. Controls and Procedures

(a) *Evaluation of disclosure controls and procedures.* As of the end of the period covered by this report, under the supervision and with the participation of our management, including our chief executive officer (“CEO”) and chief financial officer (“CFO”), we evaluated the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or the “Exchange Act”). Based on this evaluation, our management, including our CEO and CFO, has concluded that our disclosure controls and procedures are designed, and are effective, to give reasonable assurance that the information we are required to disclose is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Based upon this evaluation, the CEO and CFO concluded that our disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed in our reports filed with or submitted to the SEC under the Exchange Act is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

(b) *Changes in internal controls.* There were no changes in our internal control over financial reporting that occurred during the quarter ending September 30, 2016, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are subject to certain legal and administrative actions we consider routine to our business activities. We believe the ultimate outcome of any pending legal or administrative matters will not have a material adverse impact on our financial position, liquidity or results of operations.

Item 1A. Risk Factors

We have evaluated our risk factors and determined the following changes to our risk factors set forth in Part I, Item 1A in the Form 10-K since we filed our Annual Report on Form 10-K on February 22, 2016.

Increased labor costs could result from industry conditions and could be impacted by labor-related disruptions.

Labor costs constitute the largest percentage of our total operating costs. Industry demand for pilots and the supply of available pilots will impact our labor costs as we seek to retain our employees and compete against other airlines for qualified personnel.

Further, we have three employee groups (pilots, flight attendants and flight dispatchers) which have elected union representation. These groups represent approximately half of our employees. We recently reached a collective bargaining agreement with the International Brotherhood of Teamsters which was ratified by our pilots and became effective as of August 1, 2016. The agreement provides for enhancements to pay scales, benefits, and limited work rules. Estimated expenses over the five-year agreement term are expected to have a significant impact on our results of operations.

Although we reached a tentative agreement with the Transport Workers Union for the flight attendant group, that agreement was not ratified by the flight attendant work group. We are also in the initial stages of the process with our flight dispatchers and a negotiating committee has not yet been formed.

Union contracts with our flight attendants and flight dispatchers could put pressure on our labor costs.

If we are unable to reach agreement on the terms of collective bargaining agreements in the future, or we experience wide-spread employee dissatisfaction, we could be subject to work slowdowns or stoppages. Any of these events could have an adverse effect on our operations and future results.

A ny inability to obtain financing for aircraft under contract could harm our fleet retirement and growth plan.

We typically finance our aircraft through debt financing. Although we believe debt financing will be available for the aircraft we will acquire, we cannot assure you we will be able to secure such financing on terms attractive to us or at all. To the extent we cannot secure such financing on acceptable terms or at all, we may be required to modify our aircraft acquisition and retirement plans, incur higher than anticipated financing costs or use more of our cash balances for aircraft acquisitions than we currently expect.

Our plan to retire our older fleet types will limit our growth until replacement and additional aircraft are added to our operating fleet.

Our current fleet plan calls for the retirement of all of our MD-80 aircraft and B757-200 aircraft in 2019. The full retirement of our MD-80 fleet on this schedule will depend on our ability to close on the acquisition of Airbus aircraft now under contract and to source and acquire additional used Airbus aircraft which we have yet to identify or for which we have yet to negotiate contracts. The retirement of these aircraft will limit our network growth until such time as we have replaced these aircraft and added additional aircraft for service growth. If we are unable to close on Airbus aircraft now under contract or acquire additional Airbus aircraft not yet under contract by the end of 2019, our fleet replacement may be delayed and we may be limited in our ability to significantly grow revenues and profitability in the interim.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Our Repurchases of Equity Securities

The following table reflects the repurchases of our common stock during the third quarter 2016 :

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of our Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (in thousands) (2)
July	315	\$ 139.26	None	
August	—	—	None	
September	—	—	None	
Total	315	\$ 139.26	—	\$ 92,330

- (1) Total number of shares purchased during the quarter represents shares repurchased from employees who vested a portion of their restricted stock grants. These share repurchases were made at the election of each employee pursuant to an offer to repurchase by us. In each case, the shares repurchased constituted the portion of vested shares necessary to satisfy income tax withholding requirements.
- (2) Represents the remaining dollar amount of open market purchases of our common stock which has been authorized by the Board under a share repurchase program.

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

None

Item 6. Exhibits

3.1	Articles of Incorporation. (1)
3.2	Bylaws of the Company as amended on February 17, 2015.
10.1	Purchase Agreement dated July 26, 2016 between Allegiant Air, LLC and Airbus S.A.S. and related Letter Agreements. (2)
10.2	General Terms Agreement dated July 26, 2016, among CFM International, Inc., Allegiant Air, LC and Sunshine Asset Management, LLC and related Letter Agreement No. 3. (2)
10.3	Employment Agreement dated as of September 9, 2016, between the Company and John Redmond.
10.4	Stock Appreciation Rights Agreement dated September 9, 2016, between the Company and John Redmond.
10.5	Restricted Stock Agreement dated September 9, 2016, between the Company and John Redmond.
10.6	2016 Long-Term Incentive Plan.
10.7	Form of Restricted Stock Agreement used for Directors of the Company.
10.8	Form of Stock Option Agreement used for Employees of the Company.
10.9	Form of Restricted Stock Agreement used for Employees of the Company.
10.10	Form of Stock Appreciation Rights Agreement used for Employees of the Company.
12	Calculation of Ratio of Earnings to Fixed Charges of Allegiant Travel Company.
31.1	Rule 13a - 14(a) / 15d - 14(a) Certification of Principal Executive Officer
31.2	Rule 13a - 14(a) / 15d - 14(a) Certification of Principal Financial Officer
32	Section 1350 Certifications
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

- (1) Incorporated by reference to Exhibit filed with Registration Statement #333-134145 filed by the Company with the Commission and amendments thereto.
- (2) Portions of the indicated document have been omitted pursuant to a request for confidential treatment and the document indicated has been filed separately with the Commission as required by Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

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

ALLEGiant TRAVEL COMPANY

Date: November 1, 2016

By: /s/ Scott Sheldon

Scott Sheldon, as duly authorized officer of the Company (Chief Financial Officer) and as Principal Financial Officer

**BY-LAWS
OF
ALLEGIANT TRAVEL COMPANY**

**ARTICLE ONE
OFFICES**

Section 1.1 Registered Office and Agent. The corporation shall maintain a registered office and shall have a registered agent whose business office is identical with such registered office.

Section 1.2 Other Offices. The corporation may have offices at such place or places, within or without the State of Nevada, as the Board of Directors may, from time to time, appoint or as the business of the corporation may require or make desirable.

**ARTICLE TWO
CAPITAL STOCK**

Section 2.1 Issuance and Notice. Certificates of each class of stock shall be numbered consecutively in the order in which they are issued. They shall be signed by the President and Secretary and the seal of the corporation shall be affixed thereto. In an appropriate place in the corporate records there shall be entered the name of the person owning the shares, the number of shares and the date of issue. Certificates of stock exchanged or returned shall be canceled and placed in the corporate records. Facsimile signatures may be utilized in accordance with Section 2.2 of this Article. Any shares of the Company's Common Stock and any other class of stock designated by resolution of the Board of Directors of the corporation may be recorded on the books of the corporation or its transfer agent as uncertificated shares; provided, however, that no shares represented by a certificate may be uncertificated until and unless such certificate is surrendered to the corporation or its transfer agent. Every holder of shares of stock in the corporation shall be entitled to have a stock certificate signed by, or in the name of, the corporation.

Section 2.2 Transfer Agents and Registrars. The Board of Directors of the corporation may appoint a transfer agent or agents and a registrar or registrars of transfer (other than the corporation itself or an employee thereof) for the issuance of shares of stock of the corporation and may require that all stock certificates bear the signature of such transfer agent and registrar. In the event a share certificate is authenticated by both the transfer agent and registrar, any share certificate may be signed by the facsimile of the signature of either or both of the President and Secretary printed thereon. If the same is countersigned by the transfer agent and registrar of the corporation, the certificates bearing the facsimile of the signatures of the President and Secretary shall be valid in all respects as if such person or persons were still in office even though such person or persons shall have died or otherwise ceased to be officers.

Section 2.3 Transfer. Upon the surrender to the corporation or to the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of assignment of authority to transfer, it shall be the duty of the corporation to issue a certificate to the person entitled thereto, to cancel the surrendered certificate and to record the transaction upon its books.

Section 2.4 Lost Certificates. Any person claiming a certificate of stock to be lost or destroyed shall make an affidavit or affirmation of that fact and shall, if the Board of Directors so requires, comply with such other conditions applicable to the circumstances as the Board of Directors may require, including the delivery of a bond of indemnity, in form and with one or more sureties satisfactory to the Board of Directors, in at least double the value of the stock represented by said certificates; whereupon a new certificate may be issued of the same tenor and for the same number of shares as the one alleged to be lost or destroyed.

Section 2.5 Stockholders of Record. The corporation shall be entitled to recognize the exclusive right of a person registered on the books as the owner of shares entitled to receive dividends or to vote as such owner and shall not be bound to

recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by law.

Section 2.6 Determining Stockholders of Record. The Board of Directors shall have the power to close the stock transfer books of the corporation for a period not exceeding sixty (60) days preceding the date of any meeting of Stockholders or the date for payment of any dividend. Such date shall serve as the record date for the determination of the Stockholders entitled to notice of and to vote at such meeting or to receive payment of such dividend. When a record date is so fixed, only Stockholders of record on that date shall be entitled to notice of and to vote at the meeting or to receive payment of any dividend, notwithstanding any transfer of any shares on the books of the corporation after the record date.

Section 2.7 Voting. The holders of the common stock shall be entitled to one vote for each share of stock standing in their name. The holders of any class or series of preferred stock shall have the rights to vote specified in the corporation's articles of incorporation or certificate of rights, preferences and privileges filed in accordance with the laws of the State of Nevada.

Section 2.8 Statement of Rights of Holders of Stock. So long as the corporation is authorized to issue more than one class of stock or more than one series of any class, there shall be set forth on the face or back of each certificate of stock, or the certificate shall have a statement that the corporation will furnish to any Stockholder upon request and without charge, a full or summary statement of the voting powers, designations, preferences, limitations, restrictions and relative rights of the various classes of stock or series thereof.

ARTICLE THREE STOCKHOLDERS' MEETINGS

Section 3.1 Place of Meetings. All meetings of the Stockholders shall be held at the registered office of the corporation or at such other place, either within or without the State of Nevada, as the Board of Directors may, from time to time, designate.

Section 3.2 Annual Meeting. An annual meeting of the Stockholders shall be held each year at such time and date between January 1 and June 30 as shall be designated by the Board of Directors and stated in the notice of the meeting. If an annual meeting has not been called and held by June 30 of any year, such meeting may be called by the holders of ten percent (10%) or more of the voting power of the corporation outstanding and entitled to vote. At such annual meeting, the Stockholders shall elect a Board of Directors as provided in Section 3.8 and transact such other business as may properly be brought before the meeting.

Section 3.3 Special Meetings.

A. Calling of Special Meetings. Upon request in writing to the President or Secretary, sent by registered mail or delivered to such Officer in person, by any of the persons entitled to call a meeting of Stockholders, as provided in Section 3.3B below, such Officer shall forthwith cause notice to be given to the Stockholders entitled to vote at such meeting. If the notice is not given within thirty (30) days after the date of delivery of the request, the persons calling the meeting may fix the time of meeting and give the notice in the manner provided in these By-laws.

B. Persons Entitled to Call Special Meetings. Special meetings of the Stockholders, for any purpose whatsoever, may be called at any time by any of the following: (1) a majority of the Board of Directors in office; or (2) the corporation's Chairman of the Board or Chief Executive Officer.

C. Permissible Matters. Business transacted at all special meetings shall be confined to the objects stated in the notice calling the meeting.

Section 3.4 Notice.

A. Notice of Meetings. Notice of all meetings of Stockholders shall be given in writing to Stockholders entitled to vote signed by the Secretary or an Assistant Secretary or other person charged with that duty, or, in case of his neglect or refusal, or if there is no person charged with the duty of giving notice, by any Director or Stockholder.

B. Method of Notice. A notice may be given by the corporation to any Stockholder, either personally or by mail or other means of written communication, charges prepaid, addressed to the Stockholder at his address appearing on the books of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail

with first-class postage thereon, prepaid and addressed to the Stockholder at his address as it appears on the stock transfer books of the corporation.

C. Time of Notice. Notice of meeting of Stockholders shall be sent to each Stockholder entitled thereto not less than ten (10) days nor more than sixty (60) days before the meeting, except in the case of a meeting for the purpose of approving a merger or consolidation agreement in which case the notice must be given not less than twenty (20) days prior to the date of the meeting.

D. Contents of Notice. Notice of any meeting of Stockholders shall specify the place, the day and the hour of the meeting and the purpose for calling the meeting.

Section 3.5 Waiver of Notice. Notice of a meeting need not be given to any Stockholder who signs a waiver of notice, in person or by proxy, either before or after the meeting; and a Stockholder's waiver shall be deemed the equivalent of giving proper notice. Attendance of a Stockholder at a meeting, either in person or by proxy, shall by itself constitute a waiver of notice and a waiver of any and all objections to the time or place of the meeting or the manner in which it has been called or convened, unless a Stockholder attends a meeting solely for the purpose of stating, at the beginning of the meeting, any such objection or objections to the transaction of business. Unless otherwise specified herein, neither the business transacted nor the purpose of the meeting need be specified in the waiver.

Section 3.6 Business at Stockholder Meetings.

A. At any meeting of the Stockholders, only such business shall be conducted as shall have been brought before the meeting (i) pursuant to the corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) by any Stockholder of the corporation who is a Stockholder of record at the time of giving of the notice provided for in this Section 3.6, who shall be entitled to vote at such meeting, who meets the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and who complies with the notice procedures set for in this Section 3.6.

B. For business to be properly brought before any meeting by a Stockholder pursuant to clause (iii) above of Section 3.6A, the Stockholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a Stockholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation not less than one hundred twenty (120) days prior to the date of the meeting. A Stockholder's notice to the Secretary shall set forth as to each matter the Stockholder proposes to bring before the meeting: (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and address, as they appear on the corporation's books, of the Stockholder proposing such business, and the name and address of the beneficial owner, if any, on whose behalf the proposal is made, (iii) the class and number of shares of the corporation which are owned beneficially and of record by such Stockholder of record and by the beneficial owner, if any, on whose behalf the proposal is made, and (iv) any material interest of such Stockholder of record and the beneficial owner, if any, on whose behalf the proposal is made in such business.

C. Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at a meeting except in accordance with the procedures set forth in this Section 3.6. The presiding officer of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the procedures prescribed in this Section 3.6, and if such person should so determine, such person shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. Notwithstanding the foregoing provisions of this Section 3.6, a Stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder with respect to the matters set forth in this Section 3.6.

Section 3.7 Presence by Telephone. Stockholders may participate in a meeting of the Stockholders by means of a conference telephone or similar communications equipment by which all participants in the meeting can hear each other, and participation in a meeting pursuant to this Section 3.7 shall constitute presence in person at such meeting.

Section 3.8 Quorum. The majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of Stockholders. If a quorum is present, action on a matter (other than the election of Directors as provided below) by the Stockholders is approved if the votes cast by the Stockholders favoring the action exceed the votes cast opposing the action unless provided otherwise (i) under the corporation's articles of incorporation, (ii) under the rights and preferences of any class or series of stock authorized, or (iii) under Nevada law. When a quorum is once present to organize a meeting, the Stockholders present may continue to do business at the meeting until adjournment even though enough Stockholders withdraw to leave less than a quorum.

Each Director shall be elected by the vote of a majority of the votes cast with respect to the Director's election at any meeting of Stockholders for the election of Directors at which a quorum is present, provided that if, as of the tenth (10th) day

preceding the date the notice of the meeting is first sent to the Stockholders of the corporation, the number of nominees exceeds the number of Directors to be elected (a "Contested Election"), the Directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of Directors. The provisions of the foregoing sentence do not apply to vacancies filled by a vote of the Board of Directors under Section 4.3 of these By-laws. For purposes of this Section 3.8, a majority of the votes cast means that the number of shares voted "for" a Director's election exceeds the number of votes cast "against" that Director's election (with "abstentions" and "broker non-votes" not counted as a vote cast either "for" or "against" that Director's election). In order for a nominee who already serves as a Director to become a nominee of the Board of Directors for service on the Board of Directors, the Director shall have tendered, prior to the mailing of the proxy statement for the annual or special meeting at which he or she is to be nominated for election as a Director, an irrevocable resignation that is contingent on (i) that person not receiving a majority of the votes cast in an election that is not a Contested Election, and (ii) acceptance of that resignation by the Board of Directors in accordance with policies and procedures adopted by the Board of Directors for that purpose. In the event a nominee who already serves as a Director fails to receive a majority of the votes cast in an election that is not a Contested Election, the Nominating Committee (if there is one) or otherwise, such other committee designated by the Board of Directors, will make a recommendation to the Board of Directors on whether to accept or reject the resignation or whether other action should be taken. The Board of Directors will act on the committee's recommendation and publicly disclose its decision and the rationale behind it within ninety (90) days from the date of certification of the election results. The committee in making its recommendation and the Board of Directors in making its decision may each consider any factors and other information that they consider appropriate and relevant. Any Directors whose resignations are at issue shall not participate in the Board's decision with respect to whether to accept or reject his or her resignation. If the Board of Directors accepts a Director's resignation pursuant to this Section 3.8, or if a nominee for Director is not elected and the nominee does not already serve as a Director, then the Board of Directors may fill the resulting vacancy in accordance with the provisions of these By-laws or allow the vacancy to continue.

Section 3.9 Adjournment. Any meeting of the Stockholders may be adjourned by the holders of a majority of the voting shares represented at a meeting, whether or not a quorum is present. Notice of the adjourned meeting or of the business to be transacted at such meeting shall not be necessary, provided the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. Notwithstanding the preceding sentence, if the Board of Directors fixes a new record date for the adjourned meeting with respect to who can vote at such meeting, then notice of the adjourned meeting shall be given to each Stockholder of record on the new record date who is entitled to vote at such meeting, which notice shall be given in accordance with the provisions of Section 3.4 hereof. At an adjourned meeting at which a quorum is present or represented, any business may be transacted which could have been transacted at the meeting originally called.

Section 3.10 Voting Rights. Each Stockholder shall be entitled at each Stockholders' meeting to one vote for each share of the capital stock having voting power held by such Stockholder except as otherwise provided (i) under the corporation's articles of incorporation, or (ii) the corporation's certificate of rights, preferences and privileges filed in accordance with the laws of the State of Nevada, or (iii) as otherwise provided in Article VII of these By-laws. Neither treasury shares nor shares held by a subsidiary of the corporation shall be voted at any meeting or counted in determining the total number of outstanding shares at any given time.

Section 3.11 Proxies. A Stockholder entitled to vote may vote in person or by proxy executed in writing by the Stockholder or by his attorney-in-fact. If any Stockholder designates two or more persons to act as proxies, a majority of those present at the meeting, or if only one shall be present, then that one, shall have and may exercise all of the powers conferred by such Stockholder upon all of the persons so designated unless the Stockholder shall otherwise provide. A proxy shall not be valid after six (6) months from the date of its execution unless it is coupled with an interest, or unless a longer period is expressly stated in such proxy, which may not exceed seven (7) years from the date of its creation. Every proxy shall be revocable at the pleasure of the Stockholder executing it except as may be otherwise provided in the Nevada Revised Statutes.

Section 3.12 Election Judges. The Board of Directors, or if the Board shall not have made the appointment, the chairman presiding at any meeting of Stockholders, shall appoint two or more persons to act as election judges to receive, canvass, certify and report the votes cast by the Stockholders at such meeting; but no candidate for the office of Director shall be appointed as an election judge at any meeting for the election of Directors.

Section 3.13 Chairman of Meeting. The Chairman of the Board shall preside at all meetings of the Stockholders; and, in the absence of the Chairman of the Board, the President shall serve as chairman of the meeting.

Section 3.14 Secretary of Meeting. The Secretary of the corporation shall act as secretary of all meetings of the Stockholders; and, in his absence, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 3.15 Action by Consent of Stockholders. Any action required or permitted to be taken at a meeting of the Stockholders may be taken without a meeting if a written consent setting forth the action shall be signed by Stockholders holding at least a majority of the voting power, unless a greater vote is required (i) under the corporation's articles of incorporation, (ii) under the corporation's certificate of rights, preferences and privileges filed in accordance with the laws of the State of Nevada, or (iii) under Nevada law, in which event, such greater proportion of written consent shall be required. Any such consent shall be filed with the Secretary of the corporation and shall have the same force and effect as a unanimous vote of the Stockholders.

ARTICLE FOUR DIRECTORS

Section 4.1 Management of Business. Subject to these By-laws, the full and entire management of the affairs and business of the corporation shall be vested in the Board of Directors which shall have and which may exercise all of the powers that may be exercised or performed by the corporation.

Section 4.2 Number, Qualification and Term of Office. The business and affairs of the corporation shall be managed by a Board of Directors which shall consist of six (6) members. Each member of the Board of Directors of the corporation shall be elected as provided in Section 3.8 of these By-laws. None of the Directors need be a resident of the State of Nevada or hold shares of stock in the corporation. The Directors shall be elected at an annual or special meeting of the Stockholders. Each Director shall have a term of office of one year and until his successor shall have been elected and qualified, or until a director's earlier resignation or removal.

Section 4.3 Vacancies.

A. When Vacancies Occur. Vacancies in the Board of Directors shall exist in the case of happening of any of the following events: (1) the death, resignation or removal of any Directors; (2) a declaration of vacancy by the Board of Directors as provided in Paragraph B below; (3) the authorized number of Directors is increased by amendment of these By-laws; or (4) at any meeting of Stockholders at which the Directors are elected, the Stockholders fail to elect the full authorized number of Directors to be voted for at that meeting. A reduction of the authorized number of Directors does not remove any Director prior to the expiration of his term in office. One or more vacancies on the Board of Directors shall not impair the authority of the remaining Directors to act on behalf of the corporation.

B. Declaration of Vacancy. The Board of Directors may declare vacant the office of any Director in either of the following cases: (1) if he is declared of unsound mind by an appropriate court order or convicted of a felony; or (2) if within sixty (60) days after notice of his election he does not accept the office either in writing or by attending a meeting of the Board of Directors.

C. Filling Vacancies. Unless the Articles of Incorporation or a provision of these By-laws approved by the Stockholders provides otherwise, if a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of Directors, the Board of Directors may fill the vacancy. If the Directors remaining in office do not constitute a quorum of the Board, the Directors may fill the vacancy by affirmative vote of a majority of all the Directors remaining in office. Such appointment by the Stockholders or Directors shall continue until the expiration of the term of the Director whose place has become vacant.

Section 4.4 Board Nominations. Nominations for election to the Board of Directors must be made by the Board of Directors or by a committee appointed by the Board of Directors for such purpose or by any Stockholder of any outstanding class of capital stock of the corporation entitled to vote for the election of directors. Nominations by Stockholders must be preceded by notification in writing received by the Secretary of the corporation not less than one hundred twenty (120) days prior to any meeting of Stockholders called for the election of directors. Such notification shall contain the written consent of each proposed nominee to serve as a director if so elected and the following information as to each proposed nominee and as to each person, acting alone or in conjunction with one or more other persons as a partnership, limited partnership, syndicate or other group, who participates or is expected to participate in making such nomination or in organizing, directing or financing such nomination or solicitation of proxies to vote for the nominee:

- (a) the name, age, residence, address, and business address of each proposed nominee and of each such person;
 - (b) the principal occupation or employment, the name, type of business and address of the corporation or other organization in which such employment is carried on of each proposed nominee and of each such person;
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- (c) the amount of stock of the corporation owned beneficially, either directly or indirectly, by each proposed nominee and each such person; and
- (d) a description of any arrangement or understanding of each proposed nominee and of each such person with each other or any other person regarding future employment or any future transaction to which the corporation will or may be a party.

The presiding officer of the meeting shall have the authority to determine and declare to the meeting that a nomination not preceded by notification made in accordance with the foregoing procedure shall be disregarded. Notwithstanding the foregoing provisions of this Section 4.4, a Stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder with respect to the matters set forth in this Section 4.4.

Section 4.5 Compensation. For their services as Directors, the Directors may receive a fixed sum salary and reimbursement of expenses of attendance at each meeting of the Board as approved by the Stockholders or Board of Directors from time to time. A Director may serve the corporation in a capacity other than that of Director and receive compensation for the services rendered in such other capacity.

ARTICLE FIVE DIRECTORS' MEETINGS

Section 5.1 Place of Meetings. The meetings of the Board of Directors may be held at the registered office of the corporation or at any place, within or without the State of Nevada, which a majority of the Board of Directors may, from time to time, designate.

Section 5.2 Annual Meeting. The Board of Directors shall meet each year immediately following the annual meeting of the Stockholders at the place such Stockholders' meeting was held or at such other time, date and place as a majority of the Board of Directors may designate. At such annual meeting, Officers shall be elected and such other business may be transacted which is within the powers of the Directors. Notice of the annual meeting of the Board of Directors need not be given.

Section 5.3 Regular Meetings.

A. When Regular Meetings Held. Regular meetings of the Board of Directors (which includes the annual meeting) shall be held not less than every three (3) months.

B. Call of Regular Meetings. All regular meetings of the Board of Directors of the corporation shall be called by the Chairman of the Board or by the President.

C. Notice of Regular Meetings. Written notice of the time and place of the regular meetings of the Board of Directors shall be delivered personally to each Director or sent to each Director by mail or by other form of written communication (including facsimile transmission) at least two (2) business days before the meeting.

Section 5.4 Special Meetings.

A. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board or by any two Directors.

B. Notice of Special Meeting. Written notice of the time and place of special meetings of the Board of Directors shall be delivered personally to each Director or sent to each Director by mail or by other form of written communication (including by email or facsimile transmission) at least twenty-four (24) hours before the meeting.

Section 5.5 Waiver of Notice. A Director may waive in writing notice of a special meeting of the Board, either before or after the meeting, and his waiver shall be deemed the equivalent of giving notice. Attendance of a Director at a meeting shall constitute a waiver of notice of that meeting unless he attends for the express purpose of objecting to the transaction of business on the grounds that the meeting has not been lawfully called or convened.

Section 5.6 Purpose of Meeting. Neither the business to be transacted at a regular or special meeting, nor the purpose of such meeting, need be specified in the notice or waiver of notice of such meeting.

Section 5.7 Presence by Telephone. Members of the Board of Directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar communications equipment by which all Directors participating in the

meeting can hear each other, and participation in a meeting pursuant to this Section 5.7 shall constitute presence in person at such meeting.

Section 5.8 Quorum. At meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business. Only when a quorum is present may the Board of Directors continue to do business at any such meeting. If a quorum is present, the acts of a majority of Directors in attendance shall be the acts of the Board.

Section 5.9 Adjournment. A meeting of the Board of Directors may be adjourned. Notice of the time and the place of the adjourned meeting and of the business to be transacted thereat, other than by announcement at the meeting at which the adjournment is taken, shall not be necessary. At an adjourned meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting originally called.

Section 5.10 Manifestation of Dissent. A Director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 5.11 Action by Consent. If all of the Directors, severally or collectively, consent in writing to any action taken or to be taken by the corporation and the writing or writings evidencing their consent are filed with the Secretary of the corporation, the action shall be as valid as though it had been authorized at a meeting of the Board of Directors.

Section 5.12 Committees. The Board of Directors may from time to time, by majority resolution of the full Board of Directors, appoint from among its members such Committees as the Board may determine. The members of the Executive Committee, if there is one, may also include the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and such other persons designated by the Board of Directors. If an Executive Committee is formed, such Committee shall, during the interval between meetings of the Board, advise and aid the Officers of the corporation in all matters in the corporation's interest and the management of its business and generally perform such duties and exercise such powers as may be directed or delegated by the Board of Directors from time to time. The Board may delegate to the Executive Committee authority to exercise all powers of the Board, excepting powers which may not be delegated to such Committee under Nevada law, while the Board is not in session. Vacancies in the membership of any Committee which shall be so appointed by the Board of Directors shall be filled by the Board of Directors at a regular meeting or at a special meeting called for that purpose. All committees shall keep regular minutes of their proceedings and report the same to the full Board when requested or required.

ARTICLE SIX OFFICERS

Section 6.1 Officers. The Officers of the corporation shall consist of those Officers, if any, as the Board of Directors shall designate from time to time. Upon such action by the Board of Directors, the officers of the corporation shall include a President, Secretary and Treasurer and may also include a Chairman of the Board, a Vice Chairman of the Board, a Vice President or Vice Presidents, and Assistants to the Vice President, Secretary or Treasurer. The Officers shall be elected by and shall serve at the pleasure of the Board of Directors. The same individual may simultaneously hold more than one office in the corporation. The Board of Directors may designate one or more of the officers with the additional titles of Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Technology Officer, Managing Director or similar title. The officers so designated shall have those duties incident to the respective designations, in addition to the duties set forth herein.

Section 6.2 Duties of Officers. All Officers of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as hereinafter provided in these By-laws or as may be determined by action of the Board of Directors to the extent not inconsistent with these By-laws.

Section 6.3 Chairman of the Board. The Chairman of the Board shall be a member of the Board of Directors. He shall, when present, preside at all meetings of the Board of Directors. He may execute any deeds, mortgages, bonds or other contracts pursuant to authority (which may be general authority) from the Board of Directors, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these By-laws to some other officer or agent of the corporation or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of Chairman of the Board and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6.4 Vice Chairman of the Board. The Vice Chairman of the Board, if there is one, shall serve in the place of the Chairman of the Board in the absence of the Chairman. The Vice Chairman of the Board shall perform such other duties as may be prescribed by the Board of Directors from time to time.

Section 6.5 President. The President shall have the responsibility for the general supervision of the day-to-day business affairs of the corporation. He shall be responsible for the day-to-day administration of the corporation, including general supervision of the implementation of the policies of the corporation, general and active management of the financial affairs of the corporation and may execute certificates for shares of the corporation, deeds, mortgages, bonds or other contracts under the seal of the corporation pursuant to authority (which may be general authority) from the Board of Directors except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these By-laws to some other officer or agent of the corporation or shall be required by law to be otherwise signed or executed. He shall preside at all meetings of the Directors and Stockholders (except when there is a separately elected Chairman of the Board) and shall discharge the duties of a presiding officer. He shall present at each annual meeting of the Stockholders a report of the business of the corporation for the preceding fiscal year. The President shall also perform whatever other duties the Board of Directors may from time to time prescribe.

Section 6.6 Vice Presidents. The Vice President or Vice Presidents shall perform such duties and have such powers as the Chairman of the Board or the Board of Directors may from time to time prescribe. The Board of Directors or the Chairman of the Board may designate the order of seniority of Vice Presidents, in the event there is more than one, and may designate one or more Vice Presidents as Senior Vice Presidents. The duties and powers of the President shall disburse first to the Senior Vice President or to the Vice Presidents in the order of seniority specified by the Board of Directors or the Chairman of the Board.

Section 6.7 Secretary. The Secretary shall (i) keep minutes of all meetings of the Stockholders and Directors, (ii) have charge of the minute books, stock books and seal of the corporation, and (iii) perform such other duties and have such other powers as may, from time to time, be delegated to him by the Board of Directors or Chairman of the Board.

Section 6.8 Treasurer. The Treasurer shall:

- (1) Funds - Custody and Deposit. Have charge and custody of, and be responsible for, all funds and securities of the corporation and shall deposit all such funds and other valuable effects in the name and to the credit of the corporation in such depositories as shall be authorized by the Board of Directors.
- (2) Funds - Receipt. Give receipts for all moneys due and payable to the corporation.
- (3) Funds - Disbursement. Disburse the funds of the corporation, keeping proper vouchers for such disbursements.
- (4) Maintain Accounts. Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares.
- (5) Other Duties. Perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors or Chairman of the Board.

Section 6.9 Assistant Vice Presidents, Assistant Secretary and Assistant Treasurer. Assistants to the Vice Presidents, Secretary and Treasurer may be appointed and shall have such duties as shall be delegated to them by the Board of Directors or Chairman of the Board.

Section 6.10 Delegation of Duties. In case of the absence of any Officer of the corporation, or for any other reason and for any duration that the Board of Directors may deem advisable, the Board of Directors may delegate the powers or duties, or any of them, of such Officer to any other Officer, or to any Director, provided a majority of the entire Board concurs therein.

Section 6.11 Removal of Officers. Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in the judgment of a majority of the members of the Board of Directors, the best interest of the corporation will be served thereby. The removal of any such Officer shall be without prejudice to the contract rights, if any, of the person so removed; however, the election or appointment of an Officer shall not in and of itself create any contract rights.

Section 6.12 Vacancies. When a vacancy occurs in one of the executive offices by death, resignation or otherwise, it shall be filled by the Board of Directors. The Officer so elected shall hold office until his successor is chosen and qualified.

Section 6.13 Compensation. The Board of Directors shall prescribe or fix the salaries, bonuses, pensions, benefits under pension plans and profit sharing plans, stock option plans and all other plans, benefits and compensation to be paid or allowed to or in respect of (i) all Officers and any or all employees of the corporation, including Officers and employees who may also be Directors of the corporation and (ii) the Directors of the corporation, as such. Directors of the corporation shall not be disqualified from voting on their own or any other person's plan, benefit or compensation to be paid by the corporation merely because they or such other person is a Director or an Officer or an employee of the corporation. The Board of Directors may delegate these functions to any Officer not a Director except those determinations involving an Officer or Director.

ARTICLE SEVEN LIMITATIONS OF OWNERSHIP BY NON-CITIZENS

Section 7.1 For purposes of this Article VII, the following definitions shall apply:

- (a) "Act" shall mean Subtitle VII of Title 49 of the United States Code, as amended, or as the same may be amended from time to time.
- (b) "Beneficial Ownership", "Beneficially Owned" or "Owned Beneficially" refers to beneficial ownership as defined in Rule 13d-3 (without regard to the 60-day provision in paragraph (d)(1)(i) thereof) under the Securities Exchange Act of 1934, as amended.
- (c) "Foreign Stock Record" shall have the meaning set forth in Section 7.3.
- (d) "Non-Citizen" shall mean any person or entity who is not a "citizen of the United States" (as defined in Section 40102 of the Act and administrative interpretations issued by the Department of Transportation, its predecessors and successors, from time to time), including any agent, trustee or representative of a Non-Citizen.
- (e) "Own or Control" or "Owned or Controlled" shall mean (i) ownership of record, (ii) beneficial ownership or (iii) the power to direct, by agreement, agency or in any other manner, the voting of Stock. Any determination by the Board of Directors as to whether Stock is Owned or Controlled by a Non-Citizen shall be final.
- (f) "Permitted Percentage" shall mean 25% of the voting power of the Stock.
- (g) "Stock" shall mean the outstanding capital stock of the corporation entitled to vote; provided, however, that for the purpose of determining the voting power of Stock that shall at any time constitute the Permitted Percentage, the voting power of Stock outstanding shall not be adjusted downward solely because shares of Stock may not be entitled to vote by reason of any provision of this Article VII.

Section 7.2 It is the policy of the corporation that, consistent with the requirements of the Act, Non-Citizens shall not Own and/or Control more than the Permitted Percentage and, if Non-Citizens nonetheless at any time Own and/or Control more than the Permitted Percentage, the voting rights of the Stock in excess of the Permitted Percentage shall be suspended automatically in accordance with Sections 7.3 and 7.4 below.

Section 7.3 The corporation or any transfer agent designated by it shall maintain a separate stock record (the "Foreign Stock Record") in which shall be registered Stock known to the corporation to be Owned and/or Controlled by Non-Citizens. It shall be the duty of each Stockholder to register his, her or its Stock if such Stockholder is a Non-Citizen. The Foreign Stock Record shall include (i) the name and nationality of each such Non-Citizen and (ii) the date of registration of such shares in the Foreign Stock Record. In no event shall shares in excess of the Permitted Percentage be entered on the Foreign Stock Record. In the event the corporation shall determine that Stock registered on the Foreign Stock Record exceeds the Permitted Percentage, sufficient shares shall be removed from the Foreign Stock Record so that the number of shares therein does not exceed the Permitted Percentage. Stock shall be removed from the Foreign Stock Record in reverse chronological order based upon the date of registration thereon.

Section 7.4 If at any time the number of shares of Stock known to the corporation to be Owned and/or Controlled by Non-Citizens exceeds the Permitted Percentage, the voting rights of Stock Owned and/or Controlled by Non-Citizens and not registered on the Foreign Stock Record at the time of any action of the Stockholders of the corporation shall, without further action by the corporation, be suspended. Such suspension of voting rights shall automatically terminate upon the earlier of the (i) transfer of such shares to a person or entity who is not a Non-Citizen, or (ii) registration of such shares on the Foreign Stock Record, subject to the last two sentences of Section 7.3.

Section 7.5

- A. The corporation by notice in writing (which may be included in the form of proxy or ballot distributed to Stockholders in connection with the annual meeting or any special meeting of the Stockholders of the

corporation, or otherwise) may require a person that is a holder of record of Stock or that the corporation knows to have, or has reasonable cause to believe has, Beneficial Ownership of Stock to certify in such manner as the corporation shall deem appropriate (including by way of execution of any form of proxy or ballot of such person) that, to the knowledge of such person:

- (i) all Stock as to which such person has record ownership or Beneficial Ownership is Owned and Controlled only by citizens of the United States; or
- (ii) the number and class or series of Stock owned of record or Beneficially Owned by such person that is Owned and/or Controlled by Non-Citizens is as set forth in such certificate.

B. With respect to any Stock identified in response to clause A(ii) above, the corporation may require such person to provide such further information as the corporation may reasonably require in order to implement the provisions of this Article VII.

C. For purposes of applying the provisions of this Article VII with respect to any Stock, in the event of the failure of any person to provide the certificate or other information to which the corporation is entitled pursuant to this Section 7.5, the corporation shall presume that the Stock in question is Owned and/or Controlled by Non-Citizens.

ARTICLE EIGHT SEAL

Section 8.1 Seal. The seal of the corporation shall be in such form as the Board of Directors may, from time to time, determine. In the event it is inconvenient to use such a seal at any time, the signature of the corporation followed by the words "Corporate Seal" enclosed in parentheses or scroll shall be deemed the seal of the corporation. The seal shall be in the custody of the Secretary and affixed by him or any Assistant Secretary on the certificates of stock and such other papers as may be directed by law, by these By-laws or by the Chairman of the Board, President or Board of Directors.

ARTICLE NINE AMENDMENTS

Section 9.1 Amendments. These By-laws may be amended at any meeting of the Board of Directors by the affirmative vote of a majority of the Directors except as otherwise provided herein or except as prohibited by law.

ARTICLE TEN INDEMNIFICATION

Section 10.1 Definitions. As used in this Article, the term:

A. "Corporation" means this corporation and includes any domestic or foreign predecessor entity of this Corporation in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

B. "Director" means an individual who is or was a Director of the Corporation or an individual who, while a Director of the corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. A Director is considered to be serving an employee benefit plan at the Corporation's request if his duties to the Corporation also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of the plan. "Director" includes, unless the context requires otherwise, the estate or personal representative of a Director.

C. "Expenses" includes attorneys' fees.

D. "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.

E. "Officer" means an individual who is or was an officer of the Corporation or an individual who, while an officer of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. An officer is considered to be serving an employee benefit plan at the Corporation's request if his duties to the Corporation also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of the plan. "Officer" includes, unless the context requires otherwise, the estate or personal representative of an officer.

F. "Party" includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

G. "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal but shall include an action or suit by or in the right of the corporation only if such action or suit is to procure a judgment in the corporation's favor.

Section 10.2 Basic Indemnification Arrangement.

A. Except as provided in subsections 10.2D and 10.2E below, the Corporation shall indemnify any Officer or Director in the event he is made a party to a proceeding because he is or was a director or officer against liability incurred by him in the proceeding if he acted in good faith and in a manner he believed to be in or not opposed to the best interests of the Corporation and, in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

B. An Officer's or Director's conduct with respect to an employee benefit plan for a purpose he believed in good faith to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirement of subsection 10.2A.

C. The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, be determinative that any Officer or Director did not meet the standard of conduct set forth in subsection 10.2A.

D. The Corporation shall not indemnify any Officer or Director under this Article in connection with a proceeding by or in the right of the Corporation in which such Officer or Director was adjudged liable to the Corporation, unless and only to the extent the court in which the proceeding was brought or other court of competent jurisdiction determines upon application that in view of all circumstances of the case, the Officer or Director is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

E. Indemnification permitted under this Article in connection with a proceeding is limited to liability and expenses actually and reasonably incurred in connection with the proceeding.

Section 10.3 Advances for Expenses.

A. The Corporation shall pay for or reimburse the reasonable expenses incurred by an Officer or Director as a party to a proceeding in advance of final disposition of the proceeding if he furnishes the Corporation a written undertaking (meeting the qualifications set forth below in subsection 10.3B), executed personally or on his behalf, to repay any advances if it is ultimately determined that he is not entitled to any indemnification under this Article or otherwise.

B. The undertaking required by subsection 10.3A above must be an unlimited general obligation of such Officer or Director but need not be secured and may be accepted without reference to financial ability to make repayment.

Section 10.4 Authorization of and Determination of Entitlement to Indemnification.

A. The Corporation shall not indemnify any Officer or Director under Section 10.2 unless a separate determination has been made in the specific case that indemnification of such Officer or Director is permissible in the circumstances because he has met the standard of conduct set forth in subsection 10.2A or unless ordered by a court or advanced pursuant to Subsection 10.3; provided, however, that regardless of the result or absence of any such determination, to the extent that such Officer or Director has been successful, on the merits or otherwise, in the defense of any proceeding to which he was a party, or in defense of any claim, issue or matter therein, because he is or was a Director or Officer, the corporation shall indemnify such Officer or Director against liability incurred by him in connection therewith.

B. The determination referred to in subsection 10.4A above shall be made, at the election of the Board of Directors:

1. By the Board of Directors of the Corporation by majority vote of a quorum consisting of Directors not at the time parties to the proceeding;
 2. By special independent legal counsel:
-

(a) selected by the Board of Directors in the manner prescribed in subparagraph 1 immediately above; or

(b) if a quorum of the Board of Directors cannot be obtained under subparagraph 1 immediately above, selected by a majority vote of the full Board of Directors (in which selection Directors who are parties may participate); or

3. By the Stockholders provided that shares owned by or voted under the control of Directors or Officers who are at the time parties to the proceeding may not be voted on the determination.

C. Evaluation as to reasonableness of expenses of an Officer or Director in the specific case shall be made in the same manner as the determination that indemnification is permissible, as described in subsection 10.4B above, except that if the determination is made by special legal counsel, evaluation as to reasonableness of expenses shall be made by those entitled under subsection 10.4B2 to select counsel.

Section 10.5 Limitations on Indemnification of Officers and Directors. Nothing in this Article shall require or permit indemnification of an Officer or Director for any liability if a final adjudication establishes that his acts or omissions involved intentional misconduct, fraud or a knowing violation of law and was material to the cause of action.

Section 10.6 Witness Fees. Nothing in this Article shall limit the Corporation's power to pay or reimburse expenses incurred by an Officer or Director in connection with his appearance as a witness in a proceeding at a time when he has not been made a named defendant or respondent in the proceeding.

Section 10.7 Non-exclusivity, Etc. The rights of an Officer or Director hereunder shall be in addition to any other rights with respect to indemnification, advancement of expenses or otherwise that such Officer or Director may have under the Corporation's By-laws or the Nevada Revised Statutes or otherwise.

Section 10.8 Intent. It is the intention of this Corporation that this Article of the By-laws of this Corporation and the indemnification hereunder shall extend to the maximum indemnification possible under the laws of the State of Nevada and if one or more words, phrases, clauses, sentences or sections of this Article should be held unenforceable for any reason, all of the remaining portions of this Article shall remain in full force and effect.

ARTICLE ELEVEN DEALINGS

Section 11.1 Related Transactions. No contract or other transaction between this corporation and any other firm, association or corporation shall be affected or invalidated by the fact that any of the members of the Board of Directors of this corporation are interested in or are members, Stockholders, governors or directors of such firm, association or corporation; and no contract, act or transaction of this corporation with any individual firm, association or corporation shall be affected or invalidated by the fact that any of the members of the Board of Directors of this corporation are parties to or interested in such contract, act or transaction or are in any way connected with such individual, firm, association or corporation. Each and every individual who may become a member of the Board of Directors of this corporation is hereby relieved from any liability that might otherwise exist from contracting with this corporation for the benefit of himself or herself or any firm, association or corporation in which he or she may in any way be interested. Notwithstanding the above, the provisions of this Section 11.1 shall be applicable only in the absence of fraud and only where the interest in such transaction of an interested party has been disclosed and the interested party, if a Director, has abstained from a vote thereon.

ARTICLE TWELVE DIVIDENDS AND RESERVES

Section 12.1 Dividends. The Board of Directors of the corporation may from time to time declare, and in such event the corporation shall pay, dividends on the corporation's outstanding shares in cash, property or the corporation's own shares, except when the corporation is insolvent or when the declaration or payment thereof would be contrary to any restrictions contained in the Articles of Incorporation or any applicable law, subject to the following:

A. Dividends may be declared and paid in the corporation's own shares out of any treasury shares that have been reacquired by the corporation.

B. Dividends may be declared and paid in the corporation's own authorized but unissued shares, provided that such shares shall be issued at not less than the par value thereof and there shall be transferred to stated capital at the time such dividend is paid an amount at least equal to the aggregate par value of the shares to be issued as a dividend.

C. The corporation shall have the use of any cash or property declared as a dividend that is unclaimed until the time it escheats to the applicable jurisdiction. Any stock declared as a dividend or unclaimed shall be voted by the Board of Directors.

Section 12.2 Reserves. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Directors, from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies or for equalizing dividends or for repairing or maintaining any property of the corporation or for such other purpose as the Directors shall think conducive to the interest of the corporation, and the Directors may modify or abolish any such reserve in the manner by which it was created.

ARTICLE THIRTEEN CORPORATE BOOKS AND RECORDS

Section 13.1 Minutes of Corporate Meetings. The corporation shall keep at its principal office, or such other place as the Board of Directors may order, a book of minutes of all meetings of its Directors and of its Stockholders, with the time and place of holding, whether annual, regular or special, and, if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of shares present or represented at Stockholders' meetings and the proceedings thereof.

Section 13.2 Share Register. The corporation shall keep at the principal office, or at the office of the transfer agent, a share register showing the names of the Stockholders and their addresses, the number of shares held by each and the number and date of cancellation of every certificate surrendered for cancellation. The above specified information may be kept by the corporation on punch cards, magnetic tape or other information storage device related to electronic data processing equipment provided that such card, tape or other equipment is capable of reproducing the information in clearly legible form.

ARTICLE FOURTEEN GENERAL PROVISIONS

Section 14.1 Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

Section 14.2 Authority for Execution of Contracts and Instruments. The Board of Directors, except as otherwise provided in these By-laws, may authorize any Officer or Officers, agent or agents to enter into any contract or execute and delivery any instrument in the name and on behalf of the corporation, and such authority may be general or confined to specified instances; and, unless so authorized, no Officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

Section 14.3 Signing of Checks, Drafts, Etc. All checks, drafts or other order for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board of Directors.

AS ADOPTED BY THE DIRECTORS OF THE CORPORATION ON MAY 1, 2006.

AS AMENDED BY THE BOARD OF DIRECTORS OF THE CORPORATION ON OCTOBER 17, 2007.

AS AMENDED BY THE BOARD OF DIRECTORS OF THE CORPORATION ON APRIL 24, 2008.

AS AMENDED BY THE BOARD OF DIRECTORS OF THE CORPORATION ON OCTOBER 16, 2009.

AS AMENDED BY THE BOARD OF DIRECTORS OF THE CORPORATION ON JANUARY 28, 2013.

AS AMENDED BY THE BOARD OF DIRECTORS OF THE CORPORATION ON FEBRUARY 17, 2015.

*Confidential treatment has been requested for portions of this document. This copy of the document filed as an Exhibit omits the confidential information subject to the confidentiality request. Omissions are designated by the symbol [...***...]. A complete version of this document has been filed separately with the Securities and Exchange Commission.*

A320 Aircraft

P U R C H A S E A G R E E M E N T

B E T W E E N

A I R B U S S.A.S.

as Seller

A N D

ALLEGiant AIR, LLC

as Buyer

Execution Version

Date : July 26, 2016

Reference : CT1107608

CT1107608 Page 1

CONFIDENTIAL

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A320 PURCHASE AGREEMENT

This A320 Purchase Agreement (the "**Agreement**") is made July 26, 2016

BETWEEN:

AIRBUS S.A.S., a société par actions simplifiée, created and existing under French law having its registered office at 1 Rond-Point Maurice Bellonte, 31707 Blagnac-Cedex, France and registered with the Toulouse Registre du Commerce under number RCS Toulouse 383 474 814 (the "**Seller**"),

and

ALLEGiant AIR, LLC a company created and existing under the laws of the state of Nevada having its principal place of business at 1201 North Town Center Drive, Las Vegas, Nevada 89144, (the "**Buyer**").

WHEREAS subject to the terms and conditions of this Agreement, the Seller desires to sell the Aircraft to the Buyer and the Buyer desires to purchase the Aircraft from the Seller.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided, terms defined in this Agreement shall have the meaning so assigned to them and the following terms will have the following meanings:

A320 Aircraft - any or all of the twelve (12) A320 aircraft to be sold by the Seller and purchased by the Buyer pursuant to this Agreement, including the Airframe and all components, equipment, parts and accessories installed in or on such aircraft and the Propulsion Systems installed thereon upon Delivery.

A320 Propulsion Systems – as defined in Clause 2.3.

Affiliate - with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person or entity.

AirbusWorld - as defined in in Clause 14.10.1.

Aircraft – any or all of the A320 Aircraft.

Aircraft Price Revision Formula - the price revision formula set forth in Exhibit C.

Aircraft Training Services - all flight support services including but not limited to any and all training courses, flight training, flight assistance, line training, line assistance and more generally all flights of any kind performed by the Seller, its agents, employees or subcontractors, and maintenance support, maintenance training (including Practical Training), training support of any kind performed on aircraft and provided to the Buyer pursuant to this Agreement.

Airframe - any A320 Aircraft, excluding the Propulsion Systems therefor.

AACS - Airbus Americas Customer Services, Inc., a corporation organized and existing under the laws of Delaware, having its registered office located at 2550 Wasser Terrace, Suite 9100, Herndon, VA 20171, or any successor thereto.

ATA Specification - recommended specifications developed by the Air Transport Association of America reflecting consensus in the commercial Aviation industry on accepted means of communicating information, conducting business, performing operations and adhering to accepted practices.

Aviation Authority - when used with respect to any jurisdiction, the government entity that, under the laws of such jurisdiction, has control over civil aviation or the registration, airworthiness or operation of civil aircraft in such jurisdiction.

Balance of the Final Price - as defined in Clause 5.4.

Base Price – for any Aircraft, Airframe, SCN, Propulsion Systems, or Sharklets, as defined in Clause 3.1.

Business Day - with respect to any action to be taken hereunder, a day other than a Saturday, Sunday or other day designated as a holiday in the jurisdiction in which such action is required to be taken.

Buyer Furnished Equipment (BFE) - as defined in Clause 18.1.1.1.

CFM – as defined in Clause 2.3

Certificate of Acceptance - as defined in Clause 8.3.

Commitment Fee - the commitment fee amounts described in Clause 5.2.

Contractual Definition Freeze or CDF - as defined in 2.4.2.

Customization Milestones Chart - as defined in 2.4.1.

Declaration of Design and Performance or DDP - the documentation provided by an equipment manufacturer guaranteeing that the corresponding equipment meets the requirements of the Specification, the interface documentation as well as all the relevant certification requirements.

Delivery – with respect to any Aircraft, the transfer of title to the Aircraft from the Seller to the Buyer in accordance with Clause 9.

Delivery Date – with respect to any Aircraft, the date on which Delivery occurs.

[...***...].

Development Changes - as defined in Clause 2.2.2.

EASA - European Aviation Safety Agency or any successor thereto.

End-User License Agreement for Airbus Software – means the end-user license agreement in Appendix 1 to the agreement for AIRMAN-web executed between the Buyer and AACS on April 4, 2016 and April 8, 2016, respectively.

Excusable Delay - as defined in Clause 10.1.

Export Certificate of Airworthiness - an export certificate of airworthiness issued by the Aviation Authority of the Delivery Location.

FAA - the U.S. Federal Aviation Administration, or any successor thereto.

Final Price - as defined in Clause 3.2.

Goods and Services - any goods, excluding Aircraft, and services that may be purchased by the Buyer from the Seller or its designee.

Inexcusable Delay - as defined in Clause 11.1.

LIBOR - means, for any period, the rate per annum equal to the quotation that appears on the LIBOR01 page of the Reuters screen (or such other page as may replace the LIBOR01 page) or if such service is not available, the British Bankers' Association LIBOR rates on Bloomberg (or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. dollar deposits) as of 11:00 a.m., London time, two (2) Business Days prior to the beginning of such period as the rate for [...***...].

Manufacture Facilities - means the various manufacture facilities of the Seller, its Affiliates or any subcontractor, where the Airframe or its parts are manufactured or assembled.

Manufacturer Specification Change Notice (MSCN) -as defined in Clause 2.2.2.1.

Material – has the meaning as defined in Clause 1.2 of Exhibit H.

Option Catalogues – as defined in Clause 2.4.1.

Predelivery Payment - any of the payments determined in accordance with Clause 5.3.

Predelivery Payment Reference Price - as defined in Clause 5.3.2.

Propulsion Systems – the A320 Propulsion Systems.

Propulsion Systems Manufacturer - means the manufacturer of the Propulsion Systems as set out in Clause 2.3.

Propulsion Systems Price Revision Formula : - the price revision formula set forth in Exhibit C-2

Propulsion System Reference Price – as defined in Clause 3.1.2.

Ready for Delivery – with respect to any Aircraft, the time when (i) the Technical Acceptance Process has been successfully completed in accordance with Clause 8 and (ii) all technical conditions required for the issuance of the Export Certificate of Airworthiness have been satisfied.

Scheduled Delivery Month - as defined in Clause 9.1.

Seller Price Revision Formula – the price revision formula set forth in Exhibit C-1.

Seller's Representatives - the representatives of the Seller as defined in Clause 15.

Seller Service Life Policy - as set forth in Clause 12.2.

Sharklets - means a large wingtip device designed to enhance the eco-efficiency and payload range performance of the A320 family aircraft, and which are fitted on the Aircraft.

Spare Parts – the items of equipment and material that may be provided pursuant to Exhibit H.

Specification – either (a) the Standard Specification if no SCNs are applicable or (b) if SCNs are issued, the Standard Specification as amended by all applicable SCNs.

Specification Change Notice (SCN) - as defined in Clause 2.2.1.

Standard Specification - the A320 standard specification document number [...***...], published by the Seller, a copy of which is annexed as Exhibit A1.

Supplier - any supplier of Supplier Parts.

Supplier Part - as defined in 12.3.1.2.

Supplier Product Support Agreement - as defined in 12.3.1.3.

Technical Data - as defined in Clause 14.1.

Termination Event - as defined in Clause 20.1.

Total Loss - as defined in Clause 10.4

Training Conference - as defined in Clause 16.1.3.

Type Certificate - as defined in Clause 7.1

Warranted Part - as defined in Clause 12.1.1.

The definition of a singular in this Clause 0 will apply to plurals of the same words.

Except where otherwise provided in this Agreement, references in this Agreement to an exhibit, schedule, article, section, subsection or clause refer to the appropriate exhibit or schedule to, or article, section, subsection or clause in this Agreement.

Each agreement defined in this Clause 0 will include all appendixes, exhibits and schedules thereto. If the prior written consent of any person is required hereunder for an amendment, restatement, supplement or other modification to any such agreement and the consent of each such person is obtained, references in this Agreement to such agreement shall be to such agreement as so amended, restated, supplemented or modified.

References in this Agreement to any statute will be to such statute as amended or modified and in effect at the time any such reference is operative.

The term “including” when used in this Agreement means “including without limitation” except when used in the computation of time periods.

Technical and trade terms not otherwise defined herein will have the meanings assigned to them as generally accepted in the aircraft manufacturing industry.

2. SALE AND PURCHASE

The Seller shall sell and deliver to the Buyer, and the Buyer shall purchase and take delivery of twelve (12) Aircraft from the Seller, subject to the terms and conditions contained in this Agreement.

3. SPECIFICATION

3.1 Aircraft Specification

The Aircraft shall be manufactured in accordance with the Standard Specification, as may already have been modified or varied prior to the date of this Agreement by the Specification Change Notices listed in Appendix 1 to Exhibit A.

3.2 Specification Amendment

The parties understand and agree that the Specification may be further amended following signature of this Agreement in accordance with the terms of this Clause 2.

3.2.1 Specification Change Notice

The Specification may be amended by written agreement between the parties in a Specification Change Notice (each, a “**Specification Change Notice**” or “**SCN**”). Each SCN shall be substantially in the form set out in Exhibit B1 and shall set out the SCN’s Aircraft embodiment rank and shall also set forth, in detail, the particular change to be made to the Specification and the effect, if any, of such change on design, performance, weight, Delivery Date of the Aircraft affected thereby and on the text of the Specification. An SCN may result in an adjustment of the Base Price of the Aircraft, which adjustment, if any, shall be specified in the SCN.

3.2.2 Development Changes

The Specification may also be amended to incorporate changes deemed necessary by the Seller to improve the Aircraft, prevent delays or ensure compliance with this Agreement (“**Development Changes**”), as set forth in this Clause 2.

3.2.2.1 Manufacturer Specification Changes Notices

The Specification may be amended by the Seller through a Manufacturer Specification Change Notice (each, a “**Manufacturer Specification Change Notice**” or “**MSCN**”), which shall be substantially in the form set out in Exhibit B2 hereto and shall set out the MSCN’s Aircraft embodiment rank as well as, in detail, the particular change to be made to the Specification and the effect, if any, of such change on performance, weight, Base Price of the Aircraft, Delivery Date of the Aircraft affected thereby and interchangeability or replaceability requirements under the Specification.

Except when the MSCN is necessitated by an Aviation Authority directive or by equipment obsolescence, in which case the MSCN shall be accomplished without requiring the Buyer’s consent, if the MSCN adversely affects the performance, weight, Base Price of the Aircraft, Delivery Date of the Aircraft affected thereby or the interchangeability or replaceability requirements under the Specification, the Seller shall notify the Buyer of a reasonable period of time during which the Buyer must accept or reject such MSCN. If the Buyer does not

notify the Seller of the rejection of the MSCN within such period, the MSCN shall be deemed accepted by the Buyer and the corresponding modification shall be accomplished [...***...].

- 2.2.2.2 In the event of the Seller revising the Specification to incorporate Development Changes which have no adverse effect on any of the elements as set forth in 2.2.2.1 above, such revision shall be performed by the Seller, [...***...], without the Buyer's consent.

In such cases, the Buyer shall have access to the details of such changes through the relevant application in AirbusWorld.

3.3 Propulsion Systems

Each Airframe shall be equipped with a set of two (2) CFM International Engines (" **CFM** ") CFM56-5B4/3 engines, the " **A320 Propulsion Systems** ".

3.4 Milestones

3.4.1 Customization Milestones Chart

The customization milestones chart attached hereto as Exhibit K (the " **Customization Milestones Chart** "), sets out how far in advance of the Scheduled Delivery Month of the Aircraft an SCN must be executed in order to integrate into the Specification any items requested by the Buyer from the Seller's catalogues of Specification change options (the " **Option Catalogues** ").

3.4.2 Contractual Definition Freeze

The Customization Milestones Chart shall in particular define the date(s) by which the contractual definition of the Aircraft must be finalized and all SCNs need to have been executed by the Buyer (the " **Contractual Definition Freeze** " or " **CDF** ") in order to enable their incorporation into the manufacturing of the Aircraft and Delivery of the Aircraft in the Scheduled Delivery Month. Each such date shall be referred to as a " **CDF Date** ".

4. PRICES

4.1 Base Price of the Aircraft

The Base Price of each Aircraft is the sum of:

- (i) the Base Price of the Airframe and
- (ii) the Base Price of the Propulsion Systems.

4.1.2 Base Price of the Airframe

The Base Price of the Airframe is the sum of the following base prices:

- (i) the base price of the Airframe as defined in the Standard Specification (excluding Buyer Furnished Equipment), including nacelles and thrust reversers, is:

[...***...]

and

- (ii) the sum of the Base Prices of any and all SCNs set forth in Appendix 1 to Exhibit A, at delivery conditions prevailing in [...***...],

[...***...]

and

- (iii) the base price of the Sharklets, which is:

[...***...]

The Base Price of the Airframe has been established in accordance with the average economic conditions prevailing in [...***...] and corresponding to a theoretical delivery in [...***...] (the “**Base Period**”).

4.1.3 Base Price of the Propulsion Systems

The Base Price of a set of the A320 Propulsion Systems, is:

[...***...]

Said Base Price has been established in accordance with the delivery conditions prevailing in [...***...] and has been calculated from the reference price indicated by the Propulsion System Manufacturer (the “**Propulsion Systems Reference Price**”) of [...***...].

4.2 Final Price of the Aircraft

The Final Price of each Aircraft shall be the sum of:

- (i) the Base Price of the Airframe, as adjusted to the applicable Delivery Date of such Aircraft in accordance with Clause 4.1; plus
- (ii) the aggregate of all increases or decreases to the Base Price of the Airframe as agreed in any Specification Change Notice or part thereof applicable to the Airframe subsequent to the date of this Agreement as adjusted to the Delivery Date in accordance with Clause 4.1; plus
- (iii) the Propulsion Systems Reference Price as adjusted to the Delivery Date of such Aircraft in accordance with Clause 4.2; plus
- (iv) the aggregate of all increases or decreases to the Propulsion Systems Reference Price as agreed in any Specification Change Notice or part thereof applicable to the Propulsion Systems subsequent to the date of this Agreement as adjusted to the Delivery Date in accordance with Clause 4.2; plus
- (v) any other amount due by the Buyer to the Seller pursuant to this Agreement and/or any other written agreement between the Buyer and the Seller relating to the Aircraft.

5. PRICE REVISION

5.1 Seller Price Revision Formula

The Base Prices of the Airframe and of the SCNs relating to the Airframe are subject to revision up to and including the Delivery Date in accordance with the Seller Price Revision Formula.

5.2 Propulsion Systems Price Revision

5.2.1 The Propulsion Systems Reference Price is subject to revision up to and including the Delivery Date in accordance with the Propulsion Systems Price Revision Formula.

5.2.2 The Propulsion Systems Reference Price, the prices of any related equipment, the Propulsion Systems designation(s) and the Propulsion Systems Price Revision Formula are based on information received from the Propulsions Systems Manufacturer and are subject to amendment by the Propulsion Systems Manufacturer at any time prior to Delivery. If the Propulsion Systems Manufacturer makes any such amendment, the amendment shall be deemed to be incorporated into this Agreement and the Propulsion Systems Reference Price, the prices of the related equipment, the Propulsion Systems designation(s) and the Propulsion Systems Price Revision Formula shall be adjusted accordingly. The Seller agrees to notify the Buyer as soon as the Seller receives notice of any such amendment from the Propulsion Systems Manufacturer.

6. PAYMENT TERMS

6.1 Seller's Account

The Buyer shall pay the Predelivery Payments, the Balance of the Final Price and any other amount due by the Buyer in immediately available funds in United States dollars to:

Beneficiary Name: AIRBUS SAS
account identification:[...***...]
with:
[...***...]

or to such other account as may be designated by the Seller.

6.2 Commitment Fee

The Seller acknowledges that it has received from the Buyer a non-refundable commitment fee of [...***...] for each Aircraft (the “ **Commitment Fee** ”). An amount equal to the Commitment Fee paid with respect to an Aircraft shall be credited without interest against the first Predelivery Payment for such Aircraft.

6.3 Predelivery Payments

6.3.1 Predelivery Payments are nonrefundable (although amounts equal to Predelivery Payments may be [...***...] paid to the Buyer pursuant to [...***...]) and shall be paid by the Buyer to the Seller for the Aircraft.

6.3.2 The Predelivery Payment Reference Price for an Aircraft to be delivered in calendar year T is determined in accordance with the following formula:

[...***...]

6.3.3 [...***...]

Payment Date

[...***...]

[...***...]

Percentage of Predelivery
Payment
Reference Price
[...***...]

[...***...]

[...***...]

[...***...]

TOTAL PAYMENT PRIOR TO DELIVERY

[...***...]

In the event of the above schedule resulting in any Predelivery Payment falling due prior to the date of signature of the Agreement, such Predelivery Payments shall be made upon signature of this Agreement.

6.3.4 [...***...]. The Seller shall be under no obligation to segregate any Predelivery Payment, or any amount equal thereto, from the Seller's funds generally.

6.3.5 Specification Change Notice Predelivery Payments

[...***...]

(i) [...***...]

(ii) [...***...]

6.4 Payment of Balance of the Final Price of the Aircraft

Before the Delivery Date or concurrent with the Delivery of each Aircraft, the Buyer shall pay to the Seller the Final Price of such Aircraft less the amount of Predelivery Payments received for such Aircraft by the Seller (the “ **Balance of the Final Price**”).

The Seller's receipt of the full amount of all Predelivery Payments and of the Balance of the Final Price of the Aircraft, including any amounts due under Clause 5.8, are a condition precedent to the Seller's obligation to deliver such Aircraft to the Buyer.

6.5 Taxes

6.5.1 [...***...]

6.5.2 [...***...]

6.5.3 [...***...]

“ **Taxes** ” means any present or future tax, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority or any political subdivision or taxing authority thereof or therein.

6.6 Application of Payments

[...***...]

6.7 Setoff Payments

[...***...]

6.8 Overdue Payments

6.8.1 [...***...]

6.8.2 [...***...]

6.9 Proprietary Interest

Notwithstanding any provision of law to the contrary, the Buyer shall not, by virtue of anything contained in this Agreement (including, without limitation, any Commitment Fee or Predelivery Payments hereunder, or any designation or identification by the Seller of a particular aircraft as an Aircraft to which any of the provisions of this Agreement refers) acquire any proprietary, insurable or other interest whatsoever in any Aircraft before Delivery of and payment for such Aircraft, as provided in this Agreement.

6.10 Payment in Full

[...***...]

6.11 Other Charges

Unless expressly stipulated otherwise, any charges due under this Agreement other than those set out in Clauses 5.2, 5.3 and 5.8 shall be paid by the Buyer at the same time as payment of the Balance of the Final Price or, if invoiced after Delivery, within [...***...].

6.12 Cross-Collateralisation

6.12.1 [...***...]

(i) [...***...]

(ii) [...***...]

[...***...]

6.12.2 In the event that the Seller applies any amount of any Predelivery Payment it then holds under this Agreement in respect of any of the Aircraft in satisfaction of the amount due and unpaid by the Buyer or its Affiliates or to compensate for losses and/or damages to the Seller or its Affiliates as a result of the Buyer's or its Affiliates' failure to make payment in a timely manner under this Agreement or any Other Agreement, then the Seller shall notify the Buyer to that effect. Within [...***...] of issuance of such notification, the Buyer shall pay by wire transfer of funds immediately available to the Seller the amount of the Predelivery Payment that has been applied by the Seller as set forth above.

Failure of the Buyer to pay such amount in full, shall entitle the Seller to (i) collect interest on such unpaid amount in accordance with Clause 5.8.1 hereof from the [...***...] following the Seller's written request to the Buyer for such payment and (ii) treat such failure as an

additional termination event for which the Seller shall be entitled to the remedies available under Clause 20.2 of the Agreement.

7. MANUFACTURE PROCEDURE - INSPECTION

7.1 Manufacture Procedures

The Airframe shall be manufactured in accordance with the relevant requirements of the laws of the jurisdiction of incorporation of the Seller or of its relevant Affiliate as enforced by the Aviation Authority of such jurisdiction.

7.2 Inspection

7.2.1 Subject to providing the Seller with certificates evidencing compliance with the insurance requirements set forth in Clause 19, the Buyer or its duly authorized representatives (the " **Buyer's Inspector(s)** ") shall be entitled to inspect the manufacture of the Airframe and all materials and parts obtained by the Seller for the manufacture of the Airframe (each an " **Inspection** ") on the following terms and conditions;

- (i) any Inspection shall be conducted pursuant to the Seller's system of inspection and procedures [...***...], as developed under the supervision of the relevant Aviation Authority;
- (ii) the Buyer's Inspector(s) shall have access to such relevant technical data as is reasonably necessary for the purpose of the Inspection;
- (iii) any Inspection and any related discussions with the Seller and other relevant personnel by the Buyer's Inspector(s) shall be at reasonable times during business hours and shall take place in the presence of the relevant inspection department personnel of the Seller;
- (iv) the Inspections shall be performed in a manner not to unduly delay or hinder the manufacture or assembly of the Aircraft or the performance of this Agreement by the Seller or any other work in progress at the Manufacture Facilities [...***...].

7.2.2 Location of Inspections

The Buyer's Inspector(s) shall be entitled to conduct any such Inspection at the relevant Manufacture Facility of the Seller or the Seller's Affiliates and where possible at the Manufacture Facilities of the sub-contractors provided that if access to any part of the Manufacture Facilities where the Airframe manufacture is in progress or materials or parts are stored are restricted for security or confidentiality reasons, the Seller shall be allowed reasonable time to make the relevant items available elsewhere.

7.3 Seller's Service for Buyer's Inspector(s)

For the purpose of the Inspections, and starting from a mutually agreed date until the Delivery Date, the Seller shall furnish without additional charge suitable space and office equipment (including “wifi” and scanner access) in or conveniently located with respect to the Delivery Location for the use of a reasonable number of Buyer's Inspector(s).

8. CERTIFICATION

Except as set forth in this Clause 7, the Seller shall not be required to obtain any certificate or approval with respect to the Aircraft.

8.1 Type Certification

The Aircraft has been type certificated under EASA procedures for certification in the transport category. The Seller has obtained an FAA type certificate (the "**Type Certificate**") to allow the issuance of the Export Certificate of Airworthiness.

8.2 Export Certificate of Airworthiness

Subject to the provisions of Clause 7.3, the Aircraft shall be delivered to the Buyer with an Export Certificate of Airworthiness ([...***...], and in a condition enabling the Buyer to obtain at the time of Delivery a Standard Airworthiness Certificate issued pursuant to Part 21 and Part 25 of the US Federal Aviation Regulations and a Certificate of Sanitary Construction issued by the U.S. Public Health Service of the Food and Drug Administration. However, the Seller shall have no obligation to make and shall not be responsible for any costs of alterations or modifications to such Aircraft to enable such Aircraft to meet FAA or U.S. Department of Transportation requirements for specific operation on the Buyer's routes, whether before, at or after Delivery of any Aircraft.

If the FAA requires additional or modified data before the issuance of the Export Certificate of Airworthiness [...***...], the Seller shall promptly provide such data or promptly implement the required modification to the data, in either case, [...***...].

8.3 Specification Changes before Aircraft Ready for Delivery

8.3.1 [...***...]

8.3.2 The Seller shall as far as practicable, but at its sole discretion and without prejudice to Clause 7.3.3(ii), take into account the information available to it concerning any proposed law, rule or regulation or interpretation that could become a Change in Law, in order to minimize the costs of changes to the Specification as a result of such proposed law, regulation or interpretation becoming effective before the applicable Aircraft is Ready for Delivery.

8.3.3 [...***...]

(i) [...***...]

(ii) [...***...]

8.3.4 [...***...]

8.4 Specification Changes after Aircraft Ready For Delivery

Nothing in Clause 7.3 shall require the Seller to make any changes or modifications to, or to make any payments or take any other action with respect to, any Aircraft that is Ready for Delivery before the compliance date of any law or regulation referred to in Clause 7.3. Any such changes or modifications made to an Aircraft after it is Ready for Delivery shall be [...
***...].

9. TECHNICAL ACCEPTANCE

9.1 Technical Acceptance Process

9.1.1 Prior to Delivery, the Aircraft shall undergo a technical acceptance process [...***...] developed by the Seller [...***...] (the " **Technical Acceptance Process** "). Successful completion of the Technical Acceptance Process shall demonstrate the satisfactory functioning of the Aircraft and shall be deemed to demonstrate compliance with the Specification. Should it be established that the Aircraft does not comply with the Technical Acceptance Process requirements, the Seller shall without hindrance from the Buyer be entitled to carry out any necessary changes and, as soon as practicable thereafter, resubmit the Aircraft to such further Technical Acceptance Process as is necessary to demonstrate the elimination of the non-compliance.

9.1.2 The Technical Acceptance Process shall:

- (i) commence on a date notified by the Seller to the Buyer by no less than [...***...],
- (ii) take place at the Delivery Location,
- (iii) be carried out by the personnel of the Seller, and
- (iv) include a technical acceptance flight that shall not exceed [...***...] (the " **Technical Acceptance Flight** ").

9.2 Buyer's Attendance

9.2.1 The Buyer shall be entitled to attend [...***...] the Technical Acceptance Process.

9.2.2 If the Buyer elects to attend the Technical Acceptance Process, the Buyer:

- (i) shall comply with the reasonable requirements of the Seller, with the intention of completing the Technical Acceptance Process within five (5) Business Days, and
- (ii) may have a maximum of four (4) of its representatives (no more than two (2) of whom shall have access to the cockpit at any one time) accompany the Seller's representatives on the Technical Acceptance Flight, during which the Buyer's representatives shall comply with the instructions of the Seller's representatives.

9.2.3 If the Buyer does not attend or fails to cooperate in the Technical Acceptance Process, the Seller shall be entitled to complete the Technical Acceptance Process and upon successful

completion thereof, the Buyer shall be deemed to have accepted that the Technical Acceptance Process has been satisfactorily completed, in all respects.

9.3 Certificate of Acceptance

Following successful completion of the Technical Acceptance Process, [...***...], the Buyer shall, on or before the Delivery Date, sign and deliver to the Seller a certificate of acceptance in respect of the Aircraft in (a) the form set forth in Exhibit D-1, [...***...] and (b) in the form set forth in Exhibit D-2, [...***...] (the "**Certificate of Acceptance**").

9.4 Finality of Acceptance

The Buyer's signature of the Certificate of Acceptance for the Aircraft shall constitute waiver by the Buyer of any right it may have, under the Uniform Commercial Code as adopted by the State of New York or otherwise, to revoke acceptance of the Aircraft for any reason, whether known or unknown to the Buyer at the time of acceptance.

9.5 Aircraft Utilization

The Seller shall, without payment or other liability, be entitled to use the Aircraft before Delivery as may be necessary to obtain the certificates required under Clause 7. Such use shall not relieve the Buyer of or otherwise in any manner affect its obligation to accept Delivery hereunder.

The Seller shall be authorized to use the Aircraft for [...***...] for any other purpose without specific agreement of the Buyer; [...***...].

10. DELIVERY

10.1 Delivery Schedule

Subject to [...***...], the Seller shall have the Aircraft Ready for Delivery at the Delivery Location within the following months (each a “**Scheduled Delivery Month** ”):

Aircraft Rank	Schedule Delivery Month/Year	Type
1	[...***...]	A320 Aircraft
2	[...***...]	A320 Aircraft
3	[...***...]	A320 Aircraft
4	[...***...]	A320 Aircraft
5	[...***...]	A320 Aircraft
6	[...***...]	A320 Aircraft
7	[...***...]	A320 Aircraft
8	[...***...]	A320 Aircraft
9	[...***...]	A320 Aircraft
10	[...***...]	A320 Aircraft
11	[...***...]	A320 Aircraft
12	[...***...]	A320 Aircraft

The Seller shall give the Buyer at least thirty (30) days’ prior advance written notice of the anticipated date on which the Aircraft shall be Ready for Delivery. Such notice shall also include the starting date and the planned schedule of the Technical Acceptance Process. Thereafter the Seller shall notify the Buyer of any change to such dates.

10.2 Delivery Process

10.2.1 The Buyer shall send its representatives to the Delivery Location to take Delivery of such Aircraft [...***...] after each Aircraft is Ready for Delivery [...***...], and collect such Aircraft from the Delivery Location.

10.2.2 The Seller shall deliver and transfer title to the Aircraft to the Buyer free and clear of all encumbrances (except for any liens or encumbrances created by or on behalf of the Buyer) provided that the Balance of the Final Price of such Aircraft has been paid by the Buyer pursuant to Clause 5.4 and that the Certificate of Acceptance has been signed and delivered to the Seller pursuant to Clause 8.3. The Seller shall provide the Buyer with (a) a bill of sale in (i) the form set forth in Exhibit E-1, [...***...] and (ii) in the form set forth in Exhibit E-2, [...***...] (the “**Bill of Sale** ”) and/or (b) such other documentation [...***...] confirming transfer of title and receipt of the Final Price of the Aircraft as may reasonably be requested by the Buyer and (c) [...***...], a warranty from Airbus S.A.S., in the form

of Exhibit J (the “ **Airbus S.A.S. Warranty** ”). [...***...] Title to, property in and risk of loss of or damage to the Aircraft shall pass to the Buyer contemporaneously with the delivery by the Seller to the Buyer of such Bill of Sale.

10.2.3 If, by the time specified in Clause 9.2.1, the Buyer fails to:

- (i) deliver the signed Certificate of Acceptance with respect to an Aircraft to the Seller, or
- (ii) pay the Balance of the Final Price of such Aircraft to the Seller and collect the Aircraft,

then the Buyer shall be deemed to have rejected Delivery wrongfully when the Aircraft was duly tendered to the Buyer hereunder. If such a deemed rejection arises, and in addition to the remedies of Clause 5.8.1, a) the Seller shall retain title to the Aircraft, and b) the Buyer shall indemnify and hold the Seller harmless against any and all [...***...] resulting from the Buyer's wrongful rejection.

These rights of the Seller shall be in addition to the Seller's other rights and remedies under this Agreement.

If the Buyer fails to collect the Aircraft as mentioned in Clause 9.2.1 above and without prejudice to the Seller's other rights under this Agreement or at law, the provisions of Clause 9.2.3 (b) shall apply, [...***...].

10.3 Flyaway

10.3.1 The Buyer and the Seller shall cooperate to obtain any licenses that may be required by the Aviation Authority of the Delivery Location for the purpose of exporting the Aircraft.

10.3.2 All expenses of, or connected with, flying the Aircraft from the Delivery Location after Delivery shall be borne by the Buyer. The Buyer shall make direct arrangements with the supplying companies for the fuel and oil required for all post-Delivery flights.

11. EXCUSABLE DELAY AND TOTAL LOSS

[...***...]

11.1 [... *** ...]

11.1.1 [... *** ...]

(i) [... *** ...]

(ii) [... *** ...]

(iii) [... *** ...]

(iv) [... *** ...]

11.2 [... *** ...]

11.2.1 [... *** ...]

11.2.2 [... *** ...]

11.2.3 [... *** ...]

[... *** ...]

11.3 [... *** ...]

11.4 [... *** ...]

12. INEXCUSABLE DELAY

12.1 [. . . *** . . .]

12.2 [. . . *** . . .]

12.3 [. . . *** . . .]

12.4 [. . . *** . . .]

13. WARRANTIES AND SERVICE LIFE POLICY

This Clause covers the terms and conditions of the warranty and service life policy for the Aircraft.

13.1 Standard Warranty

13.1.1 Nature of Warranty

For the purpose of this Agreement the term " **Warranted Part** " shall mean any Seller proprietary component, equipment, accessory or part, which is installed on an Aircraft at Delivery thereof and

- (a) which is manufactured to the detailed design of the Seller or a subcontractor of the Seller and
- (b) which bears a part number of the Seller at the time of such Delivery.

Subject to the conditions and limitations as hereinafter provided for and except as provided for in Clause 12.1.2, the Seller warrants to the Buyer that each Aircraft and each Warranted Part shall at Delivery to the Buyer be free from defects:

- (i) in material;
- (ii) in workmanship, including without limitation processes of manufacture;
- (iii) in design (including without limitation the selection of materials) having regard to the state of the art at the date of such design; and
- (iv) arising from failure to conform to the Specification, except to those portions of the Specification relating to performance or where it is expressly stated that they are estimates or approximations or design aims.

13.1.2 Exclusions

The warranties set forth in Clause 12.1.1 shall not apply to Buyer Furnished Equipment, nor to the Propulsion Systems, nor to any component, equipment, accessory or part installed on the Aircraft at Delivery that is not a Warranted Part except that:

- (i) any defect in the Seller's workmanship in respect of the installation of such items in the Aircraft, including any failure by the Seller to conform to the installation instructions of the manufacturers of such items, that invalidates any applicable warranty from such manufacturers, shall constitute a defect in workmanship for the

purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1 (ii); and

- (ii) any defect inherent in the Seller's design of the installation, in consideration of the state of the art at the date of such design, which impairs the use of such items, shall constitute a defect in design for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1 (iii).

13.1.3 Warranty Period

The warranties set forth in Clauses 12.1.1 and 12.1.2 shall be limited to those defects that become apparent within [...***...] after Delivery of the affected Aircraft (the “**Warranty Period**”).

13.1.4 Limitations of Warranty

13.1.4.1 The Buyer's remedy and the Seller's obligation and liability under Clauses 12.1.1 and 12.1.2 are limited to, at the Seller's expense and option, the repair, replacement or correction of any Warranted Part which is defective (or to the supply of modification kits rectifying the defect), together with a credit to the Buyer's account with the Seller of an amount equal to [...***...].

The Seller may alternatively furnish to the Buyer's account with the Seller a credit equal to the price at which the Buyer is entitled to purchase a replacement for the defective Warranted Part.

13.1.4.2 In the event of a defect covered by Clauses 12.1.1 (iii), 12.1.1 (iv) and 12.1.2 (ii) becoming apparent within the Warranty Period, the Seller shall also, if so requested by the Buyer in writing, correct such defect in any Aircraft which has not yet been delivered to the Buyer, provided, however,

- (i) that the Seller shall not be responsible, nor be deemed to be in default on account of any delay in Delivery of any Aircraft or otherwise in respect of the performance of this Agreement, due to the Seller's undertaking to make such correction and provided further
- (ii) that, rather than accept a delay in the Delivery of any such Aircraft, the Buyer and the Seller may agree to deliver such Aircraft with subsequent correction of the defect by the Buyer at the Seller's expense, or the Buyer may elect to accept Delivery and thereafter file a Warranty Claim as though the defect had become apparent immediately after Delivery of such Aircraft.

13.1.4.3 Cost of Inspection

In addition to the remedies set forth in Clauses 12.1.4.1 and 12.1.4.2, the Seller shall reimburse the direct labor costs incurred by the Buyer in performing inspections of the Aircraft to determine whether or not a defect exists in any Warranted Part within the Warranty Period subject to the following conditions:

- (i) such inspections are recommended by a Seller Service Bulletin to be performed within the Warranty Period;
- (ii) the reimbursement shall not apply for any inspections performed as an alternative to accomplishing corrective action as recommended by the Seller when such corrective action has been made available to the Buyer and such corrective action could have reasonably been accomplished by the Buyer at the time such inspections are performed or earlier,
- (iii) the labor rate for the reimbursement shall be [...***...], and
- (iv) the manhours used to determine such reimbursement shall not exceed the Seller's [...***...] estimate of the manhours required for such inspections.

13.1.5 Warranty Claim Requirements

The Buyer's remedy and the Seller's obligation and liability under this Clause 12.1 with respect to any warranty claim submitted by the Buyer (each a “ **Warranty Claim** ”) are subject to the following conditions:

- (i) the defect having become apparent within the Warranty Period;
- (ii) the Buyer having filed a warranty claim within[...***...];
- (iii) the Buyer having submitted to the Seller evidence reasonably satisfactory to the Seller that the claimed defect is due to a matter embraced within this Clause 12.1 and that such defect has not resulted from any act or omission of the Buyer, including but not limited to, any failure to operate and maintain the affected Aircraft or part thereof in accordance with the standards set forth in Clause 12.1.10 or from any act or omission of any third party;
- (iv) the Seller having received a Warranty Claim complying with the provisions of Clause 12.1.6 below.

13.1.6 Warranty Administration

The warranties set forth in Clause 12.1 shall be administered as hereinafter provided for:

13.1.6.1 Claim Determination

Determination as to whether any claimed defect in any Warranted Part is a valid Warranty Claim shall be made by the Seller and shall be based upon the claim details, reports from the Seller's Representatives, historical data logs, inspections, tests, findings during repair, defect analysis and other relevant documents.

13.1.6.2 Transportation Costs

The cost of transporting a Warranted Part claimed to be defective to the facilities designated by the Seller and for the return therefrom of a repaired or replaced Warranted Part shall be borne by the Buyer.

13.1.6.3 Return of an Aircraft

If the Buyer and the Seller mutually agree, prior to such return, that it is necessary to return an Aircraft to the Seller for consideration of a Warranty Claim, [...***...]. The Buyer shall make reasonable efforts to minimize the duration of the corresponding flights.

13.1.6.4 On Aircraft Work by the Seller

If the Seller determines that a defect subject to this Clause 12.1 justifies the dispatch by the Seller of a working team to repair or correct such defect through the embodiment of one or several Seller's Service Bulletins at the Buyer's facilities, or if the Seller accepts the return of an Aircraft to perform or have performed such repair or correction, then the labor costs for such on-Aircraft work shall be borne by the Seller.

The condition which has to be fulfilled for on-Aircraft work by the Seller is that, in the opinion of the Seller, the work necessitates the technical expertise of the Seller as manufacturer of the Aircraft.

If said condition is fulfilled and if the Seller is requested to perform the work, the Seller and the Buyer shall agree on a schedule and place for the work to be performed.

13.1.6.5 Warranty Claim Substantiation

Each Warranty Claim filed by the Buyer under this Clause 12.1 shall contain at least the following data:

- (a) description of defect and action taken, if any,
- (b) date of incident and/or removal date,
- (c) description of Warranted Part claimed to be defective,

- (d) part number,
- (e) serial number (if applicable),
- (f) position on Aircraft,
- (g) total flying hours or calendar time, as applicable, at the date of defect appearance,
- (h) time since last shop visit at the date of defect appearance,
- (i) Manufacturer Serial Number of the Aircraft and/or its registration,
- (j) Aircraft total flying hours and/or number of landings at the date of defect appearance,
- (k) Warranty Claim number,
- (l) date of Warranty Claim,
- (m) Delivery Date of Aircraft or Warranted Part to the Buyer,

Warranty Claims are to be addressed as follows:

AIRBUS
CUSTOMER SERVICES DIRECTORATE
WARRANTY ADMINISTRATION
Rond Point Maurice Bellonte
B.P. 33
F 31707 BLAGNAC CEDEX
FRANCE

13.1.6.6 Replacements

Title to and risk of loss of any Aircraft, component, accessory, equipment or part returned by the Buyer to the Seller shall at all times remain with the Buyer, except that:

- (i) when the Seller has possession of a returned Aircraft, component, accessory, equipment or part to which the Buyer has title, the Seller shall have such responsibility therefor as is chargeable by law to a bailee for hire, but the Seller shall not be liable for loss of use, and;
- (ii) title to and risk of loss of a returned component, accessory, equipment or part shall pass to the Seller upon shipment by the Seller to the Buyer of any item furnished by the Seller to the Buyer as a replacement therefor.

Upon the Seller's shipment to the Buyer of any replacement component, accessory, equipment or part provided by the Seller pursuant to this Clause 12.1, title to and risk of loss of such replacement component, accessory, equipment or part shall pass to the Buyer.

Replaced components, equipment, accessories or parts will become the Seller's property.

13.1.6.7 Rejection

The Seller shall provide reasonable written substantiation in case of Seller's rejection of a Warranty Claim. In such event the Buyer shall refund to the Seller reasonable inspection and test charges incurred in connection therewith.

[...***...]

13.1.6.8 Inspection

The Seller shall have the right to inspect the affected Aircraft, documents and other records relating thereto in the event of any Warranty Claim under this Clause 12.1. [...***...]

13.1.7 Inhouse Warranty

13.1.7.1 Seller's Authorization

The Seller hereby authorizes the Buyer to repair Warranted Parts (“ **Inhouse Warranty** ”) subject to the terms of this Clause 12.1.7.

13.1.7.2 Conditions for Seller's Authorization

The Buyer shall be entitled to repair such Warranted Parts:

- provided the Buyer notifies the Seller Representative of its intention to perform Inhouse Warranty repairs before any such repairs are started where the estimated cost of such repair is in excess of [...***...]. The Buyer's notification shall include sufficient detail regarding the defect, estimated labor hours and material to allow the Seller to ascertain the reasonableness of the estimate. The Seller agrees to use all reasonable efforts to ensure a prompt response and shall not unreasonably withhold authorization;
- provided adequate facilities and qualified personnel are available to the Buyer;
- provided repairs are performed in accordance with the Seller's Technical Data or written instructions; and
- only to the extent specified by the Seller, or, in the absence of such specification, to the extent reasonably necessary to correct the defect, in accordance with the standards set forth in Clause 12.1.10.

13.1.7.3 Seller's Rights

The Seller shall have the right to require the return of any Warranted Part, or any part removed therefrom, which is claimed to be defective if, in the judgment of the Seller, the nature of the claimed defect requires technical investigation. Such return shall be subject to the provisions of Clause 12.1.6.2. Furthermore, the Seller shall have the right to have a Seller Representative present during the disassembly, inspection and testing of any Warranted Part claimed to be defective, subject to such presence being practical and not unduly delaying the repair.

13.1.7.4 Inhouse Warranty Claim Substantiation

Claims for Inhouse Warranty credit shall be filed within the time period set forth in Clause 12.1.5 (ii) and shall contain the same information as that required for Warranty Claims under Clause 12.1.6.5 and in addition shall include:

- (a) a report of technical findings with respect to the defect,
- (b) for parts required to remedy the defect:
 - part numbers,
 - serial numbers (if applicable),
 - parts description,
 - quantity of parts,
 - unit price of parts,
 - related Seller's or third party's invoices (if applicable),
 - total price of parts,
- (c) detailed number of labor hours,
- (d) Inhouse Warranty Labor Rate,
- (e) total claim value.

13.1.7.5 Credit

The Buyer's sole remedy and the Seller's sole obligation and liability with respect to Inhouse Warranty Claims shall be the credit to the Buyer's account of an amount equal to the mutually agreed, reasonable direct labor costs expended in performing the repair of a Warranted Part and to the direct costs of materials incorporated in said repair, determined as set forth below:

(a) to determine direct labor costs, only manhours spent on removal from the Aircraft, disassembly, inspection, repair, reassembly, final inspection and test of the Warranted Part and reinstallation thereof on the Aircraft shall be counted. Any manhours required for maintenance work concurrently being carried out on the Aircraft or the Warranted Part shall not be included.

(b) The manhours counted as set forth above shall be multiplied by an agreed labor rate of [...***...], e.c. 2016 (“ **Inhouse Warranty Labour Rate** ”), which is deemed to represent the Buyer’s composite labor rate meaning the average hourly rate (excluding all fringe benefits, premium time allowances, social security charges, business taxes and the like) paid to the Buyer’s employees whose jobs are directly related to the performance of the repair.

The Inhouse Warranty Labor Rate is subject to annual adjustment by multiplication by the ratio ECIn/ECIb. For the purposes of this Clause 12.1.7.5 only, ECIn shall be equal to the Labor Index, ECI336411W, defined in the Seller Price Revision Formula set forth in Exhibit C to the Agreement.

(c) Direct material costs are determined by the prices at which the Buyer acquired such material, excluding any parts and materials used for overhaul and as may be furnished by the Seller at no charge.

13.1.7.6 Limitation

The Buyer shall in no event be credited for repair costs (including labor and material) for any Warranted Part in excess of [...***...] of the Seller’s current catalogue price for a replacement of such defective Warranted Part.

13.1.7.7 Scrapped Material

The Buyer shall retain any defective Warranted Part beyond economic repair and any defective part removed from a Warranted Part during repair for a period of either [...***...] after the date of completion of the repair or [...***...] after submission of a claim for Inhouse Warranty credit relating thereto, whichever is longer. Such parts shall be returned to the Seller within [...***...] of receipt of the Seller's request to that effect [...***...].

Notwithstanding the foregoing, the Buyer may scrap any such defective parts, which are beyond economic repair and not required for technical evaluation locally, with the agreement of the Seller Representative(s).

Scrapped Warranted Parts shall be evidenced by a record of scrapped material certified by an authorized representative of the Buyer and shall be kept in the Buyer’s file for a least the duration of the applicable Warranty Period.

13.1.8 Standard Warranty in case of Pooling or Leasing Arrangements

Without prejudice to Clause 21.1, the warranties provided for in this Clause 12.1 for any Warranted Part shall accrue to the benefit of any airline in revenue service, other than the Buyer, if the Warranted Part enters into the possession of any such airline as a result of a pooling or leasing agreement between such airline and the Buyer, in accordance with the terms and subject to the limitations and exclusions of the foregoing warranties and to the extent permitted by any applicable law or regulations.

13.1.9 Warranty for Corrected, Replaced or Repaired Warranted Parts

Whenever any Warranted Part, which contains a defect for which the Seller is liable under Clause 12.1, has been corrected, replaced or repaired pursuant to the terms of this Clause 12.1, the period of the Seller's warranty with respect to such corrected, repaired or replacement Warranted Part, whichever the case may be, shall be the remaining portion of the original warranty [...***...].

If a defect is attributable to a defective repair or replacement by the Buyer [...***...], a Warranty Claim with respect to such defect shall be rejected, notwithstanding any subsequent correction or repair, and shall immediately terminate the remaining warranties under this Clause 12.1 in respect of the affected Warranted Part.

13.1.10 Accepted Industry Standard Practices Normal Wear and Tear

The Buyer's rights under this Clause 12.1 are subject to the Aircraft and each component, equipment, accessory and part thereof being maintained, overhauled, repaired and operated in accordance with accepted industry standard practices, all Technical Data and any other instructions issued by the Seller, the Suppliers and the Propulsion Systems Manufacturer and all applicable rules, regulations and directives of the relevant Aviation Authorities.

The Seller's liability under this Clause 12.1 shall not extend to normal wear and tear nor to:

- (i) any Aircraft or component, equipment, accessory or part thereof, which has been repaired, altered or modified after Delivery, except by the Seller or its Affiliates or in a manner approved by the Seller;
- (ii) any Aircraft or component, equipment, accessory or part thereof, which has been operated in a damaged state;
- (iii) any component, equipment, accessory and part from which the trademark, name, part or serial number or other identification marks have been removed.

13.1.11 DISCLAIMER OF SELLER LIABILITY

THE SELLER SHALL NOT BE LIABLE FOR, AND THE BUYER SHALL INDEMNIFY THE SELLER AGAINST, THE CLAIMS OF ANY THIRD PARTIES FOR LOSSES DUE TO ANY DEFECT, NONCONFORMANCE OR PROBLEM OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH ANY REPAIR OF WARRANTED PARTS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12.1 OR ANY OTHER ACTIONS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12, WHETHER SUCH CLAIM IS ASSERTED IN CONTRACT OR IN TORT, OR IS PREMISED ON ALLEGED, ACTUAL, IMPUTED, ORDINARY OR INTENTIONAL ACTS OR OMISSIONS OF THE BUYER.

13.2 Seller Service Life Policy

13.2.1 In addition to the warranties set forth in Clause 12.1, the Seller further agrees that should a Failure occur in any Item (as these terms are defined hereinbelow) that has not suffered from an extrinsic force, then, subject to the general conditions and limitations set forth in Clause 12.2.4, the provisions of this Clause 12.2 shall apply.

For the purposes of this Clause 12.2:

- (i) " **Item** " means any item listed in Exhibit "F";
- (ii) " **Failure** " means a breakage or defect that can reasonably be expected to occur on a fleetwide basis and which materially impairs the utility of the Item.

13.2.2 Periods and Seller's Undertakings

Subject to the general conditions and limitations set forth in Clause 12.2.4, the Seller agrees that if a Failure occurs in an Item before the Aircraft in which such Item was originally installed has completed [...***...] after the Delivery of said Aircraft, whichever shall first occur, the Seller shall, at its discretion and as promptly as practicable and with the Seller's financial participation as hereinafter provided, either :

- design and furnish to the Buyer a correction for such Item with a Failure and provide any parts required for such correction (including Seller designed standard parts but excluding industry standard parts), or
- replace such Item.

13.2.3 Seller's Participation in the Costs

Subject to the general conditions and limitations set forth in Clause 12.2.4, any part or Item that the Seller is required to furnish to the Buyer under this Service Life Policy in connection with the correction or replacement of an Item shall be furnished to the Buyer at the Seller's

then current sales price therefore, less the Seller's financial participation determined in accordance with the following formula:

[...***...]

(i) [...***...]

(ii) [...***...]

(iii) [...***...]

13.2.4 General Conditions and Limitations

13.2.4.1 The undertakings set forth in this Clause 12.2 shall be valid after the period of the Seller's warranty applicable to an Item under Clause 12.1.

13.2.4.2 The Buyer's remedies and the Seller's obligations and liabilities under this Service Life Policy are subject to the prior compliance by the Buyer with the following conditions:

- (i) the Buyer shall maintain log books and other historical records (including in an electronic format) with respect to each Item, adequate to enable the Seller to determine whether the alleged Failure is covered by this Service Life Policy and, if so, to define the portion of the costs to be borne by the Seller in accordance with Clause 12.2.3;
- (ii) the Buyer shall keep the Seller informed of any significant incidents relating to an Aircraft, howsoever occurring or recorded;
- (iii) the Buyer shall comply with the conditions of Clause 12.1.10;
- (iv) the Buyer shall implement specific structural inspection programs for monitoring purposes as may be established from time to time by the Seller. Such programs shall be as compatible as possible with the Buyer's operational requirements and shall be carried out at the Buyer's expense. Reports relating thereto shall be regularly furnished to the Seller;
- (v) the Buyer shall report any breakage or defect in an Item in writing to the Seller within sixty (60) days after such breakage or defect becomes apparent, whether or not said breakage or defect can reasonably be expected to occur in any other aircraft, and the Buyer shall have provided to the Seller sufficient detail on the breakage or defect to enable the Seller to determine whether said breakage or defect is subject to this Service Life Policy.

- 13.2.4.3 Except as otherwise provided for in this Clause 12.2, any claim under this Service Life Policy shall be administered as provided for in, and shall be subject to the terms and conditions of, Clause 12.1.6.
- 13.2.4.4 In the event of the Seller having issued a modification applicable to an Aircraft, the purpose of which is to avoid a Failure, the Seller may elect to supply the necessary modification kit free of charge or under a pro rata formula established by the Seller [...***...]. If such a kit is so offered to the Buyer, then, to the extent of such Failure and any Failures that could ensue therefrom, the validity of the Seller's commitment under this Clause 12.2 shall be subject to the Buyer incorporating such modification in the relevant Aircraft, as promulgated by the Seller and in accordance with the Seller's instructions, within a reasonable time.
- 13.2.4.5 THIS SERVICE LIFE POLICY IS NEITHER A WARRANTY, PERFORMANCE GUARANTEE, NOR AN AGREEMENT TO MODIFY ANY AIRCRAFT OR AIRFRAME COMPONENTS TO CONFORM TO NEW DEVELOPMENTS OCCURRING IN THE STATE OF AIRFRAME DESIGN AND MANUFACTURING ART. THE SELLER'S OBLIGATION UNDER THIS CLAUSE 12.2 IS TO FURNISH ONLY THOSE CORRECTIONS TO THE ITEMS OR PROVIDE REPLACEMENTS THEREFOR AS PROVIDED FOR IN THIS CLAUSE 12.2. THE BUYER'S SOLE REMEDY AND RELIEF FOR THE NON-PERFORMANCE OF ANY OBLIGATION OR LIABILITY OF THE SELLER ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY WILL BE A CREDIT FOR GOODS AND SERVICES (NOT INCLUDING AIRCRAFT), LIMITED TO THE AMOUNT THE BUYER REASONABLY EXPENDS IN PROCURING A CORRECTION OR REPLACEMENT FOR ANY ITEM THAT IS THE SUBJECT OF A FAILURE COVERED BY THIS SERVICE LIFE POLICY AND TO WHICH SUCH NON-PERFORMANCE IS RELATED, LESS THE AMOUNT THAT THE BUYER OTHERWISE WOULD HAVE BEEN REQUIRED TO PAY UNDER THIS CLAUSE 12.2 IN RESPECT OF SUCH CORRECTED OR REPLACEMENT ITEM. WITHOUT LIMITING THE EXCLUSIVITY OF WARRANTIES AND GENERAL LIMITATIONS OF LIABILITY PROVISIONS SET FORTH IN CLAUSE 12.5, THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL CLAIMS TO ANY FURTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES, ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY.

13.3 Supplier Warranties and Service Life Policies

Prior to or at Delivery of the first Aircraft, the Seller shall provide the Buyer, in accordance with the provisions of Clause 17, with the warranties and, where applicable, service life policies that the Seller has obtained for Supplier Parts pursuant to the Supplier Product Support Agreements.

13.3.1 Definitions

13.3.1.1“ **Supplier** ” means any supplier of Supplier Parts.

13.3.1.2“ **Supplier Part** ” means any component, equipment, accessory or part installed in an Aircraft at the time of Delivery thereof and for which there exists a Supplier Product Support Agreement. For the sake of clarity, Propulsion Systems and Buyer Furnished Equipment and other equipment selected by the Buyer to be supplied by suppliers with whom the Seller has no existing enforceable warranty agreements are not Supplier Parts.

13.3.1.3“ **Supplier Product Support Agreements** ” means agreements between the Seller and Suppliers, as described in Clause 17.1.2, containing enforceable and transferable warranties and, in the case of landing gear suppliers, service life policies for selected structural landing gear elements.

13.3.2 Supplier's Default

13.3.2.1[...***...]

13.3.2.2[...***...]

13.3.2.3[...***...]

13.4 Interface Commitment

13.4.1 Interface Problem

If the Buyer experiences any technical problem in the operation of an Aircraft or its systems due to a malfunction, the cause of which, after due and reasonable investigation, is not readily identifiable by the Buyer but which the Buyer reasonably believes to be attributable to the design characteristics of one or more components of the Aircraft (" **Interface Problem** "), the Seller shall, if so requested by the Buyer, and without additional charge to the Buyer except for transportation of the Seller's or its designee's personnel to the Buyer's facilities, promptly conduct or have conducted an investigation and analysis of such problem to determine, if possible, the cause or causes of the problem and to recommend such corrective action as may be feasible. The Buyer shall furnish to the Seller all data and

information in the Buyer's possession relevant to the Interface Problem and shall cooperate with the Seller in the conduct of the Seller's investigations and such tests as may be required.

At the conclusion of such investigation, the Seller shall promptly advise the Buyer in writing of the Seller's opinion as to the cause or causes of the Interface Problem and the Seller's recommendations as to corrective action.

13.4.2 Seller's Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of a Warranted Part, the Seller shall, if so requested by the Buyer and pursuant to the terms and conditions of Clause 12.1, correct the design of such Warranted Part to the extent of the Seller's obligation as defined in Clause 12.1.

13.4.3 Supplier's Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of any Supplier Part, the Seller shall, if so requested by the Buyer, reasonably assist the Buyer in processing any warranty claim the Buyer may have against the Supplier.

13.4.4 Joint Responsibility

If the Seller determines that the Interface Problem is attributable partially to the design of a Warranted Part and partially to the design of any Supplier Part, the Seller shall, if so requested by the Buyer, seek a solution to the Interface Problem through cooperative efforts of the Seller and any Supplier involved.

The Seller shall promptly advise the Buyer of such corrective action as may be proposed by the Seller and any such Supplier. Such proposal shall be consistent with any then existing obligations of the Seller hereunder and of any such Supplier towards the Buyer. Such corrective action shall constitute full satisfaction of any claim the Buyer may have against either the Seller or any such Supplier with respect to such Interface Problem.

13.4.5 General

13.4.5.1 All requests under this Clause 12.4 shall be directed to both the Seller and the affected Supplier.

13.4.5.2 Except as specifically set forth in this Clause 12.4, this Clause shall not be deemed to impose on the Seller any obligations not expressly set forth elsewhere in this Agreement.

13.4.5.3 All reports, recommendations, data and other documents furnished by the Seller to the Buyer pursuant to this Clause 12.4 shall be deemed to be delivered under this Agreement and shall be subject to the terms, covenants and conditions set forth in this Clause 12.

13.5 [...***...]

13.6 Duplicate Remedies

The remedies provided to the Buyer under Clause 12.1 and Clause 12.2 as to any defect in respect of the Aircraft or any part thereof are mutually exclusive and not cumulative. The Buyer will be entitled to the remedy that provides the maximum benefit to it, as the Buyer may elect, pursuant to the terms and conditions of this Clause 12 for any particular defect for which remedies are provided under this Clause 12; provided, however, that the Buyer will not be entitled to elect a remedy under both Clause 12.1 and Clause 12.2 for the same defect. The Buyer's rights and remedies herein for the nonperformance of any obligations or liabilities of the Seller arising under these warranties will be in monetary damages limited to the amount the Buyer expends in procuring a correction or replacement for any covered part subject to a defect or nonperformance covered by this Clause 12, and the Buyer will not have any right to require specific performance by the Seller.

13.7 Negotiated Agreement

The Buyer specifically recognizes that:

- (i) the Specification has been agreed upon after careful consideration by the Buyer using its judgment as a professional operator of aircraft used in public transportation and as such is a professional within the same industry as the Seller;
- (ii) this Agreement, and in particular this Clause 12, has been the subject of discussion and negotiation and is fully understood by the Buyer; and
- (iii) the price of the Aircraft and the other mutual agreements of the Buyer set forth in this Agreement were arrived at in consideration of, inter alia, the provisions of this Clause 12, specifically including the waiver, release and renunciation by the Buyer set forth in Clause 12.5.

13.8 Disclosure to Third Party Entity

In the event of the Buyer intending to designate a third party entity (a “ **Third Party Entity** ”) to administrate this Clause 12, the Buyer shall notify the Seller of such intention prior to any disclosure of this Clause to the selected Third Party Entity and shall cause such Third Party Entity to enter into a confidentiality agreement and or any other relevant documentation with the Seller solely for the purpose of administering this Clause 12.

13.9 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 12 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent, which shall not be unreasonably withheld.

Any transfer in violation of this Clause 12.9 shall, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 12 and any and all other warranties that might arise under or be implied in law.

14. PATENT AND COPYRIGHT INDEMNITY

14.1 Indemnity

14.1.1 [...***...]

(i) [...***...]

(ii) [...***...]

(iii) [...***...]

14.1.2 [...***...]

(i) [...***...]

(ii) [...***...]

14.1.3 [...***...]

(i) [...***...]

(ii) [...***...]

14.2 Administration of Patent and Copyright Indemnity Claims

14.2.1 If the Buyer receives a written claim or a suit is threatened or commenced against the Buyer for infringement of a patent or copyright referred to in Clause 13.1, the Buyer shall:

- (i) forthwith notify the Seller giving particulars thereof;
- (ii) furnish to the Seller all data, papers and records within the Buyer's control or possession relating to such patent or claim;
- (iii) refrain from admitting any liability or making any payment or assuming any expenses, damages, costs or royalties or otherwise acting in a manner prejudicial to the defense or denial of such suit or claim provided always that nothing in this sub-Clause (iii) shall prevent the Buyer from paying such sums as may be required in order to obtain the release of the Aircraft, provided such payment is accompanied by a denial of liability and is made without prejudice;

- (iv) fully co-operate with, and render all such assistance to, the Seller as may be pertinent to the defense or denial of the suit or claim [...***...];
- (v) act in such a way as to mitigate damages, costs and expenses and/or reduce the amount of royalties which may be payable [...***...].

14.2.2 The Seller shall be entitled either in its own name or on behalf of the Buyer to conduct negotiations with the party or parties alleging infringement and may assume and conduct the defense or settlement of any suit or claim in the manner which, in the Seller's opinion, it deems proper.

14.2.3 Buyer shall strictly and timely comply with the terms of this Clause and [...***...]. Seller's liability hereunder is in lieu of any other liability to the Buyer express or implied which the Seller might incur at law as a result of any infringement or claim of infringement of any patent or copyright.

[...***...]

15.

16. TECHNICAL DATA AND SOFTWARE SERVICES

16.1 Scope

This Clause 14 covers the terms and conditions for the supply of technical data (hereinafter “ **Technical Data** ”) and software services described hereunder (hereinafter “ **Software Services** ”) to support the Aircraft operation.

16.1.1 The Technical Data shall be supplied in the English language using the aeronautical terminology in common use.

16.1.2 Range, type, format and delivery schedule of the Technical Data to be provided under this Agreement are outlined in Exhibit G hereto.

16.2 Aircraft Identification for Technical Data

16.2.1 For those Technical Data that are customized to the Aircraft, the Buyer agrees to the allocation of fleet serial numbers (“ **Fleet Serial Numbers** ”) in the form of block of numbers selected in the range from 001 to 999.

16.2.2 The sequence shall not be interrupted unless two (2) different Propulsion Systems or two (2) different models of Aircraft are selected.

16.2.3 The Buyer shall indicate to the Seller the Fleet Serial Number allocated to each Aircraft corresponding to the delivery schedule set forth in Clause 9.1 no later than twelve (12) months before the Scheduled Delivery Month of the first Aircraft. Neither the designation of such Fleet Serial Numbers nor the subsequent allocation of the Fleet Serial Numbers to Manufacturer Serial Numbers for the purpose of producing certain customized Technical Data shall constitute any property, insurable or other interest of the Buyer in any Aircraft prior to the Delivery of such Aircraft as provided for in this Agreement.

The customized Technical Data that are affected thereby are the following:

- Aircraft Maintenance Manual,
- Illustrated Parts Catalogue,
- Trouble Shooting Manual,
- Aircraft Wiring Manual,
- Aircraft Schematics Manual,
- Aircraft Wiring Lists.

16.3 Integration of Equipment Data

16.3.1 Supplier Equipment

Information, including revisions, relating to Supplier equipment that is installed on the Aircraft at Delivery, or through Airbus Service Bulletins thereafter, shall be introduced into the customized Technical Data to the extent necessary for understanding of the affected systems, at no additional charge to the Buyer.

16.3.2 Buyer Furnished Equipment

16.3.2.1 The Seller shall introduce Buyer Furnished Equipment data for Buyer Furnished Equipment that is installed on the Aircraft by the Seller (hereinafter “ **BFE Data** ”) into the customized Technical Data [...***...] for the initial issue of the Technical Data provided at or before Delivery of the first Aircraft, provided such BFE Data is provided in accordance with the conditions set forth in Clauses 14.3.2.2 through 14.3.2.6.

16.3.2.2 The Buyer shall supply, or shall cause the BFE Supplier(s) to supply on its behalf, BFE Data to the Seller at least [...***...] prior to the Scheduled Delivery Month of the first Aircraft.

16.3.2.3 The BFE Data shall be supplied in English and shall be established in compliance with the then applicable revision of ATA iSpecification 2200 (iSpec 2200), Information Standards for Aviation Maintenance.

16.3.2.4 The BFE Data shall be delivered in digital format and/or in Portable Document Format (PDF), as agreed between the Buyer and the Seller.

16.3.2.5 All costs related to the delivery to the Seller of the applicable BFE Data shall be borne by the Buyer.

16.4 Supply

16.4.1 Technical Data shall be supplied on-line and/or off-line, as set forth in Exhibit G hereto.

16.4.2 The Buyer shall [...***...] for any unused or only partially used Technical Data supplied pursuant to this Clause 14.

16.4.3 Delivery

16.4.3.1 For Technical Data provided off-line, such Technical Data and corresponding revisions shall be sent to up to two (2) addresses as indicated by the Buyer.

16.4.3.2 Technical Data provided off-line shall be delivered by the Seller at the Buyer's named place of destination under DAP conditions. The term Delivered At Place (DAP) is defined in the Incoterms 2010 publication issued by the International Chamber of Commerce.

16.4.3.3 The Technical Data shall be delivered according to a mutually agreed schedule to correspond with the Deliveries of Aircraft. The Buyer shall provide no less than [...***...] notice when requesting a change to such delivery schedule.

16.4.4 It shall be the responsibility of the Buyer to coordinate and satisfy local Aviation Authorities' requirements with respect to Technical Data. Reasonable quantities of such Technical Data shall be supplied by the Seller at no charge to the Buyer at the Buyer's named place of destination.

Notwithstanding the foregoing, and in agreement with the relevant Aviation Authorities, preference shall be given to the on-line access to such Buyer's Technical Data through the Airbus customer portal “ **AirbusWorld** ”.

16.5 Revision Service

For each firmly ordered Aircraft covered under this Agreement, revision service for the Technical Data shall be provided on a free of charge basis for a period of [...***...] after Delivery of such Aircraft (each a “ **Revision Service Period** ”).

Thereafter revision service shall be provided in accordance with the terms and conditions set forth in the Seller's then current Customer Services Catalog.

16.6 Service Bulletins (SB) Incorporation

During any Revision Service Period and upon the Buyer's request, Seller Service Bulletin information shall be incorporated into the Technical Data, provided that the Buyer notifies the Seller through the relevant AirbusWorld on-line Service Bulletin Reporting application that it intends to accomplish such Service Bulletin, after which post Service Bulletin status shall be shown.

16.7 Technical Data Familiarization

Upon request by the Buyer, the Seller shall provide up to [...***...] of Technical Data familiarization training, the location of such training to be mutually agreed by the parties between the Seller's or the Buyer's facilities. The basic familiarization course is tailored for maintenance and engineering personnel.

16.8 Customer Originated Changes (COC)

If the Buyer wishes to introduce Buyer originated data, including BFE Data after the initial issue of the Technical Data, (hereinafter “ **COC Data** ”) into any of the customized Technical Data that are identified as eligible for such incorporation in the Seller's then current Customer Services Catalog, the Buyer shall notify the Seller of such intention.

The incorporation of any COC Data shall be performed under the methods and tools for achieving such introduction and the conditions specified in the Seller's then current Customer Services Catalog.

16.9 AirN@v Family products

16.9.1 The Technical Data listed herebelow are provided on DVD and include integrated software (hereinafter together referred to as “**AirN@v Family**”).

16.9.2 The AirN@v Family covers several Technical Data domains, reflected by the following AirN@v Family products:

- AirN@v / Maintenance,
- AirN@v / Planning,
- AirN@v / Repair,
- AirN@v / Workshop,
- AirN@v / Associated Data,
- AirN@v / Engineering.

16.9.3 The licensing conditions for the use of AirN@v Family integrated software are set forth in the End-User License Agreement for Airbus Software.

16.9.4 The revision service and the license to use AirN@v Family products shall be granted [...***...]. At the end of [...***...], the yearly revision service for AirN@v Family products and the associated license fee shall be provided to the Buyer under the commercial conditions set forth in the Seller's then current Customer Services Catalog.

16.10 On-Line Technical Data

16.10.1 The Technical Data provided on-line shall be made available to the Buyer through the Airbus customer portal AirbusWorld (“**AirbusWorld**”).

16.10.2 Access to AirbusWorld shall be subject to the “**General Terms and Conditions of Access to and Use of AirbusWorld**”, executed between by the Buyer and AACS and dated July 5, 2012 (hereinafter the “**GTC**”).

16.10.3 The list of the Technical Data provided on-line may be extended from time to time.

For any Technical Data which is or becomes available on-line, the Seller reserves the right to eliminate other formats for the concerned Technical Data.

16.10.4 Access to AirbusWorld shall be granted [...***...] for the Technical Data related to the Aircraft which shall be operated by the Buyer.

16.10.5 For the sake of clarification, it is hereby specified that Technical Data accessed through AirbusWorld shall remain subject to the conditions of this Clause 14.

In addition, should AirbusWorld provide access to Technical Data in software format, the use of such software shall be subject to the conditions of the End-User License Agreement for Airbus Software.

16.11 Waiver, Release and Renunciation

The Seller warrants that the Technical Data are prepared in accordance with the state of art at the date of their development. Should any Technical Data prepared by the Seller contain a non-conformity or defect, the sole and exclusive liability of the Seller shall be to take all reasonable and proper steps to correct such Technical Data. Irrespective of any other provisions herein, no warranties of any kind shall be given for the Customer Originated Changes, as set forth in Clause 14.8.

[...***...]

16.12 Proprietary Rights

16.12.1 All proprietary rights relating to Technical Data, including but not limited to patent, design and copyrights, shall remain with the Seller and/or its Affiliates, as the case may be.

These proprietary rights shall also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

16.12.2 Whenever this Agreement and/or any Technical Data provides for manufacturing by the Buyer, the consent given by the Seller shall not be construed as any express or implicit endorsement or approval whatsoever of the Buyer or of the manufactured products. The supply of the Technical Data shall not be construed as any further right for the Buyer to design or manufacture any aircraft or part thereof or any spare part.

16.13 Performance Engineer's Program

16.13.1 In addition to the Technical Data provided under Clause 14, the Seller shall provide to the Buyer Software Services, which shall consist of the Performance Engineer's Programs (“ **PEP** ”) for the Aircraft type covered under this Agreement. Such PEP is composed of software components and databases, and its use is subject to the license conditions set forth in the End-User License Agreement for Airbus Software.

16.13.2 Use of the PEP shall be limited to [...***...] for the purpose of computing performance engineering data. The PEP is intended for use on ground only and shall not be placed or installed on board the Aircraft.

16.13.3 The license to use the PEP and the revision service shall be provided [...***...].

16.13.4 At the end of such PEP Revision Service Period, the PEP shall be provided to the Buyer at the standard commercial conditions set forth in the Seller's then current Customer Services Catalog.

16.14 Future Developments

The Seller continuously monitors technological developments and applies them to Technical Data, document and information systems' functionalities, production and methods of transmission.

The Seller shall implement and the Buyer shall accept such new developments, it being understood that the Buyer shall be informed in due time by the Seller of such new developments and their application and of the date by which the same shall be implemented by the Seller.

16.15 Confidentiality

16.15.1 This Clause, the Technical Data, the Software Services and their contents shall be treated by Buyer (including its employees, agents and advisors) as strictly confidential. All such Technical Data and Software Services are provided to the Buyer for the sole use of the Buyer who undertakes not to disclose the contents thereof, in whole or in part, to any third party without the prior written consent of the Seller, [...***...], except as permitted therein or as required by applicable law, as may be necessary to enforce, or defend against, the terms hereof, or pursuant to legal process. It is further understood that any of such information.

- i. which at the time of disclosure is in the public domain; or
- ii. which is available to the general public, other than as a result of an unauthorized disclosure by the parties hereto;
or
- iii. which is disclosed pursuant to a valid order of a court or regulatory agency or other governmental body or any political subdivision thereof; or
- iv. which is verifiably developed by a party without the benefit of such information; or

v. which is obtained from a third party which has an unrestricted right to disclose such information shall not be subject to the limitations herein.

16.15.2 If the Seller authorizes the disclosure of this Clause or of any Technical Data or Software Services to third parties either under this Agreement or by an express prior written authorization and specifically, where the Buyer intends to designate a maintenance and repair organization or one or more third parties to perform the maintenance of the Aircraft or to perform data processing on its behalf (each a “ **Third Party** ”), the Buyer shall notify the Seller of such intention prior to any disclosure of this Clause and/or the Technical Data and/or the Software Services to such Third Party.

The Buyer hereby undertakes to cause such Third Party to agree to be bound by the conditions and restrictions set forth in this Clause 14 with respect to the disclosed Clause, Technical Data or Software Services and shall in particular cause such Third Party to enter into a confidentiality agreement with the Seller and appropriate licensing conditions, and to commit to use the Technical Data solely for the purpose of maintaining the Buyer’s Aircraft and the Software Services exclusively for processing the Buyer’s data.

16.16 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 14 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent, [...***...].

Any transfer in violation of this Clause 14.16 shall, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 14 and any and all other warranties that might arise under or be implied in law.

17. SELLER REPRESENTATIVE SERVICES

The Seller shall provide at no charge to the Buyer the services described in this Clause 15, at the Buyer's main base or at other locations to be mutually agreed.

17.1 Customer Support Representative(s)

17.1.1 The Seller shall provide [...***...] to the Buyer the services of Seller customer support representative(s), as defined in Appendix A to this Clause 15 (each a " **Seller Representative** "), at the Buyer's main base or such other locations as the parties may agree.

17.1.2 In providing the services as described hereabove, any Seller Representatives, or any Seller employee(s) providing services to the Buyer hereunder, are deemed to be acting in an advisory capacity only and at no time shall they be deemed to be acting as Buyer's employees, contractors or agents, either directly or indirectly.

17.1.3 The Seller shall provide to the Buyer an annual written accounting of the consumed man-months and any remaining man-month balance from the allowance defined in Appendix A to this Clause 15. Such accounting shall be deemed final and accepted by the Buyer unless the Seller receives written objection from the Buyer within [...***...] of receipt of such accounting.

17.1.4 In the event of a need for Aircraft On Ground (" **AOG** ") technical assistance after the end of the assignment referred to in Appendix A to this Clause 15, the Buyer shall have non-exclusive access to:

(a) AIRTAC (Airbus Technical AOG Center);

(b) The Seller Representative network closest to the Buyer's main base. A list of contacts of the Seller Representatives closest to the Buyer's main base shall be provided to the Buyer.

As a matter of reciprocity, the Buyer agrees that Seller Representative(s) may provide similar services to other airlines during any assignment with the Buyer.

17.1.5 Should the Buyer request Seller Representative services exceeding the allocation specified in Appendix A to this Clause 15, the Seller may provide such additional services subject to terms and conditions to be mutually agreed.

17.1.6 The Seller shall cause similar services to be provided by representatives of the Propulsion Systems Manufacturer and Suppliers, when necessary and applicable.

17.2 Buyer's Support

- 17.2.1 From the date of arrival of the first Seller Representative and for the duration of the assignment, the Buyer shall provide free of charge a suitable, lockable office, conveniently located with respect to the Buyer's maintenance facilities, with complete office furniture and equipment including telephone, internet, email and facsimile connections for the sole use of the Seller Representative(s). All related communication costs shall be borne by the Seller upon receipt by the Seller of all relevant justifications; however the Buyer shall not impose on the Seller any charges other than the direct cost of such communications.
- 17.2.2 The Buyer shall reimburse the Seller for the costs of the initial and termination assignment travel of the Seller Representatives, which shall consist of one (1) confirmed ticket, Business Class, to and from their place of assignment and Toulouse, France.
- 17.2.3 [...***...].
- 17.2.4 Should the Buyer request any Seller Representative referred to in Clause 15.1 above to travel on business to a city other than his usual place of assignment, the Buyer shall be responsible for all related transportation costs and expenses.
- 17.2.5 Absence of an assigned Seller Representative during normal statutory vacation periods shall be covered by other seller representatives on the same conditions as those described in Clause 15.1.4, and such services shall be counted against the total allocation provided in Appendix A hereto.
- 17.2.6 The Buyer shall assist the Seller in obtaining from the civil authorities of the Buyer's country those documents that are necessary to permit the Seller Representative to live and work in the Buyer's country. Failure of the Seller to obtain the necessary documents shall relieve the Seller of any obligation to the Buyer under the provisions of Clause 15.1.
- 17.2.7 The Buyer shall reimburse to the Seller charges, taxes, duties, imposts or levies of any kind whatsoever, imposed by the authorities of the Buyer's country upon:
- the entry into or exit from the Buyer's country of the Seller Representatives and their families,
 - the entry into or the exit from the Buyer's country of the Seller Representatives and their families' personal property,
 - the entry into or the exit from the Buyer's country of the Seller's property, for the purpose of providing the Seller Representatives services.

17.3 Withdrawal of the Seller Representative

The Seller shall have the right to withdraw its assigned Seller Representatives as it sees fit if conditions arise, which are in the Seller's opinion dangerous to their safety or health or prevent them from fulfilling their contractual tasks.

17.4 Indemnities

INDEMNIFICATION PROVISIONS APPLICABLE TO THIS CLAUSE 15 ARE SET FORTH IN CLAUSE 19.

APPENDIX A TO CLAUSE 15

SELLER REPRESENTATIVE ALLOCATION

The Seller Representative allocation provided to the Buyer pursuant to Clause 15.1 is defined hereunder.

- 1 The Seller shall provide to the Buyer Seller Representative services at the Buyer's main base or at other locations to be mutually agreed for a total of [...***...] and beginning no earlier than [...***...] prior to the Scheduled Delivery Month of the first A320 Aircraft.
- 2 For the sake of clarification, such Seller Representatives' services shall include initial Aircraft Entry Into Service (EIS) assistance and sustaining support services.
- 3 The number of the Seller Representatives assigned to the Buyer at any one time shall be mutually agreed, but shall at no time exceed [...***...] Seller Representatives.

18. TRAINING SUPPORT AND SERVICES

18.1 General

- 18.1.1 This Clause 16 sets forth the terms and conditions for the supply of training support and services for the Buyer's personnel to support the Aircraft operation.
- 18.1.2 The range, quantity and validity of training to be provided free of charge under this Agreement are covered in Appendix A to this Clause 16.
- 18.1.3 Scheduling of training courses covered in Appendix A shall be mutually agreed during a training conference (the “ **Training Conference** ”) that shall be held no later than [...***...] prior to Delivery of the first Aircraft.

18.2 Training Location

- 18.2.1 The Seller shall provide training at its training center in Blagnac, France, and/or in Hamburg, Germany, or shall designate an affiliated training center in Miami, U.S.A., or Beijing, China (individually a “ **Seller's Training Center** ” and collectively the “ **Seller's Training Centers** ”).
- 18.2.2 If the unavailability of facilities or scheduling difficulties make training by the Seller at any Seller's Training Center impractical, the Seller shall ensure that the Buyer is provided with such training at another location designated by the Seller.
- 18.2.3 Upon the Buyer's request, the Seller may also provide certain training at a location other than the Seller's Training Centers, including one of the Buyer's bases, if and when practicable for the Seller, under terms and conditions to be mutually agreed upon. In such event, all additional charges listed in Clauses 16.5.2 and 16.5.3 shall be borne by the Buyer.
- 18.2.3.1 If the Buyer requests training at a location as indicated in Clause 16.2.3.1 and requires such training to be an Airbus approved course, the Buyer undertakes that the training facilities shall be approved prior to the performance of such training. The Buyer shall, as necessary and with adequate time prior to the performance of such training, provide access to the training facilities set forth in Clause 16.2.3.1 to the Seller's and the competent Aviation Authority's representatives for approval of such facilities.

18.3 Training Courses

- 18.3.1 Training courses shall be as described in the Seller's customer services catalog (the “ **Seller's Customer Services Catalog** ”). The Seller's Customer Services Catalog also sets forth the minimum and maximum number of trainees per course.

All training requests or training course changes not made during the Training Conference shall be submitted by the Buyer with a minimum of [...***...] prior notice.

18.3.2 The following terms and conditions shall apply to training performed by the Seller:

- (i) Training courses shall be the Seller's standard courses as described in the Seller's Customer Services Catalog valid at the time of execution of the course. The Seller shall be responsible for all training course syllabi, training aids and training equipment necessary for the organization of the training courses. For the avoidance of doubt, such training equipment does not include provision of aircraft for the purpose of performing training.
- (ii) The training equipment and the training curricula used for the training of flight, cabin and maintenance personnel shall not be fully customized but shall be configured in order to obtain the relevant Aviation Authority's approval and to support the Seller's training programs.
- (iii) Training data and documentation for trainees receiving the training at the Seller's Training Centers shall be provided [...***...]. Training data and documentation shall be marked "FOR TRAINING ONLY" and as such are supplied for the sole and express purpose of training; training data and documentation shall not be revised.

18.3.3 When the Seller's training courses are provided by the Seller's instructors (individually an “ **Instructor** ” and collectively “ **Instructors** ”) the Seller shall deliver a Certificate of Recognition or a Certificate of Course Completion (each a “ **Certificate** ”) or an attestation (an “ **Attestation** ”), as applicable, at the end of any such training course. Any such Certificate or Attestation shall not represent authority or qualification by any Aviation Authority but may be presented to such Aviation Authority in order to obtain relevant formal qualification.

In the event of training courses being provided by a training provider selected by the Seller as set forth in Clause 16.2.2, the Seller shall cause such training provider to deliver a Certificate or Attestation, which shall not represent authority or qualification by any Aviation Authority, but may be presented to such Aviation Authority in order to obtain relevant formal qualification.

18.3.4 Should the Buyer wish to exchange any of the training courses provided under Appendix A hereto, the Buyer shall place a request for exchange to this effect with the Seller. The Buyer may exchange, subject to the Seller's confirmation, the training allowances granted under Appendix A of the present Agreement as follows:

- (i) flight operations training courses as listed under Article 1 of Appendix A against any flight operations training courses described in the Seller's Customer Services Catalog current at the time of the Buyer's request;
- (ii) maintenance training courses as listed under Article 3 of Appendix A against any maintenance training courses described in the Seller's Customer Services Catalog current at the time of the Buyer's request;
- (iii) should any one of the allowances granted thereunder (flight operations or maintenance) have been fully drawn upon, the Buyer shall be entitled to exchange flight operations or maintenance training courses as needed against the remaining allowances.

The exchange value shall be based on the Seller's " **Training Course Exchange Matrix** " applicable at the time of the request for exchange and which shall be provided to the Buyer at such time.

It is understood that the above provisions shall apply to the extent that training allowances granted under Appendix A remain in credit to the full extent necessary to perform the exchange.

All requests to exchange training courses shall be submitted by the Buyer with a minimum of [...***...] prior notice. The requested training shall be subject to the Seller's then existing planning constraints.

18.3.4.2 Should the Buyer use none or only part of the training to be provided pursuant to this Clause 16, no compensation or credit of any nature shall be provided.

18.3.5 Should the Buyer decide to cancel or reschedule a training course, fully or partially, and irrespective of the location of the training, a minimum advance notification of at least [...***...] prior to the relevant training course start date is required.

18.3.5.1 If the notification occurs [...***...] prior to such training, a cancellation fee corresponding to [...***...] of such training shall be, as applicable, either deducted from the training allowance defined in Appendix A or invoiced at the Seller's then applicable price.

18.3.5.2 If the notification occurs [...***...] prior to such training, a cancellation fee corresponding to [...***...] of such training shall be, as applicable, either deducted from the training allowance defined in Appendix A or invoiced at the Seller's then applicable price.

18.3.5.3 All courses exchanged under Clause 16.3.4.1 shall remain subject to the provisions of this Clause 16.3.5.

18.4 Prerequisites and Conditions

18.4.1 Training shall be conducted in English and all training aids used during such training shall be written in English using common aeronautical terminology.

18.4.2 The Buyer hereby acknowledges that all training courses conducted pursuant to this Clause 16 are " **Standard Transition Training Courses** " and not " **Ab Initio Training Courses** ".

18.4.3 Trainees shall have the prerequisite knowledge and experience specified for each course in the Seller's Customer Services Catalog.

18.4.4 The Buyer shall be responsible for the selection of the trainees and for any liability with respect to the entry knowledge level of the trainees.

18.4.4.1 The Seller reserves the right to verify the trainees' proficiency and previous professional experience.

18.4.4.2 The Seller shall provide to the Buyer during the Training Conference an " **Airbus Pre-Training Survey** " for completion by the Buyer for each trainee.

The Buyer shall provide the Seller with an attendance list of the trainees for each course, with the validated qualification of each trainee, at the time of reservation of the training course and in no event any later than [...***...] before the start of the training course. The Buyer shall return concurrently thereto the completed Airbus Pre-Training Survey, detailing the trainees' associated background. If the Seller determines through the Airbus Pre-Training Survey that a trainee does not match the prerequisites set forth in the Seller's Customer Services Catalog, following consultation with the Buyer, such trainee shall be withdrawn from the program or directed through a relevant entry level training (ELT) program, which shall be at the Buyer's expense.

18.4.4.3 If the Seller determines at any time during the training that a trainee lacks the required level, following consultation with the Buyer, such trainee shall be withdrawn from the program or, upon the Buyer's request, the Seller may be consulted to direct the above mentioned trainee(s), if possible, to any other required additional training, which shall be at the Buyer's expense.

18.4.5 The Seller shall in no case warrant or otherwise be held liable for any trainee's performance as a result of any training provided.

18.5 Logistics

18.5.1 Trainees

18.5.1.1 Living and travel expenses for the Buyer's trainees shall be borne by the Buyer.

18.5.1.2 It shall be the responsibility of the Buyer to make all necessary arrangements relative to authorizations, permits and/or visas necessary for the Buyer's trainees to attend the training courses to be provided hereunder. Rescheduling or cancellation of courses due to the Buyer's failure to obtain any such authorizations, permits and/or visas shall be subject to the provisions of Clauses 16.3.5.1 thru 16.3.5.3.

18.5.2 Training at External Location - Seller's Instructors

18.5.2.1.1 In the event of training being provided at the Seller's request at any location other than the Seller's Training Centers, as provided for in Clause 16.2.2, the expenses of the Seller's Instructors shall be borne directly by the Seller.

18.5.2.1.2 In the event of training being provided by the Seller's Instructor(s) at any location other than the Seller's Training Centers at the Buyer's request, the Buyer shall reimburse the Seller for all the expenses related to the assignment of such Seller Instructors and the performance of their duties as aforesaid.

18.5.2.2 Living Expenses

Except as provided for in Clause 16.5.2.1.1 above, the Buyer shall reimburse the Seller the living expenses for each Seller Instructor and/or other Seller's personnel providing support under this Clause 16, covering the entire period from his day of departure from his main base to day of return to such base at the per diem rate set forth in the Seller's Customer Services Catalog current at the time of the corresponding training or support.

Such per diem shall include, but shall not be limited to, lodging, food and local transportation to and from the place of lodging and the training course location.

18.5.2.3 Air Travel

Except as provided for in Clause 16.5.2.1.1 above, the Buyer shall reimburse the Seller for the airfares for each Seller Instructor and/or other Seller's personnel providing support under this Clause 16, in confirmed business class to and from the Buyer's designated training site and the Seller's Training Centers, as such airfares are set forth in the Seller's Customer Services Catalog current at the time of the corresponding training or support.

18.5.2.4 Buyer's Indemnity

Except in case of gross negligence or willful misconduct of the Seller, the Seller shall not be held liable to the Buyer for any delay or cancellation in the performance of any training outside of the Seller's Training Centers associated with any transportation described in this Clause 16.5.2, and the Buyer shall indemnify and hold harmless the Seller from any such delay and/or cancellation and any consequences arising therefrom.

18.5.3 Training Material and Equipment Availability - Training at External Location

Training material and equipment necessary for course performance at any location other than the Seller's Training Centers or the facilities of a training provider selected by the Seller shall be provided by the Buyer at its own cost in accordance with the Seller's specifications.

Notwithstanding the foregoing, should the Buyer request the performance of a course at another location as per Clause 16.2.3.1, the Seller may, upon the Buyer's request, provide the training material and equipment necessary for such course's performance. Such provision shall be at the Buyer's expense.

18.6 Flight Operations Training

The Seller shall provide training for the Buyer's flight operations personnel as further detailed in Appendix A to this Clause 16, including the courses described in this Clause 16.6.

18.6.1 Flight Crew Training Course

The Seller shall perform a flight crew training course program for the Buyer's flight crews, each of which shall consist of two (2) crew members, who shall be either captain(s) or first officer(s).

18.6.2 Base Flight Training

18.6.2.1 The Buyer shall provide at its own cost its delivered Aircraft, or any other aircraft it operates, for any base flight training, which shall consist of one (1) session per pilot, performed in accordance with the related Airbus training course definition (the “ **Base Flight Training** ”).

18.6.2.2 Should it be necessary to ferry the Buyer's delivered Aircraft to the location where the Base Flight Training shall take place, the additional flight time required for the ferry flight to and/or from the Base Flight Training field shall not be deducted from the Base Flight Training time.

18.6.2.3 If the Base Flight Training is performed outside of the zone where the Seller usually performs such training, the ferry flight to the location where the Base Flight Training shall take place shall be performed by a crew composed of the Seller's and/or the Buyer's qualified pilots, in accordance with the relevant Aviation Authority's regulations related to the place of performance of the Base Flight Training.

18.6.3 Flight Crew Line Initial Operating Experience

In order to assist the Buyer with initial operating experience after Delivery of the first Aircraft, the Seller shall provide to the Buyer pilot Instructor(s) as set forth in Appendix A to this Clause 16.

Should the Buyer request, subject to the Seller's consent, such Seller pilot Instructors to perform any other flight support during the flight crew line initial operating period, such as but not limited to line assistance, demonstration flight(s), ferry flight(s) or any flight(s) required by the Buyer during the period of entry into service of the Aircraft, it is understood that such flight(s) shall be deducted from the flight crew line initial operating experience allowance set forth in Appendix A hereto.

It is hereby understood by the Parties that the Seller's pilot Instructors shall only perform the above flight support services to the extent they bear the relevant qualifications to do so.

18.6.4 Type Specific Cabin Crew Training Course

The Seller shall provide type specific training for cabin crews at one of the locations defined in Clause 16.2.1.

If the Buyer's Aircraft is to incorporate special features, the type specific cabin crew training course shall be performed no earlier than two (2) weeks before the scheduled Delivery Date of the Buyer's first Aircraft.

18.6.5 Training on Aircraft

During any and all flights performed in accordance with this Clause 16.6, the Buyer shall bear full responsibility for the aircraft upon which the flight is performed, including but not limited to any required maintenance, all expenses such as fuel, oil or landing fees and the provision of insurance in line with Clause 16.13.

The Buyer shall assist the Seller, if necessary, in obtaining the validation of the licenses of the Seller's pilots performing Base Flight Training or initial operating experience by the Aviation Authority of the place of registration of the Aircraft.

18.7 Performance / Operations Courses

The Seller shall provide performance/operations training for the Buyer's personnel as defined in Appendix A to this Clause 16.

The available courses shall be listed in the Seller's Customer Services Catalog current at the time of the course.

18.8 Maintenance Training

18.8.1 The Seller shall provide maintenance training for the Buyer's ground personnel as further set forth in Appendix A to this Clause 16.

The available courses shall be as listed in the Seller's Customer Services Catalog current at the time of the course.

The practical training provided in the frame of maintenance training shall be performed on the training devices in use in the Seller's Training Centers.

18.8.2 Practical Training on Aircraft

Notwithstanding Clause 16.8.1 above, upon the Buyer's request, the Seller may provide Instructors for the performance of practical training on aircraft (" **Practical Training** ").

Irrespective of the location at which the training takes place, the Buyer shall provide at its own cost an aircraft for the performance of the Practical Training.

Should the Buyer require the Seller's Instructors to provide Practical Training at facilities selected by the Buyer, such training shall be subject to prior approval of the facilities by the Seller [...***...]. All costs related to such Practical Training, including but not limited to the Seller's approval of the facilities, shall be borne by the Buyer.

The provision of a Seller Instructor for the Practical Training shall be deducted from the trainee days allowance defined in Appendix A to this Clause 16, subject to the conditions detailed in Paragraph 4.4 thereof.

18.9 Supplier and Propulsion Systems Manufacturer Training

Upon the Buyer's request, the Seller shall provide to the Buyer the list of the maintenance and overhaul training courses provided by major Suppliers and the applicable Propulsion Systems Manufacturer on their respective products.

18.10 Proprietary Rights

All proprietary rights, including but not limited to patent, design and copyrights, relating to the Seller's training data and documentation shall remain with the Seller and/or its Affiliates and/or its Suppliers, as the case may be.

These proprietary rights shall also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

18.11 Confidentiality

The Seller's training data and documentation shall be treated by Buyer (including its employees, agents and advisors) as strictly confidential. All such training data and documentation are provided to the Buyer for the sole use of the Buyer, for training of its

own personnel and such other third-party trainers of Buyer's personnel as Buyer may designate with Seller's prior written consent. Buyer undertakes not to disclose the contents thereof in whole or in part to any third party without the prior written consent of the Seller, whose consent shall not be unreasonably withheld, except as required by applicable law, as may be necessary to enforce, or defend against, the terms hereof, or pursuant to legal process. It is further understood that any of such information

- i. which at the time of disclosure is in the public domain; or
- ii. which is available to the general public, other than as a result of an unauthorized disclosure by the parties hereto; or
- iii. which is disclosed pursuant to a valid order of a court or regulatory agency or other governmental body or any political subdivision thereof; or
- iv. which is verifiably developed by a party without the benefit of such information; or
- v. which is obtained from a third party which has an unrestricted right to disclose such information

shall not be subject to the limitations herein.

If the Seller authorizes the disclosure of any training data and documentation to third parties either under this Agreement or by an express prior written authorization, the Buyer shall cause such third party to agree to be bound by the conditions and restrictions set forth in this Clause with respect to the disclosed training data and documentation and shall in particular cause such third party to enter into a confidentiality agreement with the Seller and appropriate licensing conditions, and to commit to use the training data and documentation solely for the purpose for which they are provided.

18.12 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 16 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent.

18.13 Indemnities and Insurance

INDEMNIFICATION PROVISIONS AND INSURANCE REQUIREMENTS APPLICABLE TO THIS CLAUSE 16 ARE AS SET FORTH IN CLAUSE 19.

THE BUYER SHALL PROVIDE THE SELLER WITH AN ADEQUATE INSURANCE CERTIFICATE PRIOR TO ANY TRAINING ON AIRCRAFT.

APPENDIX "A" TO CLAUSE 16

TRAINING ALLOWANCE

For the avoidance of doubt, all quantities indicated below are the total quantities granted for the whole of the Buyer's fleet of twelve (12) Aircraft firmly ordered, unless otherwise specified.

The contractual training courses defined in this Appendix A shall be provided up to [...***...] after Delivery of the last firmly ordered Aircraft delivered under this Agreement.

Notwithstanding the above, (i) flight operations training courses granted per firmly ordered Aircraft in this Appendix A shall be provided by the Seller within a period [...***...] after said Aircraft Delivery and (ii) maintenance training courses referred to in Paragraph 3 to this Appendix A shall be made available to the Buyer within a period [...***...] after Delivery of the last Aircraft.

Any deviation to said training delivery schedule shall be mutually agreed between the Buyer and the Seller.

1 FLIGHT OPERATIONS TRAINING

1.1 Flight Crew Training (standard transition course)

[...***...]

1.2 Low Visibility Operations Training

[...***...]

1.3 Flight Crew Line Initial Operating Experience

The Seller shall provide to the Buyer pilot Instructor(s) [...***...] for a period of [...***...] pilot Instructor months.

Unless otherwise agreed during the Training Conference, in order to follow the Aircraft Delivery schedule, the maximum number of pilot Instructors present at any one time shall be limited to [...***...] pilot Instructors.

1.4 Type Specific Cabin Crew Training Course

The Seller shall provide to the Buyer [...***...] type specific training for cabin crews for [...***...] of the Buyer's cabin crew instructors, pursers or cabin attendants.

1.5 Airbus Pilot Instructor Course (APIC)

The Seller shall provide to the Buyer transition Airbus Pilot Instructor Course(s) (APIC), for flight and synthetic instruction, [...***...] for [...***...] of the Buyer's flight instructors. APIC courses shall be performed in groups of [...***...] trainees.

2 PERFORMANCE / OPERATIONS COURSE(S)

The Seller shall provide to the Buyer [...***...] trainee days of performance / operations training free of charge for the Buyer's personnel.

3 MAINTENANCE TRAINING

3.1 The Seller shall provide to the Buyer [...***...] trainee days of maintenance training free of charge for the Buyer's personnel.

3.2 The Seller shall provide to the Buyer [...***...] Engine Run-up courses.

4 TRAINEE DAYS ACCOUNTING

Trainee days are counted as follows:

- 4.1 For instruction at the Seller's Training Centers: one (1) day of instruction for one (1) trainee equals one (1) trainee day. The number of trainees [...***...] shall be counted as the number of trainees to have taken the course.
- 4.2 For instruction outside of the Seller's Training Centers: one (1) day of instruction by one (1) Seller Instructor equals the actual number of trainees attending the course or a minimum of [...***...] trainee days, except for structure maintenance training course(s).
- 4.3 For structure maintenance training courses outside the Seller's Training Center(s), one (1) day of instruction by one (1) Seller Instructor equals the actual number of trainees attending the course or the minimum number of trainees [...***...].
- 4.4 For practical training, whether on training devices or on aircraft, one (1) day of instruction by one (1) Seller Instructor equals the actual number of trainees attending the course or a minimum of [...***...] trainee days.

19. EQUIPMENT SUPPLIER PRODUCT SUPPORT

19.1 Equipment Supplier Product Support Agreements

19.1.1 The Seller has obtained enforceable and transferable product support agreements from Suppliers of Supplier Parts, the benefit of which is hereby accepted by the Buyer. Said agreements become enforceable as soon as and for as long as an operator is identified as an Airbus aircraft operator.

19.1.2 These agreements are based on the " **World Airlines Suppliers Guide** ", are made available to the Buyer through the SPSA Application, and include Supplier commitments as contained in the Supplier Product Support Agreements which include the following provisions:

19.1.2.1 Technical data and manuals required to operate, maintain, service and overhaul the Supplier Parts shall be prepared in accordance with the applicable provisions of ATA Specification including revision service and be published in the English language. The Seller shall recommend that a software user guide, where applicable, be supplied in the form of an appendix to the Component Maintenance Manual. Such data shall be provided in compliance with the applicable ATA Specification;

19.1.2.2 Warranties and guarantees, including standard warranties. In addition, landing gear Suppliers shall provide service life policies for selected structural landing gear elements;

19.1.2.3 Training to ensure efficient operation, maintenance and overhaul of the Supplier Parts for the Buyer's instructors, shop and line service personnel;

19.1.2.4 Spares data in compliance with ATA iSpecification 2200, initial provisioning recommendations, spare parts and logistic service including routine and expedite deliveries;

19.1.2.5 Technical service to assist the Buyer with maintenance, overhaul, repair, operation and inspection of Supplier Parts as well as required tooling and spares provisioning.

19.2 Supplier Compliance

The Seller shall monitor Suppliers' compliance with support commitments defined in the Supplier Product Support Agreements and shall, if necessary, jointly take remedial action with the Buyer.

19.3 Nothing in this Clause 17 shall be construed to prevent or limit the Buyer from entering into direct negotiations with a Supplier with respect to different or additional terms and conditions applicable to Suppliers Parts selected by the Buyer to be installed on the Aircraft.

19.4 Familiarization Training

Upon the Buyer's request, the Seller shall provide the Buyer with Supplier Product Support Agreements familiarization training at the Seller's facilities in Blagnac, France. An on-line training module shall be further available through AirbusWorld, access to which shall be subject to the **GTC** , as such term is defined in Clause 14.10.2.

20. BUYER FURNISHED EQUIPMENT

20.1 Administration

20.1.1.1 In accordance with the Specification, the Seller shall install those items of equipment that are identified in the Specification as being furnished by the Buyer (" **Buyer Furnished Equipment** " or " **BFE** "), provided that the BFE and the supplier of such BFE (the " **BFE Supplier** ") are referred to in the Airbus BFE Product Catalog valid at the time the BFE Supplier is selected.

20.1.1.2 Notwithstanding the foregoing and without prejudice to Clause 2.4, if the Buyer wishes to install BFE manufactured by a supplier who is not referred to in the Airbus BFE Product Catalog, the Buyer shall so inform the Seller and the Seller shall conduct a feasibility study of the Buyer's request, in order to consider approving such supplier, provided that such request is compatible with the Seller's industrial planning and the associated Scheduled Delivery Month for the Buyer's Aircraft. In addition, it is a prerequisite to such approval that the considered supplier be qualified by the Seller's Aviation Authorities to produce equipment for installation on civil aircraft. Any approval of a supplier by the Seller shall be performed at the Buyer's expense. The Buyer shall cause any BFE supplier approved under this Clause 18.1.1.2 (each an " **Approved BFE Supplier** ") to comply with the conditions set forth in this Clause 18 and specifically Clause 18.2.

Except for the specific purposes of this Clause 18.1.1.2, the term " **BFE Supplier** " shall be deemed to include Approved BFE Suppliers.

20.1.2 The Seller shall advise the Buyer of the dates by which, in the planned release of engineering for the Aircraft, the Seller requires a written detailed engineering definition encompassing a Declaration of Design and Performance (the " **BFE Engineering Definition** "). The Seller shall provide to the Buyer and/or the BFE Supplier(s), within an appropriate timeframe, the necessary interface documentation to enable the development of the BFE Engineering Definition.

The BFE Engineering Definition shall include the description of the dimensions and weight of BFE, the information related to its certification and the information necessary for the installation and operation thereof, including when applicable 3D models compatible with the Seller's systems. The Buyer shall furnish, or cause the BFE Suppliers to furnish, the BFE Engineering Definition by the dates specified.

Thereafter, the BFE Engineering Definition shall not be revised, except through an SCN executed in accordance with Clause 2.

20.1.2.1 The Seller shall also provide in due time to the Buyer a schedule of dates and the shipping addresses for delivery of the BFE and, where requested by the Seller, additional spare BFE to permit installation in the Aircraft and Delivery of the Aircraft in accordance with the Aircraft delivery schedule. The Buyer shall provide, or cause the BFE Suppliers to provide, the BFE by such dates in a serviceable condition, in order to allow performance of any assembly, installation, test or acceptance process in accordance with the Seller's industrial schedule. In order to facilitate the follow-up of the timely receipt of BFE, the Buyer shall, upon the Seller's request, provide to the Seller dates and references of all BFE purchase orders placed by the Buyer.

The Buyer shall also provide, when requested by the Seller, at Airbus Operations S.A.S. works in Toulouse, France, Airbus Operations GmbH works in Hamburg, Germany and/or the Airbus Americas Inc. facility in Mobile, Alabama, as applicable, adequate field service including support from BFE Suppliers to act in a technical advisory capacity to the Seller in the installation, calibration and possible repair of any BFE.

20.1.3 Without prejudice to the Buyer's obligations hereunder, in order to facilitate the development of the BFE Engineering Definition, the Seller shall organize meetings between the Buyer and BFE Suppliers. The Buyer hereby agrees to participate in such meetings and to provide adequate technical and engineering expertise to reach decisions within the defined timeframe.

In addition, throughout the development phase and up to Delivery of the Aircraft to the Buyer, the Buyer agrees:

- to monitor the BFE Suppliers and ensure that they shall enable the Buyer to fulfil its obligations, including but not limited to those set forth in the Customization Milestone Chart;
- that, should a timeframe, quality or other type of risk be identified at a given BFE Supplier, the Buyer shall allocate resources to such BFE Supplier so as not to jeopardize the industrial schedule of the Aircraft;
- for major BFE, including, but not being limited to, seats, galleys and IFE (" **Major BFE** ") to participate on a mandatory basis in the specific meetings that take place between BFE Supplier selection and BFE delivery, namely:
 - o Preliminary Design Review (" **PDR** "),
 - o Critical Design Review (" **CDR** ");

- to attend the First Article Inspection (“ **FAI** ”) for the first shipset of all Major BFE. Should the Buyer not attend such FAI, the Buyer shall delegate the FAI to the BFE Supplier and confirmation thereof shall be supplied to the Seller in writing;
- to attend the Source Inspection (“ **SI** ”) that takes place at the BFE Supplier’s premises prior to shipping, for each shipset of all Major BFE. Should the Buyer not attend such SI, the Buyer shall delegate the SI to the BFE Supplier and confirmation thereof shall be brought to the Seller in writing. Should the Buyer not attend the SI, the Buyer shall be deemed to have accepted the conclusions of the BFE Supplier with respect to such SI.

The Seller shall be entitled to attend the PDR, the CDR and the FAI. In doing so, the Seller’s employees shall be acting in an advisory capacity only and at no time shall they be deemed to be acting as Buyer’s employees or agents, either directly or indirectly.

20.1.4 The BFE shall be imported into FRANCE or into GERMANY by the Buyer under a suspensive customs system ("Régime de l'entrepôt douanier ou régime de perfectionnement actif " or "Zollverschluss") without application of any French or German tax or customs duty, and shall be Delivered At Place (DAP) according to the Incoterms, to the following shipping addresses:

AIRBUS OPERATIONS S.A.S.
316 Route de Bayonne
31300 TOULOUSE
FRANCE

or

AIRBUS OPERATIONS GmbH
Kreetslag 10
21129 HAMBURG
GERMANY

or such other location as may be specified by the Seller.

20.1.4.1 BFE delivered to the Seller’s Affiliate in Mobile, Alabama, as may be specified by the Seller pursuant to Clause 18.1.4.1, will be shipped according to the Incoterms 2010 “Delivered Duty Paid” Airbus Americas, Inc., Mobile, Alabama.

20.2 Applicable Requirements

The Buyer is responsible for ensuring, at its expense, and warrants that the BFE shall:

- be manufactured by a qualified BFE Supplier, and
- meet the requirements of the applicable Specification of the Aircraft, and
- be delivered with the relevant certification documentation, including but not limited to the DDP, and
- comply with the BFE Engineering Definition, and
- comply with applicable requirements incorporated by reference to the Type Certificate and listed in the Type Certificate Data Sheet, and
- be approved by the Aviation Authority issuing the Export Airworthiness Certificate and by the Buyer's Aviation Authority for installation and use on the Aircraft at the time of Delivery of the Aircraft, and
- not infringe any patent, copyright or other intellectual property right of the Seller or any third party, and
- not be subject to any legal obligation or other encumbrance that may prevent, hinder or delay the installation of the BFE in the Aircraft and/or the Delivery of the Aircraft.

The Seller shall be entitled to refuse any item of BFE that it considers incompatible with the Specification, the BFE Engineering Definition or the certification requirements.

20.3 Buyer's Obligation and Seller's Remedies

20.3.1 Any delay or failure by the Buyer or the BFE Suppliers in:

- complying with the foregoing warranty or in providing the BFE Engineering Definition or field service mentioned in Clause 18.1.2.2, or
- furnishing the BFE in a serviceable condition at the requested delivery date, or
- obtaining any required approval for such BFE equipment under the above mentioned Aviation Authorities' regulations,

may delay the performance of any act to be performed by the Seller, including Delivery of the Aircraft. The Seller shall not be responsible for such delay which shall cause the Final Price of the affected Aircraft to be adjusted in accordance with the updated delivery schedule and to include in particular the amount of the Seller's additional costs attributable to such

delay or failure by the Buyer or the BFE Suppliers, such as storage, taxes, insurance and costs of out-of sequence installation.

20.3.2 In addition, in the event of any delay or failure mentioned in 18.3.1 above, the Seller may:

- (i) select, purchase and install equipment similar to the BFE at issue, in which event the Final Price of the affected Aircraft shall also be increased by the purchase price of such equipment plus reasonable costs and expenses incurred by the Seller for handling charges, transportation, insurance, packaging and, if so required and not already provided for in the Final Price of the Aircraft, for adjustment and calibration; or
- (ii) if the BFE is delayed by more than [...***...] beyond, or is not approved within [...***...] of the dates specified in Clause 18.1.2.2, deliver the Aircraft without the installation of such BFE, notwithstanding applicable terms of Clause 7, if any, and the Seller shall thereupon be relieved of all obligations to install such equipment.

[...***...]

20.4 Title and Risk of Loss

Title to and risk of loss of any BFE shall at all times remain with the Buyer except that risk of loss (limited to cost of replacement of said BFE) shall be with the Seller for as long as such BFE is under the care, custody and control of the Seller.

20.5 Disposition of BFE Following Termination

20.5.1 The Seller shall be entitled, but not required, to purchase from the Buyer, any BFE delivered to the Seller in respect of an Aircraft that has been terminated.

20.5.2 The price to be paid by the Seller for such BFE shall be equal to the price paid by the Buyer to the BFE Supplier, net of all concessions (the “ **Buyer Net BFE Price** ”). The Buyer shall provide to the Seller all relevant invoices justifying the price paid by it to the BFE Supplier. The Buyer shall grant to the Seller title to BFE purchased by it pursuant to this Clause 18.5.

20.5.3 If the Buyer Net BFE Price is greater than [...***...] of the catalogue price for such BFE prevailing at the time of Termination of the Aircraft (the “ **BFE Catalogue Price** ”), the Buyer Net BFE Price shall be deemed to be [...***...] of the BFE Catalogue Price.

20.5.4 The Seller has the right to remove BFE installed on a terminated Aircraft and the Buyer shall have no claim against the Seller for damage to or destruction of any item of BFE

damaged or destroyed during the removal process, provided that the Seller shall use reasonable care during such removal. At the Seller's request, the Buyer shall remove such items from the Seller' facility within thirty (30) days of the date of such notice.

21. INDEMNITIES AND INSURANCE

The Seller and the Buyer shall each be liable for Losses (as defined below) arising from the acts or omissions of their respective directors, officers, agents or employees occurring during or incidental to such party's exercise of its rights and performance of its obligations under this Agreement, except as provided in Clauses 19.1 and 19.2.

21.1 Seller's Indemnities

The Seller shall, except in the case of gross negligence or willful misconduct of the Buyer, its directors, officers, agents and/or employees, be solely liable for and shall indemnify and hold the Buyer, its Affiliates and each of their respective directors, officers, agents, employees and insurers harmless against all losses, liabilities, claims, damages, costs and expenses, including court costs and reasonable attorneys' fees (" **Losses** "), arising from:

- (a) claims for injuries to, or death of, the Seller's directors, officers, agents or employees, or loss of, or damage to, property of the Seller or its employees when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and
- (b) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to the Technical Acceptance Flights.

21.2 Buyer's Indemnities

The Buyer shall, except in the case of gross negligence or willful misconduct of the Seller, its directors, officers, agents and/or employees, be solely liable for and shall indemnify and hold the Seller, its Affiliates, its subcontractors, and each of their respective directors, officers, agents, employees and insurers, harmless against all Losses arising from:

- (a) claims for injuries to, or death of, the Buyer's directors, officers, agents or employees, or loss of, or damage to, property of the Buyer or its employees, when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and
- (b) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to (i) the provision of Seller Representatives services under Clause 15 including services performed on board the aircraft or (ii) the provision of Aircraft Training Services to the Buyer.

21.3 Notice and Defense of Claims

If any claim is made or suit is brought against a party or entity entitled to indemnification under this Clause 19 (the “**Indemnatee**”) for damages for which liability has been assumed by the other party under this Clause 19 (the “**Indemnitor**”), the Indemnatee shall promptly give notice to the Indemnitor and the Indemnitor (unless otherwise requested by the Indemnatee) shall assume and conduct the defense, or settlement, of such claim or suit, as the Indemnitor shall deem prudent. Notice of the claim or suit shall be accompanied by all information pertinent to the matter as is reasonably available to the Indemnatee and shall be followed by such cooperation by the Indemnatee as the Indemnitor or its counsel may reasonably request, at the expense of the Indemnitor.

If the Indemnitor fails or refuses to assume the defense of any claim or suit notified to it under this Clause 19, the Indemnatee shall have the right to proceed with the defense or settlement of the claim or suit as it deems prudent and shall have a claim against the Indemnitor for any judgments, settlements, costs or expenses, including reasonable attorneys’ fees. Further, in such event, the Indemnitor shall be deemed to have waived any objection or defense to the Indemnatee’s claim based on the reasonableness of any settlement.

21.4 Insurance

For all Aircraft Training Services, to the extent of the Buyer’s undertaking set forth in Clause 19.2, the Buyer shall:

- (a) cause the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents and employees to be named as additional insured under the Buyer’s Comprehensive Aviation Legal Liability insurance policies, including War Risks and Allied Perils (such insurance to include the AVN 52E Extended Coverage Endorsement Aviation Liabilities or any further Endorsement replacing AVN 52E as may be available as well as any excess coverage in respect of War and Allied Perils Third Parties Legal Liabilities Insurance), and
- (b) with respect to the Buyer’s Hull All Risks and Hull War Risks insurances and Allied Perils, cause the insurers of the Buyer’s hull insurance policies to waive all rights of subrogation against the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents, employees and insurers.

Any applicable deductible shall be borne by the Buyer. The Buyer shall furnish to the Seller, not less than seven (7) working days prior to the start of any Aircraft Training Services, certificates of insurance, in English, evidencing the limits of liability cover and period of insurance coverage in a form reasonably acceptable to the Seller from the Buyer’s insurance broker(s), certifying that such policies have been endorsed as follows:

- (i) under the Comprehensive Aviation Legal Liability Insurances, the Buyer’s policies are primary and non-contributory to any insurance maintained by the Seller,

- (ii) such insurance can only be cancelled or materially altered by the giving of not less than [...***...] (but [...***...] or such lesser period as may be customarily available in respect of War Risks and Allied Perils) prior written notice thereof to the Seller, and
- (iii) under any such cover, all rights of subrogation against the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents, employees and insurers have been waived.

22. TERMINATION

22.1 Termination Events

Each of the following shall constitute a “ **Termination Event** ”

- (1) The Buyer or any of its Affiliates commences in any jurisdiction any case, proceeding or other action with respect to the Buyer or any of its Affiliates or their properties relating to bankruptcy, insolvency, reorganization, winding-up, liquidation, dissolution or other relief from, or with respect to, or readjustment of, its debts or obligations.
- (2) An action is commenced in any jurisdiction seeking the appointment of a receiver, trustee, custodian or other similar official for the Buyer or any of its respective Affiliates or for all or any substantial part of their respective assets, and such action remains unstayed, undismissed or undischarged for [...***...], or the Buyer or any of its Affiliates makes a general assignment for the benefit of its creditors.
- (3) An action is commenced in any jurisdiction against the Buyer or any of its respective Affiliates seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of their respective assets, and such action remains unstayed, undismissed or undischarged for [...***...].
- (4) The Buyer or any of its Affiliates becomes the object, in any jurisdiction, of a case, proceeding or action similar or analogous to any of the events mentioned in Clause 20.1(1), (2) or (3).
- (5) The Buyer or any of its Affiliates is generally not able, or is expected to be unable to, or shall admit in writing its inability to, pay its debts as they become due.
- (6) The Buyer or any of its Affiliates commences negotiations with significant creditors, existing or potential, either with the intention of restructuring all or a substantial part of all of its outstanding obligations or in preparation for a bankruptcy filing under the U.S. Bankruptcy Code.
- (7) [...***...]
- (8) The Buyer repudiates, cancels or terminates this Agreement in whole or in part.
- (9) The Buyer defaults in its obligation to take delivery of an Aircraft as provided in Clause 9.2.
- (10) The Buyer or any of its Affiliates defaults in the observance or performance of any other covenant, undertaking or obligation contained in this Agreement or any other

material agreement between the Buyer or its Affiliates, on the one hand, and the Seller or its Affiliates on the other hand, provided that, if such breach or default is capable of being cured and such breach or default is not cured within any specified cure period.

(11) Any other event that the parties agree in writing constitutes a Termination Event.

22.2 Remedies in Event of Termination

22.2.1 [...***...]

22.2.2 [...***...]

22.2.3 [...***...]

22.2.4 [...***...]

22.3 [...***...]

22.4 Notice of Termination Event

Within [...***...] of becoming aware of the occurrence of a Termination Event by the Buyer, the Buyer shall notify the Seller of such occurrence in writing, provided, that any failure by the Buyer to notify the Seller shall not prejudice the Seller's rights or remedies hereunder.

22.5 Information Covenants

The Buyer hereby covenants and agrees that, from the date of this Agreement until no further Aircraft are to be delivered hereunder, the Buyer shall furnish or cause to be furnished to the Seller the following, it being understood that this covenant with respect to Clauses 20.5 (a), (b) and (e) shall be deemed satisfied if the information requested in those clauses is filed, with un-redacted financial statements, with the U.S. Securities and Exchange Commission and is publicly available on EDGAR (or any successor online resource):

(a) Annual Financial Statements. As soon as available and in any event no later than the date that the Buyer furnishes such annual statements to the Securities and Exchange Commission or successor thereto (the "SEC") (i) a copy of the SEC Form 10-K filed by the Buyer with the SEC for such fiscal year, or, if no such Form 10-K was filed by the Buyer for such a fiscal year, the consolidated balance sheet of the Buyer and its Subsidiaries, as at the end of such fiscal year and the related consolidated statements of operations, of common stockholders' equity (deficit) (in the case of the Buyer and its Subsidiaries) and of cash flows for such fiscal year, setting forth comparative consolidated figures as of the end of and for the preceding fiscal year, and examined by

any firm of independent public accountants of recognized standing selected by the Buyer and reasonably acceptable to the Seller, whose opinion shall not be qualified as to the scope of audit or as to the status of the Buyer as a going concern, and (ii) a certificate of such accounting firm stating that its audit of the business of the Buyer was conducted in accordance with generally accepted auditing standards.

(b) Quarterly Financial Statements. As soon as available and in any event no later than the date that the Buyer furnishes such quarterly statements to the Securities and Exchange Commission or successor thereto, a copy of the SEC Form 10-Q filed by the Buyer with the SEC for such quarterly period, or, if no such Form 10-Q was filed by the Buyer with respect to any such quarterly period, the consolidated balance sheet of the Buyer and its Subsidiaries, as at the end of such quarterly period and the related consolidated statements of operations for such quarterly period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period and in each case setting forth comparative consolidated figures as of the end of and for the related periods in the prior fiscal year, all of which shall be certified by an Authorized Officer of the Buyer, subject to changes resulting from audit and normal year-end audit adjustments.

(c) [...***...]

(d) Acceleration of other indebtedness. Immediately upon knowledge by the Buyer that the holder of any bond, debenture, promissory note or any similar evidence of indebtedness of the Buyer or Affiliate thereof (" **Other Indebtedness** ") has demanded payment, given notice or exercised its right to a remedy having the effect of acceleration with respect to a claimed event of default under any Other Indebtedness, where the impact of the acceleration is likely to have a material adverse effect on the Buyer's ability to perform its obligations under or in connection with the transactions contemplated by this Agreement, notice of the demand made, notice given or action taken by such holder and the nature and status of the claimed event of default and what the action the Buyer is taking with respect thereto.

(e) Other Information. Promptly upon transmission thereof, copies of any filings and registrations with, and reports to, the SEC by the Buyer or any of its Subsidiaries, and, with reasonable promptness, such other information or documents (financial or otherwise) as the Seller may reasonably request from time to time.

For the purposes of this Clause 20, (x) an " **Authorized Officer** " of the Buyer shall mean the Chief Executive Officer, the Chief Financial Officer or any Vice President and above who reports directly or indirectly to the Chief Financial Officer and (y) " **Subsidiaries** " shall mean, as of any date of determination, those companies owned by the Buyer whose financial results the Buyer is required to include in its statements of consolidated operations and consolidated balance sheets.

22.6 Nothing contained in this Clause 20 shall be deemed to waive or limit the Seller's rights or ability to request adequate assurance under Article 2, Section 609 of the Uniform Commercial Code (the " UCC "). It is further understood that any commitment of the Seller or the Propulsion Systems manufacturer to provide financing to the Buyer shall not constitute adequate assurance under Article 2, Section 609 of the UCC.

23. ASSIGNMENTS AND TRANSFERS

23.1 Assignments

Except as hereinafter provided, neither party may sell, assign, novate or transfer its rights or obligations under this Agreement to any person without the prior written consent of the other, except that the Seller may sell, assign, novate or transfer its rights or obligations under this Agreement to any Affiliate without the Buyer's consent.

23.2 Assignments on Sale, Merger or Consolidation

The Buyer shall be entitled to assign its rights under this Agreement at any time due to a merger, consolidation or a sale of all or substantially all of its assets, provided the Buyer first obtains the written consent of the Seller. The Buyer shall provide the Seller with no less than [...***...] notice if the Buyer wishes the Seller to provide such consent. The Seller shall provide its consent if

- (i) the surviving or acquiring entity is organized and existing under the laws of the United States;
- (ii) the surviving or acquiring entity has executed an assumption agreement, in form and substance acceptable to the Seller, agreeing to assume all of the Buyer's obligations under this Agreement;
- (iii) at the time, and immediately following the consummation, of the merger, consolidation or sale, no event of default exists or shall have occurred and be continuing;
- (iv) there exists with respect to the surviving or acquiring entity no basis for a Termination Event;
- (v) the surviving or acquiring entity is an airline holding an operating certificate issued by the FAA at the time, and immediately following the consummation, of such sale, merger or consolidation; and
- (vi) following the sale, merger or consolidation, the surviving entity [...***...].

23.3 Designations by Seller

The Seller may at any time by notice to the Buyer designate facilities or personnel of the Seller or any other Affiliate of the Seller at which or by whom the services to be performed under this Agreement shall be performed. Notwithstanding such designation, the Seller shall remain ultimately responsible for fulfilment of all obligations undertaken by the Seller in this Agreement.

23.4 Transfer of Rights and Obligations upon Reorganization

In the event that the Seller is subject to a corporate restructuring having as its object the transfer of, or succession by operation of law in, all or a substantial part of its assets and liabilities, rights and obligations, including those existing under this Agreement, to a person (the “ **Successor** ”) that is an Affiliate of the Seller at the time of that restructuring, for the purpose of the Successor carrying on the business carried on by the Seller at the time of the restructuring, such restructuring shall be completed without consent of the Buyer following notification by the Seller to the Buyer in writing. The Buyer recognizes that succession of the Successor to the Agreement by operation of law that is valid under the law pursuant to which that succession occurs shall be binding upon the Buyer.

24. MISCELLANEOUS PROVISIONS

24.1 Data Retrieval

On the Seller's reasonable request, the Buyer shall provide the Seller with all the necessary data, as customarily compiled by the Buyer and pertaining to the operation of the Aircraft, to assist the Seller in making an efficient and coordinated survey of all reliability, maintenance, operational and cost data with a view to monitoring the efficient and cost effective operations of the Airbus fleet worldwide; [...***...].

24.2 Notices

All notices and requests required or authorized hereunder shall be given in writing either by personal delivery to an authorized officer of the party to whom the same is given or by commercial courier, express (overnight service) mail or facsimile at the addresses and numbers set forth below. The date on which any such notice or request is so personally delivered, or if such notice or request is given by commercial courier, express (overnight) mail or facsimile, the date on which sent, provided that if such date is not a Business Day notice shall be deemed to have been received on the first following Business Day, shall be deemed to be the effective date of such notice or request.

The Seller will be addressed at:

Airbus S.A.S.
Attention: Senior Vice President Contracts
1, Rond Point Maurice Bellonte
31707 Blagnac Cedex,
France

The Buyer shall be addressed at:

Allegiant Air, LLC
Attention: Vice President, Fleet & Corporate Finance
1201 N. Town Center Drive
Las Vegas, NV 89144
USA
FleetTransactions@AllegiantAir.com

With copy to:

Donna M. Schmidt
Attorney At Law
405 S. Roosevelt
Wichita, KS 67218
donna@dschmidtlaw.com

From time to time, the party receiving the notice or request may designate another address or another person.

24.3 Waiver

The failure of either party to enforce at any time any of the provisions of this Agreement, to exercise any right herein provided or to require at any time performance by the other party of any of the provisions hereof shall in no way be construed to be a present or future waiver of such provisions nor in any way to affect the validity of this Agreement or any part hereof or the right of the other party thereafter to enforce each and every such provision. The express waiver by either party of any provision, condition or requirement of this Agreement shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

24.4 International Supply Contract

The Buyer and the Seller recognize that this Agreement is an international supply contract which has been the subject of discussion and negotiation, that all its terms and conditions are fully understood by the parties, and that the Specification and price of the Aircraft and the other mutual agreements of the parties set forth herein were arrived at in consideration of, inter alia, all provisions hereof specifically including all waivers, releases and renunciations by the Buyer set out herein.

24.5 Certain Representations of the Parties

24.5.1 Buyer's Representations

The Buyer represents and warrants to the Seller:

- (i) the Buyer is a limited liability company organized and existing in good standing under the laws of the State of Nevada, U.S.A. and has the power and authority to enter into and perform its obligations under this Agreement;
- (ii) neither the execution and delivery by the Buyer of this Agreement, nor the consummation of any of the transactions by the Buyer contemplated thereby, nor the performance by the Buyer of the obligations thereunder, constitutes a breach of any agreement to which the Buyer is a party or by which its assets are bound;
- (iii) this Agreement has been duly authorized, executed and delivered by the Buyer and constitutes the legal, valid and binding obligation of the Buyer enforceable against the Buyer in accordance with its terms.

24.5.2 Seller's Representations

The Seller represents and warrants to the Buyer:

- (i) the Seller is organized and existing in good standing under the laws of the Republic of France and has the corporate power and authority to enter into and perform its obligations under the Agreement;
- (ii) neither the execution and delivery by the Seller of this Agreement, nor the consummation of any of the transactions by the Seller contemplated thereby, nor the performance by the Seller of the obligations thereunder, constitutes a breach of any agreement to which the Seller is a party or by which its assets are bound;
- (iii) this Agreement has been duly authorized, executed and delivered by the Seller and constitutes the legal, valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms.

24.6 Interpretation and Law

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND THE PERFORMANCE THEREOF SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS CONFLICTS OF LAWS PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

Each of the Seller and the Buyer (i) hereby irrevocably submits itself to the nonexclusive jurisdiction of the courts of the state of New York, New York County, of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto, and (ii) hereby waives, and agrees not to assert, by way of motion, as a defense or otherwise, in any such suit, action or proceeding, to the extent permitted by applicable law, any defense based on sovereign or other immunity or that the suit, action or proceeding which is referred to in clause (i) above is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by these courts.

THE PARTIES HEREBY ALSO AGREE THAT THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS SHALL NOT APPLY TO THIS TRANSACTION.

- 24.6.1 Service of process in any suit, action or proceeding in respect of any matter as to which the Seller or the Buyer has submitted to jurisdiction under Clause 22.6 for the [...***...] period following the date of this Agreement: (i) may be made on the Seller by delivery of the same personally to, CT Corporation at 111 Eighth Avenue, 13th floor, New York, NY 10011 or by

any other method authorized by the laws of the State of New York and the Federal Rules of Civil Procedure, and (ii) may be made on the Buyer by delivery of the same personally to its State of New York registered agent, Corporation Service Company at 1180 Avenue of the Americas, Suite 210, New York, NY 10036, or by any other method authorized by the laws of the State of New York and the Federal Rules of Civil Procedure.

24.6.2 Headings

All headings in this Agreement are for convenience of reference only and do not constitute a part of this Agreement.

24.7 Waiver of Jury Trial

EACH OF THE PARTIES HERETO WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM OR CROSS-CLAIM THEREIN.

24.8 No Representations Outside of this Agreement

The parties declare that, prior to the execution of this Agreement, they, with the advice of their respective counsel, apprised themselves of sufficient relevant data in order that they might intelligently exercise their own judgments in deciding whether to execute this Agreement and in deciding on the contents of this Agreement. Each party further declares that its decision to execute this Agreement is not predicated on or influenced by any declarations or representations by any other person, party, or any predecessors in interest, successors, assigns, officers, directors, employees, agents or attorneys of any said person or party, except as set forth in this Agreement. This Agreement resulted from negotiation involving counsel for all of the parties hereto and no term herein shall be construed or interpreted against any party under the contra proferentum or any related doctrine.

24.9 Confidentiality

This Agreement and any reports or other data furnished hereunder, including but not limited to Aircraft pricing (the “**Confidential Information**”), shall be treated by both parties (including their employees, agents and advisors) as strictly confidential. The parties shall not disclose the contents of this Agreement, in whole or in part, to any third party without the prior written consent of the other party, except as required by applicable law, as may be necessary to enforce, or defend against, the terms hereof, or pursuant to legal process. It is further understood that any of such information:

- i. which at the time of disclosure is in the public domain; or
- ii. which is available to the general public, other than as a result of an unauthorized disclosure by the parties hereto; or

- iii. which is disclosed pursuant to a valid order of a court or regulatory agency or other governmental body or any political subdivision thereof; or
- iv. which is verifiably developed by a party without the benefit of such information; or
- v. which is obtained from a third party which has an unrestricted right to disclose such information

shall not be subject to the limitations herein.

Without limiting the generality of the foregoing, the Buyer shall use its reasonable efforts to limit the disclosure of the contents of this Agreement to the extent legally permissible as determined by Buyer's counsel, in any filing required to be made by the Buyer with any governmental agency (including, without limitation the United States Securities and Exchange Commission) and shall make such applications as shall be necessary to implement the foregoing. With respect to any public disclosure or filing, the Buyer agrees to submit to the Seller a copy of the proposed document to be filed or disclosed and shall give the Seller a reasonable period of time in which to review said document. The Buyer and the Seller shall consult with each other prior to the making of any public disclosure or filing, permitted hereunder, of this Agreement or the terms and conditions thereof.

Neither party shall issue a press release, or otherwise, disclose, publicly, the entry into this Agreement, without the prior written consent of the other party. The parties shall mutually agree on the text of any public announcement to be issued.

The provisions of this Clause 22.9 shall survive any termination of this Agreement.

Notwithstanding the foregoing, the Seller shall be entitled to disclose [...***...] to the Propulsion Systems Manufacturer.

24.10 Severability

If any provision of this Agreement should for any reason be held ineffective, the remainder of this Agreement shall remain in full force and effect. To the extent permitted by applicable law, each party hereto hereby waives any provision of law that renders any provision of this Agreement prohibited or unenforceable in any respect.

24.11 Entire Agreement

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any previous understanding, commitments or representations whatsoever, whether oral or written. This Agreement shall not be amended or modified except by an instrument in writing of even date herewith or subsequent hereto executed by both parties or by their fully authorized representatives.

24.12 Inconsistencies

In the event of any inconsistency between the terms of this Agreement and the terms contained in either (i) the Specification, or (ii) any other Exhibit, in each such case the terms of this Agreement shall prevail over the terms of the Specification or any other Exhibit. For the purpose of this Clause 22.12, the term Agreement shall not include the Specification or any other Exhibit hereto.

24.13 Language

All correspondence, documents and any other written matters in connection with this Agreement shall be in English.

24.14 Counterparts

This Agreement has been executed in two (2) original copies.

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

IN WITNESS WHEREOF, this Agreement was entered into as of the day and year first above written.

AIRBUS, S.A.S.

By: __ /s/ _____

Name: _____

Title: _____

ALLEGiant AIR, LLC

By: __ /s/ _____

Name: _____

Title: _____

EXHIBIT A

SPECIFICATION

The A320 Standard Specification is contained in a separate folder.

[...***...]

CT1107608 Appendix 1 to Exh A -1/2
CONFIDENTIAL

EXHIBIT B

Exhibit B-1: Form of a Specification Change Notice

Exhibit B-2: Form of a Manufacturer's Specification Change Notice

 SPECIFICATION CHANGE NOTICE (SCN)	For SCN Number Issue Dated Page
Title : Description : Effect on weight : • Manufacturer's Weight Empty change : • Operational Weight Empty change : • Allowable Payload change : Remarks / References Specification changed by this SCN This SCN requires prior or concurrent acceptance of the following SCN (s):	

Price per aircraft

US DOLLARS:
AT DELIVERY CONDITIONS:

This change will be effective on AIRCRAFT N° and subsequent.

Provided approval is received by

Buyer approval Seller approval

By : By :

Date : Date :


SPECIFICATION CHANGE NOTICE

(SCN)

For

SCN Number
Issue
Dated

Page

Specification repercussion:

After contractual agreement with respect to weight, performance, delivery, etc, the indicated part of the specification wording will read as follows:

 SPECIFICATION CHANGE NOTICE (SCN)	For SCN Number Issue Dated Page
---	---

Scope of change (FOR INFORMATION ONLY)

 MANUFACTURER'S SPECIFICATION CHANGE NOTICE (MSCN)	For MSCN Number Issue Dated Page
Title : Description : Effect on weight : • Manufacturer's Weight Empty change : • Operational Weight Empty change : • Allowable Payload change : Remarks / References Specification changed by this MSCN	

Price per aircraft

US DOLLARS:
AT DELIVERY CONDITIONS:

This change will be effective on AIRCRAFT N° and subsequent.

Provided MSCN is not rejected by

Buyer approval Seller approval

By : By :

Date : Date :

 MANUFACTURER'S SPECIFICATION CHANGE NOTICE (MSCN)	For MSCN Number Issue Dated Page
Specification repercussion: After contractual agreement with respect to weight, performance, delivery, etc, the indicated part of the specification wording will read as follows:	

 MANUFACTURER'S SPECIFICATION CHANGE NOTICE (MSCN)	For MSCN Number Issue Dated Page
--	--

Scope of change (FOR INFORMATION ONLY)

AIRCRAFT PRICE REVISION FORMULA

Exhibit C-1: Seller Price Revision Formula

Exhibit C-2: Propulsion Systems Price Revision Formula – CFM International

PART 1 SELLER PRICE REVISION FORMULA

1. BASE PRICE

The Base Price of the Airframe quoted in Clause 3.1 of the Agreement is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics, and in accordance with the provisions hereof.

2. BASE PERIOD

The Base Price of the Airframe has been established in accordance with the average economic conditions prevailing in [...***...] as defined by " **ECIb** " and " **ICb** " index values indicated hereafter.

3. INDEXES

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

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

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU2023211000000L.

Material Index: "Industrial Commodities" (hereinafter referred to as " **IC** ") as published in "PPI Detailed Report" (found in Table 9. "Producer price indexes and percent changes for commodity

and service groupings and individual items not seasonally adjusted” or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

4. REVISION FORMULA

[...***...]

5. GENERAL PROVISIONS

5.1 Roundings

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

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

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

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

5.2 Substitution of Indexes for Seller Price Revision Formula

If:

- (i) the United States Department of Labor substantially revises the methodology of calculation of the Labor Index or the Material Index as used in the Seller Price Revision Formula, or
- (ii) the United States Department of Labor discontinues, either temporarily or permanently, such Labor Index or such Material Index, or
- (iii) the data samples used to calculate such Labor Index or such Material Index are substantially changed;

the Seller shall select a substitute index [...***...] for inclusion in the Seller Price Revision Formula (the " **Substitute Index** ").

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

As a result of the selection of the Substitute Index, the Seller shall make an appropriate adjustment to the Seller Price Revision Formula to combine the successive utilization of the original Labor Index or Material Index (as the case may be) and of the Substitute Index.

5.3 Final Index Values

The Index values as defined in Clause 4 above shall be considered final and no further adjustment to the base prices as revised at Delivery of the Aircraft shall be made after Aircraft Delivery for any subsequent changes in the published Index values.

5.4 [...***...]

PART 2 PROPULSION SYSTEMS PRICE REVISION FORMULA**CFM INTERNATIONAL****1 REFERENCE PRICE OF THE PROPULSION SYSTEMS**

The Reference Price of a set of two (2) CFM INTERNATIONALCFM56-5B4/3 Engines is:

[...***...]

This Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics and in accordance with the provisions of Clauses 4 and 5 of this Exhibit C.

2 REFERENCE PERIOD

The above Reference Price has been established in accordance with the economic conditions prevailing for a theoretical delivery [...***...] as defined by CFM INTERNATIONAL by the Reference Composite Price Index (CPIb) of [...***...].

3 INDEXES

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

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

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU2023211000000I.

Material Index: "Industrial Commodities" (hereinafter referred to as "**IC**") as published in "PPI Detailed Report" (found in Table 9. "Producer price indexes and percent changes for commodity and service groupings and individual items not seasonally adjusted" or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15

4 REVISION FORMULA

[...***...]

5 GENERAL PROVISIONS

5.1 Roundings

- (i) The Material index average (ICn) shall be rounded to the nearest second decimal place and the labor index average (ECIn) shall be rounded to the nearest first decimal place.
- (ii) CPIIn shall be rounded to the nearest second decimal place.
- (iii) The final factor [...***...] shall be rounded to the nearest third decimal place.
If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

After final computation, Pn shall be rounded to the nearest whole number (0.5 rounds to 1).

5.2 Final Index Values

The revised Reference Price at the date of Aircraft Delivery shall not be subject to any further adjustments in the indexes.

5.3 Interruption of Index Publication

If the US Department of Labor substantially revises the methodology of calculation or discontinues any to these indexes referred to hereabove, the Seller shall reflect the substitute for the revised or discontinued index selected by CFM INTERNATIONAL, such substitute index to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original index as it may have fluctuated had it not been revised or discontinued.

Appropriate revision of the formula shall be made to accomplish this result.

5.4 Annulment of Formula

Should the above escalation provisions become null and void by action of the US Government, the Reference Price shall be adjusted due to increases in the costs of labor and material which have occurred from the period represented by the applicable Reference Composite Price Index to the twelfth (12th) month prior to the month of Aircraft Delivery.

5.5 [...***...]

CT1107608 Exh C-2 - 7/6
CONFIDENTIAL

CERTIFICATE OF ACCEPTANCE

In accordance with the terms of clause _____ of the _____ purchase agreement dated _____ and made between [name of the party to the Purchase Agreement] (the “ **Customer** ”) and Airbus S.A.S., as amended and supplemented from time to time (the “ **Purchase Agreement** ”), the technical acceptance tests relating to one Airbus A3____-____ aircraft bearing manufacturer’s serial number _____ and registration mark _____ (the “ **Aircraft** ”) have taken place in [...***...].

In view of said tests having been carried out with satisfactory results, the Customer, [as agent of [Name of party purchasing the Aircraft] (the “ **Owner** ”) pursuant to the purchase agreement assignment dated _____ and made between the Customer and the Owner], hereby approves the Aircraft as being in conformity with the provisions of the Purchase Agreement and accepts the Aircraft for delivery in accordance with the provisions of the Purchase Agreement.

Such acceptance shall not impair the rights that may be derived from the warranties relating to the Aircraft set forth in the Purchase Agreement.

Any right at law or otherwise to revoke this acceptance of the Aircraft is hereby irrevocably waived.

IN WITNESS WHEREOF, the Customer, [as agent of the Owner], has caused this instrument to be executed by its duly authorised representative this _____ day of _____ in [...***...].

[CUSTOMER] [as agent of the OWNER]

Name:

Title:

Signature:

CERTIFICATE OF ACCEPTANCE

In accordance with the terms of clause _____ of the _____ purchase agreement dated _____ and made between [name of the party to the Purchase Agreement] (the “ **Customer** ”) and Airbus S.A.S., as amended and supplemented from time to time (the “ **Purchase Agreement** ”), the technical acceptance tests relating to one Airbus A3__-__ aircraft bearing manufacturer’s serial number _____ and registration mark _____ (the “ **Aircraft** ”) have taken place in [...***...].

In view of said tests having been carried out with satisfactory results, the Customer, hereby approves the Aircraft as being in conformity with the provisions of the Purchase Agreement and accepts the Aircraft for delivery in accordance with the provisions of the Purchase Agreement.

Such acceptance shall not impair the rights that may be derived from the warranties relating to the Aircraft set forth in the Purchase Agreement.

Any right at law or otherwise to revoke this acceptance of the Aircraft is hereby irrevocably waived.

IN WITNESS WHEREOF, the Customer, has caused this instrument to be executed by its duly authorized representative this _____ day of _____ [...***...].

[CUSTOMER] [as agent of the OWNER]

Name:

Title:

Signature:

AIRCRAFT BILL OF SALE
(the “ **Bill of Sale** ”)

Know all men by these presents that Airbus S.A.S., a Société par Actions Simplifiée existing under French law and having its principal office at 1, rond-point Maurice Bellonte, 31707 Blagnac Cedex, FRANCE (the “ **Seller** ”), is, this ____ day of _____, the owner of the title to the following airframe (the “ **Airframe** ”), the [engines/propulsion systems] as specified (the “ **[Engines / Propulsion Systems]** ”) and all appliances, components, parts, instruments, accessories, furnishings, modules and other equipment of any nature, excluding buyer furnished equipment, (“ **BFE** ”), incorporated therein, installed thereon or attached thereto on the date hereof (the “ **Parts** ”):

AIRFRAME : [**ENGINES / PROPULSION SYSTEMS**]:

AIRBUS Model A3[•]-[•] [manufacturer] Model _____

MANUFACTURER'S SERIAL NUMBER :

ENGINE SERIAL NUMBERS :

_____ LH: _____

RH: _____

REGISTRATION MARK : _____

The Airframe, [Engines/Propulsion Systems] and Parts are hereafter together referred to as the “ **Aircraft** ”.

The Seller did, this ____ day of _____, sell, transfer and deliver all of its above described rights, title and interest in and to the Aircraft to the following entity and to its successors and assigns forever, said Aircraft to be the property thereof:

[Insert Name and Address of Buyer]
(the “ **Buyer** ”)

The Seller hereby warrants to the Buyer, its successors and assigns that it has good and lawful right to sell, deliver and transfer title to the Aircraft to the Buyer and that there is conveyed to the Buyer good, legal and valid title to the Aircraft, free and clear of all liens, claims, charges, encumbrances and rights of others and that the Seller will warrant and defend such title forever against all claims and demands whatsoever.

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

IN WITNESS WHEREOF, the Seller has caused this instrument to be executed by its duly authorised representative this ____ day of _____ in [...***...].

AIRBUS S.A.S.

Name:

Title:

Signature:

AIRCRAFT BILL OF SALE(the “ **Bill of Sale** ”)

Know all men by these presents that Airbus Americas Inc., a Delaware corporation having its principal place of business at 2550 Wasser Terrace, Suite 9100, Herndon, VA 20171, United States (the “ **Seller** ”), is, this ____ day of _____, the owner of the title to the following airframe (the “ **Airframe** ”), the [engines/propulsion systems] as specified (the “ **[Engines / Propulsion Systems]** ”) and all appliances, components, parts, instruments, accessories, furnishings, modules and other equipment of any nature, excluding buyer furnished equipment, (“ **BFE** ”), incorporated therein, installed thereon or attached thereto on the date hereof (the “ **Parts** ”):

AIRFRAME : [**ENGINES / PROPULSION SYSTEMS**]:

AIRBUS Model A3[•]-[•] [manufacturer] Model _____

MANUFACTURER'S SERIAL NUMBER :

ENGINE SERIAL NUMBERS :

_____ LH: _____

RH: _____

REGISTRATION MARK : _____

The Airframe, [Engines/Propulsion Systems] and Parts are hereafter together referred to as the “ **Aircraft** ”.

The Seller did, this ____ day of _____, sell, transfer and deliver all of its above described rights, title and interest in and to the Aircraft to the following entity and to its successors and assigns forever, said Aircraft to be the property thereof:

[Insert Name and Address of Buyer]
(the “ **Buyer** ”)

The Seller hereby warrants to the Buyer, its successors and assigns that it has good and lawful right to sell, deliver and transfer title to the Aircraft to the Buyer and that there is conveyed to the Buyer good, legal and valid title to the Aircraft, free and clear of all liens, claims, charges, encumbrances and rights of others and that the Seller will warrant and defend such title forever against all claims and demands whatsoever.

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

IN WITNESS WHEREOF, the Seller has caused this instrument to be executed by its duly authorized representative this ____ day of _____ in [...***...].

AIRBUS AMERICAS INC.

By: _____

Name:

Title:

EXHIBIT F

SERVICELIFEPOLICY

LISTOFITEMS

SELLER SERVICE LIFE POLICY

1 The Items covered by the Service Life Policy pursuant to Clause 12.2 are those Seller Items of primary and auxiliary structure described hereunder.

2 WINGS - CENTER AND OUTER WING BOX (LEFT AND RIGHT)

[...***...]

3 FUSELAGE

[...***...]

4 STABILIZERS

[...***...]

5 EXCLUSIONS

Bearing and roller assemblies, bearing surfaces, bushings, fittings other than those listed above, access and inspection doors, including manhole doors, latching mechanisms, all system components, commercial interior parts, insulation and related installation and connecting devices are excluded from this Seller Service Life Policy.

TECHNICAL DATA & SOFTWARE

Where applicable, data shall be established in general compliance with the ATA 100 Information Standards for Aviation Maintenance and the applicable provisions for digital standard of ATA Specification 2200 (iSpec2200).

The Seller shall provide the Buyer with the following Technical Data (or such other equivalent Technical Data as may be applicable at the time of their provision to the Buyer).

1- Airbus Flight Operations Data Package

The Airbus Flight Operations Data Package encompasses the following customised operational manuals required to operate the Aircraft:

- Flight Manual (FM),
- Flight Crew Operating Manual (FCOM),
- Flight Crew Training Manual (FCTM),
- Quick Reference Handbook (QRH),
- Cabin Crew Operating Manual (CCOM),
- Master Minimum Equipment List (MMEL),
- Weight and Balance Manual (WBM).

1.1- Format of Data

The Flight Operations Data Package shall be available on-line through the Seller's customer portal AirbusWorld in eXtensible Mark-up Language (XML), for downloading and further data processing and customization, and/or in Portable Document Format (PDF), as applicable.

In addition, the Seller shall make available up to a maximum of two (2) QRH sets per Aircraft in paper format.

Upon the Buyer's request, a back-up copy of the manuals of the Flight Operations Data Package may be provided off-line on CD or DVD.

1.2- Availability Schedule

The Airbus Flight Operations Data Package, reflecting the Buyer's Aircraft configuration, shall be available to the Buyer [...***...] before the Scheduled Delivery Month of the first Aircraft.

A preliminary customized MMEL shall be available [...***...] prior to the Scheduled Delivery Month of the first Aircraft.

The final issue of WBM and FM shall be made available at the time of each Aircraft Delivery.

2- Airbus Maintenance Technical Data Package

The Airbus Maintenance Technical Data Package encompasses the following customised maintenance data required for on-aircraft maintenance to ensure the continued airworthiness of the Aircraft:

- Aircraft Maintenance Manual (AMM),
- Aircraft Wiring Manual (AWM),
- Aircraft Schematics Manual (ASM),
- Aircraft Wiring Lists (AWL),
- Illustrated Part Catalog (IPC),
- Trouble Shooting Manual (TSM).

2.1- Format of Data

The Airbus Maintenance Technical Data Package shall be available in the AirN@v/Maintenance module of the AirN@v software and shall be accessible on-line through the Seller's customer portal AirbusWorld.

In addition, if so requested by the Buyer, the corresponding raw data in Standard Generalized Mark-up Language (SGML) format shall also be made available for download from the Seller's customer portal AirbusWorld.

Upon the Buyer's request, a back-up copy of the data of the Airbus Maintenance Technical Data Package may be provided off-line on CD or DVD.

2.2- Availability Schedule

The Airbus Maintenance Technical Data Package, reflecting the Buyer's Aircraft configuration, shall be available to the Buyer [...***...] before the Scheduled Delivery Month of the first Aircraft.

Upon the Buyer's request, where applicable, preliminary customized maintenance data may be available [...***...] prior to the Scheduled Delivery Month of the first Aircraft.

3- Non-customized Technical Data

Non-customised Technical Data, provided as part of the Maintenance Technical Data Package, shall be made available to the Buyer either in the corresponding AirN@v software module, as detailed in Clause 14.9 of the Agreement, or in PDF format, as applicable.

The Technical Data belonging to each AirN@v module and/or available in PDF format shall be as listed in the Seller's Customer Services Catalog current at the time of the delivery of the Technical Data.

Non-customised Technical Data shall be made available to the Buyer in accordance with a schedule to be mutually agreed between the Buyer and Seller no later than [...***...] prior to the Scheduled Delivery Month of the first Aircraft.

4- Additional Technical Data

- 4.1 In addition to the Flight Operations Data Package and the Maintenance Technical Data Package, the Seller shall provide, at Delivery of each Aircraft, on-line access to the Aircraft mechanical drawings that cover installation of structure and systems fitted on the Buyer's Aircraft at Delivery.
- 4.2 Within [...***...] after the Delivery of each Aircraft, the Seller shall provide:
- the weighing report, for integration into the WBM by the Buyer,
 - the Electrical Load Analysis (ELA), in a format allowing further updating by the Buyer.

EXHIBIT H

MATERIAL

SUPPLY AND SERVICES

1. GENERAL

1.1 Scope

1.1.1 This Exhibit H sets forth the terms and conditions for the support and services offered by the Seller to the Buyer with respect to Material (as defined below).

1.1.2 References made to Articles shall be deemed to refer to articles of this Exhibit H unless otherwise specified.

1.1.3 For purposes of this Exhibit H:

1.1.4 the term “ **Supplier** ” shall mean any supplier providing any of the Material listed in Article 1.2.1 and the term “ **Supplier Part** ” shall mean an individual item of Material.

1.1.5 The term “ **SPEC 2000** ” means the “ **E-Business Specification for Materials Management** ” document published by the Air Transport Association of America.

1.2 Material Categories

1.2.1 Each of the following constitutes “ **Material** ” for purposes of this Exhibit H:

(i) Seller parts;

- (ii) Supplier Parts classified as Repairable Line Maintenance Parts (as defined in SPEC 2000);
- (iii) Supplier Parts classified as Expendable Line Maintenance Parts (as defined in SPEC 2000);
- (iv) Seller and Supplier ground support equipment and specific-to-type tools

where “ **Seller Parts** ” means Seller's proprietary parts bearing a part number of the Seller or for which the Seller has the exclusive sales rights.

1.2.2 Propulsion Systems, engine exchange kits, their accessories and parts for any of the foregoing, are not covered under this Exhibit H.

1.3 Term

During a period commencing on the date hereof and continuing as long as at least [...***...] aircraft of the A320 model are operated in commercial air transport service, of which at least [...***...] is operated by the Buyer (the “ **Term** ”), the Seller shall maintain, or cause to be maintained, a reasonable stock of Seller Parts.

The Seller shall use reasonable efforts to obtain a similar service from all Suppliers of Supplier Parts originally installed on an Aircraft at Delivery.

1.4 Airbus Material Store

1.4.1 AACS Spares Center

The Seller has established and shall maintain or cause to be maintained, during the Term, a US store (“ **US Spares Center** ”). The US Spares Center shall be operated twenty-four (24) hours per day, seven (7) days per week, for the handling of AOG and critical orders for Seller Parts.

The Seller shall make reasonable efforts to deliver Seller Parts to the Buyer from the US Spares Center.

1.4.2 Material Support Center, Germany

The Seller has established its material headquarters in Hamburg, Germany (the “ **Airbus Material Center** ”) and shall, during the Term, maintain, or have maintained on its behalf, a central store of Seller Parts. The Airbus Material Center shall be operated twenty-four (24) hours per day, seven (7) days per week.

1.4.3 Other Points of Shipment

1.4.3.1 In addition to the US Spares Center and the Airbus Material Center, the Seller and its Affiliates operate a global network of regional satellite stores (The “ **Regional Satellite Stores** ”). A list of such stores shall be provided to the Buyer upon the Buyer’s request.

1.4.3.2 The Seller reserves the right to effect deliveries from distribution centers other than the US Spares Center or the Airbus Material Center, which may include the Regional Satellite Stores or any other production or Supplier’s facilities. [...***...]

1.5 Customer Order Desk

The Seller operates a “ **Customer Order Desk** ”, the main functions of which are:

- (i) Management of order entries for all priorities, including Aircraft On Ground (“ **AOG** ”);
- (ii) Management of order changes and cancellations;
- (iii) Administration of Buyer’s routing instructions;
- (iv) Management of Material returns;
- (v) Clarification of delivery discrepancies;
- (vi) Issuance of credit and debt notes.

The Buyer hereby agrees to communicate its orders for Material to the Customer Order Desk either in electronic format (SPEC 2000) or via the Internet.

1.6 Commitments of the Buyer

1.6.1 During the Term, the Buyer agrees to purchase from

- (a) the Seller, AACS or the Seller’s licensee(s) the Seller Parts required for the Buyer's own needs; or
- (b) other operators or purchase Seller Parts from said operators or from distributors, provided said Seller Parts were originally designed by the Seller and manufactured by the Seller or its licensees.

1.6.2 Subject to the express further agreement of the Seller in relation to Article 1.6.2 (ii) below, the Buyer may manufacture, exclusively for its own use parts, equivalent to Seller Parts, provided, however, that it may only do so in one of the following circumstances:

- (i) after expiration of the Term, the concerned Seller Parts are out of stock;
- (ii) Seller Parts are needed to perform confirmed AOG repairs upon any Aircraft delivered under the Agreement and are not available from the Seller, its licensees or other approved sources within a lead time shorter than or equal to the time in which the Buyer can manufacture such parts;
- (iii) when a Seller Part is identified as “ **Local Manufacture** ” in the Illustrated Parts Catalog.

1.6.3.1 The rights granted to the Buyer in Article 1.6.2 shall not in any way be construed as a license, nor shall they in any way obligate the Buyer to pay any license fee or royalty, nor shall they in any way be construed to affect the rights of third parties.

1.6.3.2 If the Buyer manufactures any parts pursuant to Article 1.6.2, the Buyer shall be solely responsible for such manufacturing and any use made of the manufactured parts, and the confirmation given by the Seller under Article 1.6.2 shall not be construed as express or implicit approval either of the Buyer in its capacity as manufacturer of such parts or of the manufactured parts.

The Buyer shall also be solely responsible to ensure that such manufacturing is performed in accordance with the relevant procedures and Aviation Authority requirements.

THE SELLER SHALL NOT BE LIABLE FOR, AND THE BUYER SHALL INDEMNIFY THE SELLER AGAINST, ANY CLAIMS FROM ANY THIRD PARTIES FOR LOSSES DUE TO ANY DEFECT OR NON-CONFORMITY OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH ANY MANUFACTURING OF ANY PART UNDERTAKEN BY THE BUYER UNDER ARTICLE 1.6.2 OR ANY OTHER ACTIONS UNDERTAKEN BY THE BUYER UNDER THIS EXHIBIT H WHETHER SUCH CLAIM IS ASSERTED IN CONTRACT OR IN TORT, OR IS PREMISED ON ALLEGED, ACTUAL, IMPUTED, ORDINARY OR INTENTIONAL ACTS OR OMISSIONS OF THE BUYER.

1.6.3.3 The Buyer shall allocate its own part number to any part manufactured in accordance with Article 1.6.2. The Buyer shall under no circumstances be allowed to use the Airbus part number of the Seller Part to which such manufactured part is intended to be equivalent.

1.6.3.4 The Buyer shall not be entitled to sell or lend any part manufactured under the provisions of Article 1.6.2 to any third party.

2. INITIAL PROVISIONING

2.1 Period

The initial provisioning period commences with the Pre-Provisioning Meeting, as defined in Article 2.2.1, and expires on the [... ***...] day after Delivery of the last Aircraft firmly ordered under the Agreement as of the date hereof (“ **Initial Provisioning Period** ”).

2.2 Pre-Provisioning Meeting

2.2.1 The Seller shall organize a pre-provisioning meeting at AACS Spares Center or at the Airbus Material Center, or at any other agreed location, for the purpose of setting an acceptable schedule and working procedure for the preparation of the initial issue of the Provisioning Data and the Initial Provisioning Conference referred to in Articles 2.3 and 2.4 below (the “ **Pre-Provisioning Meeting** ”).

During the Pre-Provisioning Meeting, the Seller shall familiarize the Buyer with the provisioning processes, methods and formulae of calculation and documentation.

2.2.2 The Pre-Provisioning Meeting shall take place on an agreed date that is no later than nine (9) months prior to Scheduled Delivery Month of the first Aircraft, allowing a minimum preparation time of eight (8) weeks for the Initial Provisioning Conference.

2.3 Initial Provisioning Conference

The Seller shall organize an initial provisioning conference at the AACS Spares Center or at the Airbus Material Center (the “ **Initial Provisioning Conference** ”), the purpose of which shall be to agree the material scope and working procedures to accomplish the initial provisioning of Material (the “ **Initial Provisioning** ”).

The Initial Provisioning Conference shall take place at the earliest eight (8) weeks after Aircraft Manufacturer Serial Number allocation or Contractual Definition Freeze, whichever occurs last and latest six (6) months before the Scheduled Delivery Month of the first Aircraft.

2.4 Provisioning Data

2.4.1 Provisioning data generally in accordance with SPEC 2000, Chapter 1, for Material described in Articles 1.2.1 (i) through 1.2.1 (iii) (" **Provisioning Data** ") shall be supplied by the Seller to the Buyer in the English language, in a format and timeframe to be agreed during the Pre-Provisioning Meeting.

2.4.1.1 Unless a longer revision cycle has been agreed, the Provisioning Data shall be revised every ninety (90) days up to the end of the Initial Provisioning Period.

2.4.1.2 The Seller shall ensure that Provisioning Data is provided to the Buyer in time to permit the Buyer to perform any necessary evaluation and to place orders in a timely manner.

2.4.1.3 Provisioning Data generated by the Seller shall comply with the configuration of the Aircraft as documented three (3) months before the date of issue.

This provision shall not cover:

- (i) Buyer modifications not known to the Seller,
- (ii) other modifications not approved by the Seller's Aviation Authorities.

2.4.2 Supplier-Supplied Data

Provisioning Data relating to each Supplier Part (both initial issue and revisions) shall be produced by Supplier thereof and may be delivered to the Buyer either by the Seller or such Supplier. It is agreed and understood by the Buyer that the Seller shall not be responsible for the substance, accuracy or quality of such data. Such Provisioning Data shall be provided in either SPEC 2000 format or any other agreed format.

2.4.3 Supplementary Data

The Seller shall provide the Buyer with data supplementary to the Provisioning Data. This shall include ground support equipment and specific-to-type tools.

2.5 Commercial Offer

Upon the Buyer's request, the Seller shall submit a commercial offer for Initial Provisioning Material.

2.6 Delivery of Initial Provisioning Material

2.6.1 During the Initial Provisioning Period, Initial Provisioning Material shall conform to the latest known configuration standard of the Aircraft for which such Material is intended as reflected in the Provisioning Data transmitted by the Seller.

2.6.2 The delivery of Initial Provisioning Material shall take place according to the conditions specified in the commercial offer mentioned in Article 2.5.

2.6.3 All Initial Provisioning Material shall be packaged in accordance with ATA 300 Specification.

2.7 Buy-Back Period and Buy-Back of Initial Provisioning Surplus Material

a) The “ **Buy-Back Period** ” is defined as the period starting [...***...] after and ending [...***...] after Delivery of the first Aircraft to the Buyer.

b) At any time during the Buy-Back Period, the Buyer shall have the right to return to the Seller solely Seller Parts as per Article 1.2.1 (i) or Supplier Parts as per Article 1.2.1 (ii), subject to the Buyer providing sufficient evidence that such Material fulfils the conditions defined hereunder.

c) Material as set forth in Article b) above shall be eligible for Buy-Back provided:

i) The Material is unused and undamaged and is accompanied by the Seller's original documentation (tag, certificates);

ii) The Seller provided the Buyer with an Initial Provisioning recommendation for such Material at the time of the Initial Provisioning Conference based upon a maximum protection level of [...***...] and a maximum transit time of [...***...];

iii) The quantity procured by the Buyer was not in excess of the provisioning quantities recommended by the Seller;

iv) The Material was purchased for Initial Provisioning purposes by the Buyer directly from the Seller;

v) The Material ordered by the Buyer is identified as an Initial Provisioning order and was placed on routine, and not expedite, basis;

vi) The Material and its components have at least [...***...] shelf life remaining when returned;

vii) The Material is returned to the Seller by the Buyer and has effectively been received and accepted by the Seller before the end of the Buy-Back Period.

d) If any Material is accepted for Buy-Back, the Seller shall credit the Buyer as follows:

- For Seller Parts as per Article 1.2.1 (i) the Seller shall credit the Buyer one hundred percent (100%) of the price originally paid;
- For Supplier Parts as per Article 1.2.1 (ii) the Seller shall credit the Buyer one hundred percent (100 %) of the original Supplier list price valid at the time of order placement.

e) In the event of the Buyer electing to procure Material in excess of the Seller's recommendation, the Buyer shall notify the Seller thereof in writing, with due reference to the present Article 2.7. The Seller's acknowledgement and agreement in writing shall be necessary before any Material in excess of the Seller's Initial Provisioning recommendation shall be considered for Buy-Back.

f) It is expressly understood and agreed that all credits described in Article 2.7 (d) shall be provided by the Seller to the Buyer exclusively by means of credit notes to the Buyer's Material account with the Seller.

g) Transportation costs for the agreed return of Material under this Article 2.7 shall be borne by the Buyer.

3. OTHER MATERIAL SUPPORT

As of the date hereof, the Seller currently offers various types of parts support through the Customer Services Catalog on the terms and conditions set forth therein from time to time, including, but not limited to the lease of certain Seller Parts, the repair of Seller Parts and the sale or lease of ground support equipment and specific-to-type tools.

4. WARRANTIES

4.1 Seller Parts

Subject to the limitations and conditions as hereinafter provided, the Seller warrants to the Buyer that all Seller Parts, sold under this Exhibit H shall at delivery to the Buyer:

- (i) be free from defects in material.
- (ii) be free from defects in workmanship, including without limitation processes of manufacture.
- (iii) be free from defects arising from failure to conform to the applicable specification for such part.

4.1.1 Warranty Period

4.1.1.1 The warranty period for Seller Parts is [...***...] for new Seller Parts and [...***...] for used Seller Parts from delivery of such parts to the Buyer.

4.1.1.2 Whenever any Seller Part that contains a defect for which the Seller is liable under Article 4.1 has been corrected, replaced or repaired pursuant to the terms of this Article 4.1, the period of the Seller's warranty with respect to such corrected, repaired or replacement Seller Part, as the case may be, shall be the remaining portion of the original warranty period or [...***...], whichever is longer.

4.1.2 Buyer's Remedy and Seller's Obligation

The Buyer's remedy and Seller's obligation and liability under this Article 4.1 are limited to the repair, replacement or correction, at the Seller's expense and option, of any Seller Part that is defective.

The Seller may alternatively furnish to the Buyer's account with the Seller a credit equal to the price such Seller Part.

The provisions of Clauses 12.1.5 through 12.1.11 of the Agreement shall apply to claims made pursuant to this Article 4.1.

4.2 Supplier Parts

With respect to Supplier Parts to be delivered to the Buyer under this Exhibit H, the Seller agrees to transfer to the Buyer the benefit of any warranties, which the Seller may have obtained from the corresponding Suppliers and the Buyer hereby agrees that it shall accept the same.

4.3 Waiver, Release and Renunciation

THIS ARTICLE 4 (INCLUDING ITS SUBPARTS) SETS FORTH THE EXCLUSIVE WARRANTIES, EXCLUSIVE LIABILITIES AND EXCLUSIVE OBLIGATIONS OF THE SELLER, AND THE EXCLUSIVE REMEDIES AVAILABLE TO THE BUYER, WHETHER UNDER THIS AGREEMENT OR OTHERWISE, ARISING FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN ANY SELLER PART, MATERIAL, LEASED PART, OR SERVICES DELIVERED BY THE SELLER UNDER THIS AGREEMENT, [...***...].

THE BUYER RECOGNIZES THAT THE RIGHTS, WARRANTIES AND REMEDIES IN THIS ARTICLE 4 ARE ADEQUATE AND SUFFICIENT TO PROTECT THE BUYER FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN THE SELLER PARTS, MATERIALS, LEASED PARTS, OR SERVICES SUPPLIED UNDER THIS AGREEMENT. THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES OF THE SELLER AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER AND ITS SUPPLIERS, WHETHER EXPRESS OR IMPLIED BY CONTRACT, TORT, OR STATUTORY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMITY OR DEFECT OR PROBLEM OF ANY KIND IN ANY SELLER PART, MATERIAL, LEASED PART, OR SERVICES DELIVERED BY THE SELLER UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO:

- (1) ANY IMPLIED WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR ANY GENERAL OR PARTICULAR PURPOSE;
- (2) ANY IMPLIED OR EXPRESS WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE;
- (3) ANY RIGHT, CLAIM OR REMEDY FOR BREACH OF CONTRACT;
- (4) ANY RIGHT, CLAIM OR REMEDY FOR TORT, UNDER ANY THEORY OF LIABILITY, HOWEVER ALLEGED, INCLUDING, BUT NOT LIMITED TO, ACTIONS AND/OR CLAIMS FOR NEGLIGENCE, GROSS NEGLIGENCE, INTENTIONAL ACTS, WILLFUL DISREGARD, IMPLIED WARRANTY, PRODUCT LIABILITY, STRICT LIABILITY OR FAILURE TO WARN;
- (5) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER STATE OR FEDERAL STATUTE;
- (6) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER ANY REGULATIONS OR STANDARDS IMPOSED BY ANY INTERNATIONAL, NATIONAL, STATE OR LOCAL STATUTE OR AGENCY;
- (7) ANY RIGHT, CLAIM OR REMEDY TO RECOVER OR BE COMPENSATED FOR:

- (a) LOSS OF USE OR REPLACEMENT OF ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THE AGREEMENT;
- (b) LOSS OF, OR DAMAGE OF ANY KIND TO, ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THE AGREEMENT;
- (c) LOSS OF PROFITS AND/OR REVENUES;
- (d) ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGE.

THE WARRANTIES PROVIDED BY THIS AGREEMENT SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY THE SELLER AND THE BUYER. IN THE EVENT THAT ANY PROVISION OF THIS ARTICLE 4 SHOULD FOR ANY REASON BE HELD UNLAWFUL, OR OTHERWISE UNENFORCEABLE, THE REMAINDER OF THIS ARTICLE 4 SHALL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSES OF THIS ARTICLE 4, THE “ **SELLER** ” SHALL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS, SUBCONTRACTORS, AND AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

4.4 Duplicate Remedies

The remedies provided to the Buyer under this Article 4 as to any part thereof are mutually exclusive and not cumulative. The Buyer shall be entitled to the remedy that provides the maximum benefit to it, as the Buyer may elect, pursuant to the terms and conditions of this Article 4 for any particular defect for which remedies are provided under this Article 4; provided, however, that the Buyer shall not be entitled to elect a remedy under one part of this Article 4 that constitutes a duplication of any remedy elected by it under any other part hereof for the same defect. The Buyer's rights and remedies herein for the non-performance of any obligations or liabilities of the Seller arising under these warranties shall be in monetary damages limited to the amount the Buyer expends in procuring a correction or replacement for any covered part subject to a defect or non-performance covered by this Article 4, and the Buyer shall not have any right to require specific performance by the Seller.

5. COMMERCIAL CONDITIONS

5.1 Delivery Terms

All Material prices are quoted on the basis of Free Carrier (FCA) delivery terms, without regard to the place from which such Material is shipped. The term “ **Free Carrier (FCA)** ” is as defined by publication n. 560 of the International Chamber of Commerce, published in January 2000.

5.2 Payment Procedures and Conditions

All payments under this Exhibit H shall be made in accordance with the terms and conditions set forth in the then current Customer Services e-Catalog.

5.3 Title

Title to any Material purchased under this Exhibit H shall remain with the Seller until full payment of the invoices and interest thereon, if any, has been received by the Seller.

The Buyer hereby undertakes that Material title to which has not passed to the Buyer, shall be kept free from any debenture or mortgage or any similar charge or claim in favour of any third party.

5.4 Cessation of Deliveries

The Seller has the right to restrict, stop or otherwise suspend deliveries if the Buyer fails to meet its obligations set forth in this Exhibit H.

6. EXCUSABLE DELAY

Clauses 10.1 and 10.2 of the Agreement shall apply, mutatis mutandis, to all Material support and services provided under this Exhibit H.

7. TERMINATION OF MATERIAL PROCUREMENT COMMITMENTS

If the Agreement is terminated with respect to any Aircraft, then the rights and obligations of the parties with respect to undelivered spare parts, services, data or other items to be purchased hereunder and which are applicable to those Aircraft for which the Agreement has been terminated shall also be terminated. Unused Material in excess of the Buyer's requirements due to such termination may be repurchased by the Seller, at the Seller's option, as provided in Article 2.7.

8. INCONSISTENCY

In the event of any inconsistency between this Exhibit H and the Customer Services Catalog or any order placed by the Buyer, this Exhibit H shall prevail to the extent of such inconsistency.

END-USER SUBLICENSE AGREEMENT FOR SUPPLIER SOFTWARE

1 DEFINITIONS

[...***...]

2 LICENSE

[...***...]

3 ASSIGNMENT AND DELEGATION

[...***...]

4 COPIES

[...***...]

5 TERM

[...***...]

6 CONDITIONS OF USE

[...***...]

7 TRAINING

[...***...]

8 PROPRIETARY RIGHTS - RIGHT TO CORRECT AND MODIFY

[...***...]

9 COPYRIGHT INDEMNITY

[...***...]

10 CONFIDENTIALITY

[...***...]

11 ACCEPTANCE

Supplier Software shall be deemed accepted as part of the Technical Acceptance Process set out in Clause 8 of the Agreement.

-

12 WARRANTY

[...***...]

13 LIMITATION OF LIABILITY

[...***...]

14 EXCUSABLE DELAYS

[...***...]

15 TERMINATION

[...***...]

16 GENERAL PROVISIONS

16.1 This Software Sublicense is an Exhibit to the Agreement and integrally forms part thereof. As a result, any non-conflicting terms of the Agreement are deemed incorporated herein to the extent they are relevant in the context of this Software Sublicense.

16.2 In the event of any inconsistency or discrepancy between any term of this Software Sublicense and any term of the Agreement (including any Appendix or other Exhibits thereto), the terms of this Software Sublicense shall take precedence over the conflicting terms of the Agreement to the extent necessary to resolve such inconsistency or discrepancy.

16.3 The Sublicensee acknowledges that the Supplier Software covered under the present Sub-license Agreement is also subject to the conditions relative to each Supplier Software set forth in the corresponding Supplier Product Support Agreement. In the event of any inconsistency between the terms of this Sub-license Agreement and the terms contained in the corresponding Supplier Product Support Agreement, the latter shall prevail to the extent of such inconsistency.

16.4 This Software Sublicense is subject to and construed and the performance thereof shall be determined in accordance with the laws in effect in the State of New York without regard to conflict of laws principles that could result in the application of the laws of any other jurisdiction. All disputes arising in connection with this Software Sublicense shall be submitted to the competent courts of New York, and the parties hereby agree to submit to the jurisdiction of those courts.

AIRBUS S.A.S. WARRANTY

Airbus S.A.S. hereby warrants to _____ (the “ **Buyer** ”), its successors and assigns that the Bill of Sale executed by Airbus Americas Inc. dated ____ _____ and relating to one A3__-____ aircraft bearing MSN _____ (the “ **Aircraft** ”) conveys to the said Buyer on the date hereof good, legal and valid title to the Aircraft, the [engines/propulsion systems] as described in the Bill of Sale, appliances, parts, instruments, accessories, furnishings and other equipment, free and clear of all liens, claims, charges, encumbrances and rights of others, and that Airbus S.A.S. will warrant and defend such title to the Aircraft forever against all claims and demands whatsoever.

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

IN WITNESS WHEREOF , Airbus S.A.S. has caused this Airbus Warranty to be executed by its duly authorized representative this _____ day of _____.

AIRBUS S.A.S.

By: _____
Name:
Title:

[...***...]

CT1107608
CONFIDENTIAL

LETTER AGREEMENT No. 1

July 26, 2016

Allegiant Air, LLC
1201 North Town Center Drive
Las Vegas, Nevada 89144

Subject: PAYMENTS

Dear Ladies and Gentlemen,

ALLEGIANT AIR, LLC (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into a Purchase Agreement ("**Agreement**") dated as of even date herewith which covers the manufacture and the sale by the Seller and the purchase by the Buyer of the A320 Aircraft as described in the Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 1 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement shall have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement, upon execution thereof, will constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, as such provisions have been specifically amended pursuant to this Letter Agreement. To the extent there is a conflict between the terms of this Letter Agreement and the Agreement, this Letter Agreement shall govern.

1. FINAL PRICE OF THE AIRCRAFT

Clause 3.2 of the Agreement is deleted in its entirety and replaced with the following quoted text:

"3.2 Final Price of the Aircraft

The Final Price of each Aircraft shall be the sum of:

- (i) the Base Price of the Airframe, as adjusted to the applicable Delivery Date of such Aircraft in accordance with Clause 4.1; plus
- (ii) the aggregate of all increases or decreases to the Base Price of the Airframe as agreed in any Specification Change Notice or part thereof applicable to the Airframe

LETTER AGREEMENT No. 1

subsequent to the date of this Agreement as adjusted to the Delivery Date of such Aircraft in accordance with Clause 4.1; plus

- (iii) the Propulsion Systems Reference Price as adjusted to the Delivery Date of such Aircraft in accordance with Clause 4.2; plus
- (iv) the aggregate of all increases or decreases to the Propulsion Systems Reference Price as agreed in any Specification Change Notice or part thereof applicable to the Propulsion Systems subsequent to the date of this Agreement as adjusted to the Delivery Date in accordance with Clause 4.2; plus
- (v) any other [...] pursuant to this Agreement and/or any other written agreement with respect to such Aircraft between the Buyer and the Seller relating to such Aircraft.”

2. Predelivery Payments

Clause 5.3.2 and 5.3.3 of the Agreement are deleted in their entirety and replaced with the following quoted text:

“5.3.2 The Predelivery Payment Reference Price for an Aircraft to be delivered in calendar year T is determined in accordance with the following formula:

[...***...]

5.3.3 [...***...]

Payment Date

[...***...]

[...***...]

Percentage of Predelivery
Payment
Reference Price

[...***...]

[...***...]

TOTAL PAYMENT PRIOR TO DELIVERY

In the event of the above schedule resulting in any Predelivery Payment falling due prior to the date of signature of the Agreement, such Predelivery Payments shall be made upon signature of this Agreement.”

3. TAXES

Clause 5.5 of the Agreement is deleted in its entirety and replaced with the following quoted text:

[...***...]

“ Taxes ” means any present or future tax, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority or any political subdivision or taxing authority thereof or therein.

LETTER AGREEMENT No. 1

4. PAYMENTS

Clause 5.6 of the Agreement is hereby deleted in its entirety and replaced with the following quoted text:

“5.6 Application of Payments

[...***...]

Clause 5.7 of the Agreement is hereby deleted in its entirety and replaced with the following quoted text:

“ 5.7 Setoff Payments

[...***...]

Clause 5.8 of the Agreement is deleted in its entirety and replaced with the following quoted text:

“5.8 Overdue Payments

[...***...]

The following quoted text is hereby added to the Agreement immediately following the last sentence of Clause 5.10 of the Agreement:

“The foregoing is subject to the proviso in Clause 5.5.1.1 above.”

and

“Upon Buyer’s request, the Seller shall provide to the Buyer prior to the Delivery of each Aircraft, and at such other times as may be required by applicable law, [...***...] .”

5. OTHER CHARGES

Clause 5.11 of the Agreement is deleted in its entirety and replaced with the following quoted text:

“5.11 Unless expressly stipulated otherwise, any charges due under this Agreement with respect to the Aircraft being delivered other than those set out in Clauses 5.2, 5.3 and 5.8 shall be paid by the Buyer at the same time as payment of the Balance of the Final Price or, if invoiced after Delivery, within [...***...] days after receipt by the Buyer of the invoice.

6. CROSS COLLATERALISATION

Clause 5.12.1 of the Agreement is deleted in its entirety and replaced with the following quoted text:

[...***...]

7. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement, this Letter Agreement and the rights and obligations of the Buyer herein shall not be assigned or transferred in any manner, and any attempted assignment or transfer in contravention of the provisions of this Clause shall be void and of no force or effect.

LETTER AGREEMENT No. 1

8. CONFIDENTIALITY

This Letter Agreement (and its existence) shall be treated by both parties as Confidential Information in accordance with Clause 22.9 of the Agreement.

9. LAW AND JURISDICTION

This Letter Agreement shall be governed by, and construed in accordance with, the laws of State of New York and the provisions of Clause 22.6 of the Agreement shall apply to this Letter Agreement.

10. COUNTERPARTS

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

CT1107608
CONFIDENTIAL

LETTER AGREEMENT No. 1

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

ALLEGiant AIR, LLC Airbus S.A.S.

By : /s/ By : /s/
Name : _____ Name : _____
Title : _____ Title : _____

LETTER AGREEMENT No. 2

July 26, 2016

Allegiant Air, LLC
1201 North Town Center Drive
Las Vegas, Nevada 89144

Subject: PURCHASE INCENTIVES

Dear Ladies and Gentlemen,

ALLEGIANT AIR, LLC (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into a Purchase Agreement ("**Agreement**") dated as of even date herewith which covers the manufacture and the sale by the Seller and the purchase by the Buyer of the A320 Aircraft as described in the Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 2 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement shall have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement, upon execution thereof, will constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, as such provisions have been specifically amended pursuant to this Letter Agreement. To the extent there is a conflict between the terms of this Letter Agreement and the Agreement, this Letter Agreement shall govern.

LETTER AGREEMENT No. 2

1. [...***...]

[...***...]

2. [...***...]

[...***...]

3. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement, this Letter Agreement and the rights and obligations of the Buyer herein shall not be assigned or transferred in any manner, and any attempted assignment or transfer in contravention of the provisions of this Clause shall be void and of no force or effect.

4. CONFIDENTIALITY

This Letter Agreement (and its existence) shall be treated by both parties as Confidential Information in accordance with Clause 22.9 of the Agreement.

5. LAW AND JURISDICTION

This Letter Agreement shall be governed by, and construed in accordance with, the laws of State of New York and the provisions of Clause 22.6 of the Agreement shall apply to this Letter Agreement.

6. COUNTERPARTS

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

LETTER AGREEMENT No. 2

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

ALLEGiant AIR, LLC Airbus S.A.S.

By	:	_ <u>/s/</u> _____	By	:	_ <u>/s/</u> _____
Name	:	_____	Name	:	_____
Title	:	_____	Title	:	_____

July 26, 2016

Allegiant Air, LLC
1201 North Town Center Drive
Las Vegas, Nevada 89144

Subject: ASSIGNMENT MATTERS

Dear Ladies and Gentlemen,

ALLEGIANT AIR, LLC (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into a Purchase Agreement ("**Agreement**") dated as of even date herewith which covers the manufacture and the sale by the Seller and the purchase by the Buyer of the A320 Aircraft as described in the Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 3 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement shall have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement, upon execution thereof, will constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, as such provisions have been specifically amended pursuant to this Letter Agreement. To the extent there is a conflict between the terms of this Letter Agreement and the Agreement, this Letter Agreement shall govern.

LETTER AGREEMENT No. 3

1. ASSIGNMENT IN CONNECTION WITH AIRCRAFT FINANCING, SALE OR LEASE

The following new Clauses 21.5 and 21.6 are hereby inserted into the Agreement immediately after Clause 21.4:

“21.5 Assignment in Connection with Aircraft Financing

Prior to Delivery of an Aircraft, the Buyer will not resell, lease, or transfer such Aircraft. The Seller will [...***...] for the purpose of causing an Aircraft, at Delivery, to be subject to a sale, lease equipment trust, mortgage, conditional sale, lien or other arrangement for the financing by the Buyer [...***...] of the Aircraft. It is understood that such consent and agreement will provide to such financing parties such assurances, security assignment and recourse as is customary and non-discriminatory compared to other forms thereof previously entered into by Seller and its Affiliates. However, no such action will require the Seller to divest itself of title to or possession of the Aircraft until Delivery of and payment for the Aircraft.

[...***...]

2. [...*...]**

The following new Clause 21.7 is hereby inserted into the Agreement immediately after Clause 21.6:

“21.7 [...*...]”**

3. ASSIGNMENTS

Clause 21.1 of the Agreement is hereby deleted in its entirety and replaced with the following quoted text:

“21.1 Assignments

Except as hereinafter provided, neither party may sell, assign, novate or transfer its rights or obligations under this Agreement to any person without the prior written consent of the other, except that the Seller may sell, assign, novate or transfer its rights or obligations under this Agreement to any Affiliate without the Buyer’s consent, provided the Seller remains liable for performance.”

4. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement, this Letter Agreement and the rights and obligations of the Buyer herein shall not be assigned or transferred in any manner, and any attempted assignment or transfer in contravention of the provisions of this Clause shall be void and of no force or effect.

5. CONFIDENTIALITY

This Letter Agreement (and its existence) shall be treated by both parties as Confidential Information in accordance with Clause 22.9 of the Agreement.

6. LAW AND JURISDICTION

LETTER AGREEMENT No. 3

This Letter Agreement shall be governed by, and construed in accordance with, the laws of State of New York and the provisions of Clause 22.6 of the Agreement shall apply to this Letter Agreement.

7. COUNTERPARTS

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

LETTER AGREEMENT No. 3

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

ALLEGiant AIR, LLC AIRBUS S.A.S.

By : /s/ By : /s/

Name : _____ Name : _____

Title : _____ Title : _____

July 26, 2016

Allegiant Air, LLC
1201 North Town Center Drive
Las Vegas, Nevada 89144

Subject: SUPPORT MATTERS

Dear Ladies and Gentlemen,

ALLEGiant AIR, LLC (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into a Purchase Agreement ("**Agreement**") dated as of even date herewith which covers the manufacture and the sale by the Seller and the purchase by the Buyer of the A320 Aircraft as described in the Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 4 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement shall have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement, upon execution thereof, will constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, as such provisions have been specifically amended pursuant to this Letter Agreement. To the extent there is a conflict between the terms of this Letter Agreement and the Agreement, this Letter Agreement shall govern.

CT1107608-AAY-Letter Agreement No. 4

CONFIDENTIAL Execution Version dated July 2016

LETTER AGREEMENT No. 4

1. WARRANTIES AND SERVICE LIFE POLICY

1.1 Subclause 12.1.4.1 of the Agreement is deleted in its entirety and replaced with the following quoted text:

“12.1.4.1 The Buyer's remedy and the Seller's obligation and liability under Clauses 12.1.1 and 12.1.2 are limited to, at the Seller's expense and option, the repair, replacement or correction of any Warranted Part which is defective (or to the supply of modification kits rectifying the defect), together with a credit to the Buyer's account with the Seller of an amount equal to [...***...] .

The Seller may alternatively furnish to the Buyer's account with the Seller a credit equal to the price at which the Buyer is entitled to purchase a replacement for the defective Warranted Part, [...***...] .”

1.2 Subclause 12.1.6.2 of the Agreement is deleted in its entirety and replaced with the following quoted text:

“12.1.6.2 Transportation Costs

The cost of transporting a Warranted Part claimed to be defective to the facilities designated by the Seller and for the return therefrom of a repaired or replaced Warranted Part shall be borne by the Buyer, [...***...] .”

1.3 Subclause 12.1.10 of the Agreement is deleted in its entirety and replaced with the following quoted text:

“12.1.10 Accepted Industry Standard Practices Normal Wear and Tear

The Buyer's rights under this Clause 12.1 are subject to the Aircraft and each component, equipment, accessory and part thereof being maintained, overhauled, repaired and operated in accordance with accepted industry standard practices, all Technical Data and any other instructions issued by the Seller, the Suppliers and the Propulsion Systems Manufacturer and all applicable rules, regulations and directives of the relevant Aviation Authorities.

The Seller's liability under this Clause 12.1 shall not extend to normal wear and tear nor to:

- (i) any Aircraft or component, equipment, accessory or part thereof, which has been repaired, altered or modified after Delivery, except by the Seller or its Affiliates or in a manner approved by the Seller;
- (ii) any Aircraft or component, equipment, accessory or part thereof, which has been operated in a damaged state, [...***...] ;
- (iii) any component, equipment, accessory and part from which the trademark, name, part or serial number or other identification marks have been removed.”

2. TECHNICAL DATA

Subclause 14.2.3 of the Agreement is deleted in its entirety and replaced with the following quoted text:

“14.2.3 The Buyer shall indicate to the Seller the Fleet Serial Number allocated to each Aircraft corresponding to the delivery schedule set forth in Clause 9.1 as soon as possible following execution of the Agreement. Neither the designation of such Fleet Serial Numbers nor the

CT1107608-AAY-Letter Agreement No. 4

CONFIDENTIAL Execution Version dated July 2016

LETTER AGREEMENT No. 4

subsequent allocation of the Fleet Serial Numbers to Manufacturer Serial Numbers for the purpose of producing certain customized Technical Data shall constitute any property, insurable or other interest of the Buyer in any Aircraft prior to the Delivery of such Aircraft as provided for in this Agreement.

The customized Technical Data that are affected thereby are the following:

- Aircraft Maintenance Manual,
- Illustrated Parts Catalogue,
- Trouble Shooting Manual,
- Aircraft Wiring Manual,
- Aircraft Schematics Manual,
- Aircraft Wiring Lists.”

3. SELLER REPRESENTATIVE SERVICES

[...***...].

4. TRAINING SUPPORT AND SERVICES

4.1 Subclause 16.2 of the Agreement is deleted in its entirety and replaced with the following quoted text:

“16.2 Training Location

16.2.1 The Seller shall provide training at [...***...] , as agreed upon by the Seller and the Buyer (individually a “ **Seller’s Training Center** ” and collectively, the “ **Seller’s Training Centers** ”).

16.2.2 If the unavailability of facilities or scheduling difficulties make training by the Seller at any Seller’s Training Center impractical, the Seller shall ensure that the Buyer is provided with such training at another location designated by the Seller and acceptable to the Buyer.

16.2.3.1 Upon the Buyer's request, the Seller may also provide certain training at a location other than the Seller's Training Centers, including one of the Buyer's bases, if and when practicable for the Seller, under terms and conditions to be mutually agreed upon. In such event, all additional charges listed in Clauses 16.5.2 and 16.5.3 shall be borne by the Buyer.

16.2.3.2 If the Buyer requests training at a location as indicated in Clause 16.2.3.1 and requires such training to be an Airbus approved course, the Buyer undertakes that the training facilities shall be approved prior to the performance of such training. The Buyer shall, as necessary and with adequate time prior to the performance of such training, provide access to the training facilities set forth in Clause 16.2.3.1 to the Seller’s and the competent Aviation Authority’s representatives for approval of such facilities.”

4.2 Subclause 16.5 of the Agreement is deleted in its entirety and replaced with the following quoted text:

“16.5 Logistics

16.5.1 Trainees

16.5.1.1 Living and travel expenses for the Buyer's trainees shall be borne by the Buyer.

LETTER AGREEMENT No. 4

16.5.1.2 It shall be the responsibility of the Buyer to make all necessary arrangements relative to authorizations, permits and/or visas necessary for the Buyer's trainees to attend the training courses to be provided hereunder. Rescheduling or cancellation of courses due to the Buyer's failure to obtain any such authorizations, permits and/or visas shall be subject to the provisions of Clauses 16.3.5.1 thru 16.3.5.3.

16.5.2 Training at External Location - Seller's Instructors

16.5.2.1.1 In the event of training being provided at the Seller's request at any location other than the Seller's Training Centers, as provided for in Clause 16.2.2, the expenses of the Seller's Instructors shall be borne directly by the Seller.

16.5.2.1.2 In the event of training being provided by the Seller's Instructor(s) at any location other than the Seller's Training Centers at the Buyer's request, the Buyer shall reimburse the Seller for all the expenses [...***...] related to the assignment of such Seller Instructors and the performance of their duties as aforesaid.

16.5.2.2 Living Expenses

[...***...]

Such per diem shall include, but shall not be limited to, lodging, food and local transportation to and from the place of lodging and the training course location.

16.5.2.3 Air Travel

Except as provided for in Clause 16.5.2.1.1 above, the Buyer shall reimburse the Seller for the airfares for each Seller Instructor and/or other Seller's personnel providing support under this Clause 16, to and from the Buyer's designated training site and the Seller's Training Centers. [...***...]

16.5.2.4 Buyer's Indemnity

[...***...]

16.5.3 Training Material and Equipment Availability - Training at External Location

Training material and equipment necessary for course performance at any location other than the Seller's Training Centers or the facilities of a training provider selected by the Seller shall be provided by the Buyer at its own cost in accordance with the Seller's specifications.

Notwithstanding the foregoing, should the Buyer request the performance of a course at another location as per Clause 16.2.3.1, the Seller may, upon the Buyer's request, provide the training material and equipment necessary for such course's performance. Such provision shall be at the Buyer's expense."

4.3 Subclauses 1.1 and 1.2 of Appendix A to Clause 16 of the Agreement are deleted in their entirety and replaced with the following quoted text:

"1.1 Flight Crew Training (standard transition course)

[...***...]

1.2 Low Visibility Operations Training

[...***...]

CT1107608-AAY-Letter Agreement No. 4

CONFIDENTIAL Execution Version dated July 2016

LETTER AGREEMENT No. 4

4.4 Subclause 3.1 of Appendix A to Clause 16 of the Agreement is deleted in its entirety and replaced with the following quoted text:

“3.1 The Seller shall provide to the Buyer [...***...] trainee days of maintenance training free of charge for the Buyer's personnel.”

5. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement, this Letter Agreement and the rights and obligations of the Buyer herein shall not be assigned or transferred in any manner, and any attempted assignment or transfer in contravention of the provisions of this Clause shall be void and of no force or effect.

6. CONFIDENTIALITY

This Letter Agreement (and its existence) shall be treated by both parties as Confidential Information in accordance with Clause 22.9 of the Agreement.

7. LAW AND JURISDICTION

This Letter Agreement shall be governed by, and construed in accordance with, the laws of State of New York and the provisions of Clause 22.6 of the Agreement shall apply to this Letter Agreement.

8. COUNTERPARTS

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

CT1107608-AAY-Letter Agreement No. 4

CONFIDENTIAL Execution Version dated July 2016

LETTER AGREEMENT No. 4

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

ALLEGIANT AIR, LLC AIRBUS S.A.S.

By : /s/ By : /s/

Name : _____ Name : _____

Title : _____ Title : _____

July 26, 2016

Allegiant Air, LLC
1201 North Town Center Drive
Las Vegas, Nevada 89144

Subject: DELIVERY MATTERS

Dear Ladies and Gentlemen,

ALLEGIANT AIR, LLC (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into a Purchase Agreement ("**Agreement**") dated as of even date herewith which covers the manufacture and the sale by the Seller and the purchase by the Buyer of the A320 Aircraft as described in the Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 5 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement shall have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement, upon execution thereof, will constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, as such provisions have been specifically amended pursuant to this Letter Agreement. To the extent there is a conflict between the terms of this Letter Agreement and the Agreement, this Letter Agreement shall govern.

LETTER AGREEMENT No. 5

1. DELIVERY

Clause 0 of the Agreement is hereby amended by replacing the following quoted definitions:

[...***...]

2. CHANGE IN LAW

[...***...]

3. FLYAWAY

Clause 9.3 of the Agreement is hereby deleted in its entirety and replaced with the following quoted text:

“9.3 Flyaway

9.3.1 The Buyer and the Seller shall cooperate to obtain any licenses that may be required by the Aviation Authority of the Delivery Location, [...***...] of the Aircraft after Delivery.

9.3.2 All expenses of, or connected with, flying the Aircraft from the Delivery Location after Delivery shall be borne by the Buyer. The Buyer shall make direct arrangements with the supplying companies [...***...] for all post-Delivery flights.”

4. DELAYS

Clause 10 and Clause 11 of the Agreement are hereby deleted and replaced in their entirety and replaced with the following quoted text:

“10 “**EXCUSABLE DELAY AND TOTAL LOSS**

[...***...]

LETTER AGREEMENT No. 5

11 INEXCUSABLE DELAY

[...***...]

5. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement, this Letter Agreement and the rights and obligations of the Buyer herein shall not be assigned or transferred in any manner, and any attempted assignment or transfer in contravention of the provisions of this Clause shall be void and of no force or effect.

6. CONFIDENTIALITY

This Letter Agreement (and its existence) shall be treated by both parties as Confidential Information in accordance with Clause 22.9 of the Agreement.

7. LAW AND JURISDICTION

This Letter Agreement shall be governed by, and construed in accordance with, the laws of State of New York and the provisions of Clause 22.6 of the Agreement shall apply to this Letter Agreement.

8. COUNTERPARTS

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

LETTER AGREEMENT No. 5

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

ALLEGIANT AIR, LLCAIRBUS S.A.S.

By	:	_ <u>/s/</u> _____	By	:	_ <u>/s/</u> _____
Name	:	_____	Name	:	_____
Title	:	_____	Title	:	_____

July 26, 2016

Allegiant Air, LLC
1201 North Town Center Drive
Las Vegas, Nevada 89144

Subject: MISCELLANEOUS

Dear Ladies and Gentlemen,

ALLEGIANT AIR, LLC (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into a Purchase Agreement ("**Agreement**") dated as of even date herewith which covers the manufacture and the sale by the Seller and the purchase by the Buyer of the A320 Aircraft as described in the Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 6 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement shall have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement, upon execution thereof, will constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, as such provisions have been specifically amended pursuant to this Letter Agreement. To the extent there is a conflict between the terms of this Letter Agreement and the Agreement, this Letter Agreement shall govern.

1. TERMINATION

Clause 20 of the Agreement is hereby deleted in its entirety and replaced with the following quoted text:

“ TERMINATION

20.1 Termination Events

Each of the following shall constitute a “ **Termination Event** ”:

- (1) The Buyer or any of its [...***...] commences in any jurisdiction any case, proceeding or other action with respect to the Buyer or any of its [...***...] or their properties relating to bankruptcy, insolvency, reorganization, winding-up, liquidation, dissolution or other relief from, or with respect to, or readjustment of, its debts or obligations.
- (2) An action is commenced in any jurisdiction seeking the appointment of a receiver, trustee, custodian or other similar official for the Buyer or any of its [...***...] or for all or any substantial part of their respective assets, and such action remains unstayed, undismissed or undischarged for [...***...], or the Buyer or any of its [...***...] makes a general assignment for the benefit of its creditors.
- (3) An action is commenced in any jurisdiction against the Buyer or any of its [...***...] seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of their respective assets, and such action remains unstayed, undismissed or undischarged for [...***...] .
- (4) The Buyer or any of its [...***...] becomes the object, in any jurisdiction, of a case, proceeding or action similar or analogous to any of the events mentioned in Clause 20.1(1), (2) or (3).
- (5) The Buyer or any of its [...***...] is generally not able, or is expected to be unable to, or shall admit in writing its inability to, pay its debts as they become due.
- (6) The Buyer or any of its [...***...] commences negotiations with significant creditors, existing or potential, in preparation for a bankruptcy filing under the U.S. Bankruptcy Code.
- (7) [...***...]
- (8) The Buyer repudiates, cancels or, unless permitted by the terms of this Agreement, terminates this Agreement, in each case, in whole or in part.
- (9) The Buyer defaults in its obligation to take delivery of an Aircraft as provided in Clause 9.2.
- (10) [...***...] the Buyer or any of its [...***...] defaults in the observance or performance of any other covenant, undertaking or obligation contained in this Agreement or any other material agreement between the Buyer or its [...***...] , on the one hand, and the Seller or its Affiliates on the other hand, provided that, if such breach or default is capable of being cured and such breach or default is not cured within any specified cure period.

[...***...]

20.2 Remedies in Event of Termination

[...***...]

20.4 Notice of Termination Event

Within [...***...] of becoming aware of the occurrence of a Termination Event by the Buyer, the Buyer shall notify the Seller of such occurrence in writing, provided, that any failure by the Buyer to notify the Seller shall not prejudice the Seller's rights or remedies hereunder.

20.5 Information Covenants

The Buyer hereby covenants and agrees that, from the date of this Agreement until no further Aircraft are to be delivered hereunder, the Buyer shall furnish or cause to be furnished to the Seller the following, it being understood that this covenant with respect to Clauses 20.5 (a), (b) and (e) shall be deemed satisfied if the information requested in those clauses is filed, with un-redacted financial statements, with the U.S. Securities and Exchange Commission and is publicly available on EDGAR (or any successor online resource):

- (a) Annual Financial Statements. As soon as available and in any event no later than the date that the Buyer's parent company, ATC, furnishes such annual statements to the U.S. Securities and Exchange Commission or successor thereto (the "SEC") (i) a copy of the SEC Form 10-K filed by ATC with the SEC for such fiscal year, or, if no such Form 10-K was filed by ATC for such a fiscal year, or the Buyer's accounts are not consolidated with those of ATC, the consolidated balance sheet of the Buyer and its Subsidiaries, as at the end of such fiscal year and the related consolidated statements of operations, of common stockholders' equity (deficit) (in the case of the Buyer and its Subsidiaries) and of cash flows for such fiscal year, setting forth comparative consolidated figures as of the end of and for the preceding fiscal year, and examined by any firm of independent public accountants of recognized standing selected by the Buyer and reasonably acceptable to the Seller, whose opinion shall not be qualified as to the scope of audit or as to the status of the Buyer as a going concern, and (ii) a certificate of such accounting firm stating that its audit of the business of the Buyer was conducted in accordance with generally accepted auditing standards.
- (b) Quarterly Financial Statements. As soon as available and in any event no later than the date that ATC furnishes such quarterly statements to the SEC, a copy of the SEC Form 10-Q filed by ATC with the SEC for such quarterly period, or, if no such Form 10-Q was filed by ATC with respect to any such quarterly period, or the Buyer's accounts are not consolidated with those of ATC, the consolidated balance sheet of the Buyer and its Subsidiaries, as at the end of such quarterly period and the related consolidated statements of operations for such quarterly period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period and in each case setting forth comparative consolidated figures as of the end of and for the related periods in the prior fiscal year, all of which shall be certified by an Authorized Officer of the Buyer, subject to changes resulting from audit and normal year-end audit adjustments.
- (c) [...***...]
- (d) Acceleration of other indebtedness. Immediately upon knowledge by the Buyer that the holder of any bond, debenture, promissory note or any similar evidence of indebtedness of the Buyer or any Relevant Affiliate thereof ("Other Indebtedness") has demanded payment, given notice or exercised its right to a remedy having the effect of acceleration with respect to a claimed event of default under any Other Indebtedness, where the impact of the acceleration is likely to have a material adverse effect on the Buyer's ability to perform its obligations under or in connection with the transactions contemplated by this Agreement, notice of the demand made, notice given or action taken by such holder and

LETTER AGREEMENT No. 6

the nature and status of the claimed event of default and what the action the Buyer is taking with respect thereto.

- (e) Other Information. Promptly upon transmission thereof, copies of any filings and registrations with, and reports to, the SEC by ATC, and, with reasonable promptness, such other information or documents (financial or otherwise) as the Seller may reasonably request from time to time, so long as such information or documents are readily available to the Buyer.

For the purposes of this Clause 20, (x) an " **Authorized Officer** " of the Buyer shall mean the Chief Executive Officer, the Chief Financial Officer or any Vice President and above who reports directly or indirectly to the Chief Financial Officer and (y) " **Subsidiaries** " shall mean, as of any date of determination, those companies owned by the Buyer whose financial results the Buyer is required to include in its statements of consolidated operations and consolidated balance sheets.

- 20.6 Nothing contained in this Clause 20 shall be deemed to waive or limit the Seller's rights or ability to request adequate assurance under Article 2, Section 609 of the Uniform Commercial Code (the " **UCC** "). It is further understood that any commitment of the Seller or the Propulsion Systems Manufacturer to provide financing to the Buyer shall not constitute adequate assurance under Article 2, Section 609 of the UCC."

2. ASSIGNMENT

Notwithstanding any other provision of this Letter Agreement or of the Agreement, this Letter Agreement and the rights and obligations of the Buyer herein shall not be assigned or transferred in any manner, and any attempted assignment or transfer in contravention of the provisions of this Clause shall be void and of no force or effect.

3. CONFIDENTIALITY

This Letter Agreement (and its existence) shall be treated by both parties as Confidential Information in accordance with Clause 22.9 of the Agreement.

4. LAW AND JURISDICTION

This Letter Agreement shall be governed by, and construed in accordance with, the laws of State of New York and the provisions of Clause 22.6 of the Agreement shall apply to this Letter Agreement.

5. COUNTERPARTS

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

LETTER AGREEMENT No. 6

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

ALLEGiant AIR, LLC Airbus S.A.S.

By : /s/ By : /s/
Name : _____ Name : _____
Title : _____ Title : _____

July 26, 2016

Allegiant Air, LLC
1201 North Town Center Drive
Las Vegas, Nevada 89144

Subject: **A320 CEO with Sharklets PERFORMANCE GUARANTEES (CFM)**

Dear Ladies and Gentlemen,

ALLEGIANT AIR, LLC (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into a Purchase Agreement ("**Agreement**") dated as of even date herewith which covers the manufacture and the sale by the Seller and the purchase by the Buyer of the A320 Aircraft as described in the Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 7 (the "**Letter Agreement**") certain additional terms and conditions regarding the sale of the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement shall have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement, upon execution thereof, will constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement is governed by the provisions of said Agreement, as such provisions have been specifically amended pursuant to this Letter Agreement. To the extent there is a conflict between the terms of this Letter Agreement and the Agreement, this Letter Agreement shall govern.

1 AIRCRAFT CONFIGURATION

The guarantees defined below (the “Guarantees”) are applicable to the A320-200 Aircraft as described in the Standard Specification Reference [...***...] amended by Specification Change Notices (SCNs) for:

- installation of CFM International CFM56-5B4/3 engines
- provision for and installation of Sharklets
- design weights as follows:
 - Maximum Take-Off Weight (MTOW) [...***...]
 - Maximum Landing Weight (MLW) [...***...]
 - Maximum Zero Fuel Weight (MZFW) [...***...]

hereinafter referred to as the “Specification”, and without taking into account any further changes thereto as provided in the Agreement.

2 GUARANTEED PERFORMANCE

2.1 [...***...]

[...***...]

3 [...***...] GUARANTEE

3.1 [...***...]

[...***...]

[...***...]

[...***...]

[...***...]

[...***...]

[...***...]

[...***...]

[...***...]

[...***...]

[...***...]

[...***...]

[...***...]

[...***...]

4 MANUFACTURER'S WEIGHT EMPTY [...***...]

[...***...]

5 GUARANTEE CONDITIONS

[...***...]

6 GUARANTEE COMPLIANCE

[...***...]

7 ADJUSTMENT OF GUARANTEES

[...***...]

8 EXCLUSIVE GUARANTEES

[...***...]

9 UNDERTAKING REMEDIES

[...***...]

LETTER AGREEMENT No. 7

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

ALLEGiant AIR, LLC Airbus S.A.S.

By : /s/ By : /s/
Name : _____ Name : _____
Title : _____ Title : _____

OPERATING WEIGHT EMPTY

For information only at the time of this Agreement, the Customer's Changes and Operator's Items used to define the Operating Weight Empty for the purpose of paragraph 3 of this Letter Agreement are based on an A320-200 Aircraft with [...***...] and are defined as follows:

Engines: CFM56-5B4/3

Manufacturer's Weight Empty as defined in
the A320-200 Standard Specification [...***...]

Sharklets installation [...***...]
[...***...] [...***...]

Customer's Changes

Cabin changes [...***...]
Allowance for customer's changes [...***...]

Total Customer's Changes [...***...]

Operator's Items

Unusable fuel [...***...]
Oil for engines, IDG and APU [...***...]
Water [...***...]
Waste tank precharge [...***...]
Aircraft documents and tool kit [...***...]
Passenger seats and lifejackets [...***...]
Galley structure [...***...]
Fixed equipment [...***...]
Catering & removable equipment [...***...]
Emergency equipment [...***...]
Crew and crew baggage [...***...]

Total Operator's Items [...***...]

Operating Weight Empty [...***...]



GE
Aviation

Packey Velleca
Sales Director, North America
One Neumann Way
Cincinnati, OH 45215
USA

*Confidential treatment has been requested for portions of this document. This copy of the document filed as an Exhibit
Omits the confidential information subject to the confidentiality request. Omissions are designated by the symbol [... *** ...].
A complete version of this document has been filed separately with the Securities and Exchange Commission.*

General Terms Agreement No. 1-0000008363

For CFM56 Engines

between
CFM International Inc.

and
Allegiant Air, LLC and
Sunrise Asset Management, LLC

PROPRIETARY INFORMATION NOTICE The information contained in this document is CFM Proprietary Information and is disclosed in confidence. It is the property of CFM and shall not be used, disclosed to others, or reproduced without the express written consent of CFM. If consent is given for reproduction in whole or in part, this notice and the notice set forth on each page of this document shall appear on any such reproduction. Export control laws may also control the information contained in this document. Unauthorized export or re-export is prohibited.

THIS GENERAL TERMS AGREEMENT No. 1-0000008363 (“Agreement”), dated July 26, 2016 (the “Effective Date”), is made and entered into by and between **CFM International, Inc.** (hereinafter referred to as “CFM”), a company duly organized under the laws of the State of the Delaware, located at 6440 Aviation Way, West Chester, Ohio 45069, USA, and jointly owned by the General Electric Company, a New York corporation (hereinafter referred to as “GE”) and SNECMA S.A.S., a French company (hereinafter referred to as “SNECMA”) and **Allegiant Air, LLC (“Allegiant”) and Sunrise Asset Management, LLC (“SAM”)**, each, limited liability companies duly organized under the laws of Nevada, USA and located in Las Vegas, NV USA (together or separately hereinafter referred to as “Customer”). CFM and Customer are collectively referred to in this Agreement as the “Parties” or individually as a “Party”.

WITNESSETH

WHEREAS, Customer has purchased and Allegiant operates Aircraft equipped with installed Engines, and

WHEREAS, the Parties desire to enter into this Agreement to establish the terms and conditions governing the sale by CFM and the purchase by Customer of Products (as defined below), and services to be supplied by CFM in support of installed Engines and Products for use by Customer with respect to its Customer’s Activities, and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the respective Parties hereto agree as follows to the respective Sections of this Agreement. Capitalized terms used herein that are otherwise undefined shall have the meanings ascribed to them in Section I (“Definitions”), unless the context requires otherwise.

SECTION I - DEFINITIONS

These definitions shall apply for all purposes of this Agreement unless the context otherwise requires.

“ Agreement ” means this General Terms Agreement, together with all exhibits, and specific transaction agreements (“ Letter Agreements ”) and attachments, between CFM and Customer.

“ Aircraft ” means the Airbus A320CEO aircraft equipped with installed Engines.

“ Airworthiness Authorities ” means the Federal Aviation Administration of the United States Department of Transportation (“ FAA ”) and the European Aviation Safety Agency (“ EASA ”), (superseding the JAA and/or the responsible National Airworthiness Authorities of the European Union (NAAs), as applicable), which are also individually and separately referred to in this Agreement as the “ Airworthiness Authority ”.

“ Airworthiness Directive ” means a requirement for the Inspection, repair or modification of the Engine or any portion thereof as issued by Airworthiness Authorities.

“ ATA ” means the Air Transport Association of America.

“ CFM Controls and Accessories ” means controls and accessories on Engines or Spare Engines and sold by CFM on a direct purchase.

“ CFM Service Bulletin ” or “ SB ” - The document as issued by CFM to notify the Customer of modifications, substitution of parts, special inspections, special checks, or conversion of an Engine from one model to another.

“Critical Part” or “LLP” is an engine rotor or major static structural part with an airworthiness limitation approved by the Airworthiness Authority.

“ Critical Influencing Part ” is a part, listed in the then-current Engine manual as published by CFM, that experience has shown can directly or indirectly influence the boundary conditions of the lifing system used to determine the LLP airworthiness limitations.

“ Customer’s Activities ” means, in the case of Allegiant, public passenger commercial flight service purposes, including carriage of associated baggage/cargo, training of flight personnel and ferry positioning of Aircraft, and, in the case of SAM, *inter alia* , the purchase, ownership and lease to Allegiant and third parties of aircraft (including the Aircraft), engines (including the Engines) and parts.

“ Customer Response Center or CRC ” means “AOC” Aviation Operations Center, or “CSC” Customer Support Center which provides 24 hours, 7 day a week support for Customer’s technical and business inquiries.

“ CWC ” means CFM Customer Web Center.

“ Data ” means all information and data of any type, form or nature (including, but not limited to, designs, drawings, blueprints, tracings, plans, models, layouts, software, specifications, technical publications, electronic transmittals, customer website data and memoranda) which may be furnished or made available to Customer, directly or indirectly, as the result of this Agreement.

“ Day(s) ” means a calendar day unless expressly stated otherwise in writing. When the word “Day” is used in relation to the day that the performance is due, then if such day is a Saturday or a Sunday or a day on which business of such nature is not carried out in the United States or France or in the state of incorporation of the Customer, performance shall be postponed until the next Day.

“ Departure Records ” means the disposition decisions and all departures from CFM shop manuals regarding CFM Parts and component repairs and the CFM approvals thereof.

“ Derivative Data ” means data (i) generated from use of CFM Products and software and/or, (ii) data created by CFM that is aggregated and/or compiled on a generic basis from CEOD and/or otherwise developed from CEOD.

“ Engine ” means the FAA/EASA certified CFM56-5B engine(s) installed on Aircraft operated by Customer.

“ Expendable Parts ” means those Parts which must routinely be replaced during Inspection, repair, or maintenance, whether or not such Parts have been damaged, and other Parts which are customarily replaced at each such Inspection and maintenance period such as filter inserts and other short-lived items which are not dependent on wear out but replaced at predetermined intervals.

“ Failed Parts ” means those Parts and Expendable Parts suffering a Failure, and including Parts suffering Resultant Damage.

“ Failure ” means the breakage of a Part, failure to function of a Part, or damage to a Part, rendering it not Serviceable and such breakage, failure or damage has been determined to be due to causes within CFM’s control, including, but not limited to: i) a defect in design, ii) any defect in material, iii) breakage, failure or damage in a Part caused by selection of material, iv) breakage, failure or damage in a Part caused by the process of manufacturing, or v) workmanship. Failure does not include any such breakage, malfunction or damage that is due to normal wear and tear.

“ Flight Cycle ” means the complete running of an Engine from start through any condition of flight and ending at Engine shutdown. A "touch-and-go landing" shall be considered as a Flight Cycle.

“ Flight Hours ” means the cumulative number of airborne hours in operation of each Engine computed from the time an aircraft leaves the ground until it touches the ground at the end of a flight.

“ Foreign Object Damage ” means any damage to the Engine caused by objects that are not part of the Engine and Engine optional equipment.

“ Inspection ” means the observation of an Engine or Parts thereof, through disassembly or other means, for the purpose of determining serviceability.

“ Labor Allowance ” means a CFM credit calculated by multiplying the established labor rate by man-hours allowed for disassembly, reassembly (when applicable), and for Parts repair. If a Labor Allowance is granted for a repair, it shall not exceed the credit that would have been quoted if the Part had not been repairable. The established labor rate means either (a) the then current labor rate mutually agreed between CFM and Customer if the work has been performed by Customer, or (b) the then current labor rate agreed between CFM and the third party repair and overhaul shop if the work has been performed by such repair and overhaul shop.

“ Module ” means a major sub-assembly of any of the Engines described in the applicable letter agreements.

“ Part ” means only those FAA/EASA certified Engine and Engine Module Parts which have been sold originally to Customer by CFM for commercial use. The term excludes parts that were furnished on new Engines and Modules but are procured directly from vendors. Such parts are covered by the vendor warranty and the CFM “Vendor Warranty Back Up.” Also excluded are Expendable Parts.

“ Parts Credit Allowance ” means the credit granted by CFM to Customer, in connection with either a CFM-declared campaign change or the Failure of a Part under warranty, based on the price of a replacement Part at the time the Part is removed. This credit may take the form of a replacement Part at CFM’s option.

“ Part Cycles ” means the total number of Flight Cycles accumulated by a Part.

“ Parts Repair ” means the CFM recommended rework or restoration of Failed Parts to a Serviceable condition.

“ Part Time ” means the total number of Flight Hours accumulated by a Part.

“ Product(s) ” means Spare Engines, Modules, Parts, related optional equipment, shipping stand in support of a Spare Engine, Engine thrust upgrade, technical data and other products, offered for sale by CFM from time to time.

“ Resultant Damage ” means the damage suffered by a Part in warranty because of a Failure of a Part or Expendable Part within the same engine.

“ Scrapped Parts ” means those Parts determined by CFM to be un-Serviceable and not repairable by virtue of reliability, performance or repair costs. Such Parts shall be considered as scrapped if they bear a scrap tag duly countersigned by a CFM representative. Such Parts shall be destroyed and disposed of by Customer unless requested by CFM for engineering analysis, in which event any handling and shipping shall be at CFM’s expense.

“ Security ” or “ Securities ” means any one or all payment securities, including but not limited to, irrevocable documentary credits, and/or standby letters of credit, and/or parent company guarantee, all being both in a form, and issued from a bank and/or party, acceptable to CFM.

“ Serviceable ” when used to describe an Engine or Part, means in an airworthy condition within the limits defined in the applicable Engine manuals, specification and/or publications by the type certificate holder.

“ Spare Engine ” means an engine acquired in support of Customer's fleet of Aircraft for use as a spare Engine when another Engine in such fleet is unavailable due to damage or is otherwise being repaired or serviced.

“ Student-Days ” means the number of students multiplied by the number of class days.

“ Ultimate Life ” of a rotating Part means the approved limitation on use of a rotating Part, in cumulative Flight Hours or Flight Cycles, which the Airworthiness Authority establishes as the maximum period of allowed operational time for such rotating Parts in Customer service, with periodic repair and restoration .

“ within CFM’s control ” or “ within the control of CFM ” means any act, omission or decision by CFM and its suppliers, subcontractors, and agents, and their respective officers, directors, employees, agents, representatives and all of their successors and assigns, pertaining to any Product, including any Engine, its design, manufacture, workmanship, repair, advice, and handling.

SECTION II – TERMS AND CONDITIONS

ARTICLE 1 - PRODUCTS

- A. Customer may purchase under the terms and subject to the conditions hereinafter set forth, Product(s) in quantities and in configurations reasonably required to support Customer’s Activities and the Aircraft applications operated by Customer in connection therewith. This Agreement supersedes and entirely replaces the General Terms Agreement No. CFM5-01221 dated November 19, 2012 as amended by Amendment A dated October 27, 2015 and such General Terms Agreement as amended is void and of no further force or effect.
- B. CFM Repurchase Option . Customer and CFM agreement regarding the repurchase option is as set forth in the applicable letter agreement.

ARTICLE 2 - PRODUCT PRICES

- A. In General . The selling price of Products will be the respective prices which are quoted in the CFM Spare Parts Price Catalog, as revised from time to time (the “ Spare Parts Catalog ” or “ Catalog ”) or in CFM’s written quotation or proposal from time to time and confirmed in a Letter Agreement for the purchase of Spare Engines or in a purchase order placed by Customer and accepted by CFM. CFM shall quote such prices in U.S. Dollars and Customer shall pay for Products in U.S. Dollars. All Product prices include the cost of CFM’s standard tests, Inspection and commercial packaging, but exclude, in the case of Spare Engines, shipping stands, containers and engine covers. Transportation costs and costs resulting from special Inspection, packaging, testing or other special requirements, requested by Customer, will be paid for by Customer. CFM will advise Customer in writing ninety (90) calendar days in advance of any changes in prices affecting a significant portion of the prices in the Catalog. When Customer requests delivery of Product that is less than the lead time quoted in Spare Parts Catalog, expedite fees may apply, except for emergency cases if such emergency cannot reasonably be forecasted by Customer.
- B. Spare Engines . Spare Engine prices will be quoted as base prices, subject to escalation using the appropriate CFM Engine escalation provisions then in effect between the parties as evidenced by the parties’ written expression thereof. The appropriate CFM escalation provisions will be set forth in each applicable Letter Agreement to this Agreement.

ARTICLE 3 - PRODUCT ORDER PLACEMENT

- A. The terms and conditions set forth herein are in lieu of all printed terms and conditions appearing on Customer's purchase orders.
- B. For each purchase order placed by Customer, CFM shall respond by confirming, modifying or rejecting it within a reasonable period of time.
- C. For all Products, except Spare Engines, Customer may place purchase orders, in preference, through the CWC, or EDI network (Spec2000), or any other electronic mean, or as prescribed in said Catalogue or CFM's quotation, e-mail, facsimile transmission, or telephone with written confirmation.
- D. For Spare Engines only, Customer will place a purchase order in a mutually agreed upon format and shall include the information listed below (as applicable). An original version shall be sent to CFM International Inc., Attn: CFM Contracts Administration Dept., One Neumann Way, M/D Y7, Cincinnati, OH 45215 USA; and a copy to the Customer's assigned CSM email address. Purchase orders shall include the following information:
 - 1) Customer IATA Code;
 - 2) GTA Number;
 - 3) Customer headquarter address;
 - 4) Invoicing and/or Bill of Sale address including name, phone, fax and email;
 - 5) V.A.T. Number;
 - 6) Description of Product;
 - 7) Price;
 - 8) Quantity;
 - 9) Delivery date request;
 - 10) Shipping instructions;
 - 11) Freight forwarder address including contact name, phone, fax email and address;
 - 12) Address for logbook;
 - 13) Spare Engine delivery address.

ARTICLE 4 - DELIVERY, TITLE, TRANSPORTATION, RISK OF LOSS, & PACKAGING OF PRODUCTS

- A. CFM shall deliver Products under each purchase order placed by Customer and accepted by CFM, on a mutually agreed upon schedule consistent with CFM's lead times and set forth in each purchase order. Delivery dates are subject to (1) timely receipt by CFM of all information necessary to permit CFM to proceed with work immediately and without interruption, and (2) Customer's compliance with the payment terms set forth herein.
- B. Shipment of Products shall be from CFM's facility in Evendale, Ohio, U.S.A., Peebles, Ohio, U.S.A., Erlanger, Kentucky, U.S.A., or Villaroche, France, or point of manufacture, or other facility at CFM's option.
- C. Delivery of all Products shall be EX-Works (Incoterms 2010) point of manufacture. Title to Products as well as risk of loss thereof or damage thereto shall pass to Customer upon delivery

subject to CFM's undertaking in G below. Upon such Delivery, CFM shall convey good and marketable title to the Products, free and clear of all liens, claims, charges, and encumbrances whatsoever and deliver to Customer such documentary evidence of such conveyance of title (such as a bill of sale) as Customer reasonably requests and in the case of Spare Engines, CFM will cooperate to register the contract of sale thereof with the International Registry.

Customer shall be responsible for arranging transportation in compliance with all relevant standards specific to Products, all risk and expense in obtaining any required licenses and carrying out all customs formalities for the exportation and importation of goods in accordance with the Article titled "Government Authorization" of this Agreement; provided, however, CFM will give advice and its cooperation as Customer may reasonably request in carrying out such obligations.

Further, upon Customer's written request, CFM will assist Customer by designating an appropriate freight forwarder, or by assisting export shipment of Products, at Customer's sole responsibility and expense, and CFM shall bear no liability for the same.

- D. Unless otherwise instructed by Customer, CFM shall deliver each Product, except for spare Parts, in accordance with CFM's normal standards for domestic shipment or export shipment, as applicable. The cost of any shipping stand or re-usable container is not included in the price of Engines. In the event any such CFM-owned items are not returned by Customer to the original point of shipment in re-usable condition within thirty (30) calendar days after shipment, Customer will pay CFM the price that CFM paid for such items upon receipt of CFM's invoice.
- E. CFM shall deliver spare Parts packaged and labeled in accordance with ATA Specification No. 300, or to a revision mutually agreed in writing between CFM and Customer. CFM shall notify Customer, where applicable, that certain spare Parts are packed in unit package quantifies (UPQ's), or multiples thereof.
- F. If any Product is delayed by Customer beyond the agreed upon Delivery date, CFM may place such Product in storage. In such event, all expenses incurred by CFM for activities such as, but not limited to, preparation for and placement into storage and handling, storage, inspection, preservation and insurance for the period after the agreed upon Delivery date shall be paid by Customer upon presentation of CFM's invoices.
- G. Customer and CFM shall cooperate to limit any possible taxes incurred by Customer for Delivery of Products including delivery and sale thereof in such other location that minimizes tax risk to Customer.

ARTICLE 5 - PAYMENT FOR PRODUCTS

Customer shall pay CFM with respect to Products purchased hereunder as set forth in the attached Exhibit C.

ARTICLE 6 - TAXES AND DUTIES

Unless otherwise specified in this Agreement, CFM shall be responsible for and pay directly [...***...] (“ CFM taxes ”). Customer shall be responsible for and pay directly when due and payable [...***...] (“ Customer taxes ”).

All payments due and payable to CFM by Customer under this Agreement shall be made without deduction or withholding for Customer taxes, except that if Customer shall be required by law to deduct or withhold any Customer taxes from or in respect of any amount payable by it to CFM hereunder, the amount payable by Customer shall be increased by such amount as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings with respect to any additional amounts payable pursuant to this sentence), CFM receives the same amount that it would have received if no such deduction or withholding had been made. Customer shall provide to CFM on a timely basis, accurate official receipts for deducted or withheld taxes.

If claim is made against either Party (the “Taxed Party”)for any taxes for which the other Party is liable hereunder (the “Obligor Party”), the Taxed Party shall not pay except under protest, and if payment be made, shall use all reasonable effort to obtain a refund thereof at the expense of the Obligor Party. If all or any part of any such taxes are refunded, the Taxed Partyshall repay to the Obligor Party such part thereof as the Obligor Party shall have paid. The Obligor Party shall pay to the Taxed Party upon demand, all expenses (including penalties and interest) incurred by the Taxed Partyin protesting payment and in endeavoring to obtain such refund. If the Taxed Partyis nevertheless required to pay taxes for which the Obligor Party is liable hereunder, the Obligor Party shall, promptly upon presentation of Taxed Party invoice for the Obligor Party taxes, pay to the Taxed Party, or furnish to the Taxed Partyevidence of exemption therefrom, any Obligor Party taxes legally assessed or levied by any governmental authority against the Taxed Party in connection with this Agreement.

All rights to drawback of customs duties paid by CFM to the customs authorities of the country of manufacture of any products shall belong to CFM. Customer agrees to cooperate with CFM to obtain a drawback.

ARTICLE 7 - WARRANTY AND PRODUCT SUPPORT PLAN

Applicable warranties are set forth in Exhibit A relating to all new Engines or Parts, including Expendable Parts, either purchased by Customer directly from CFM or installed on Customer’s Aircraft as original equipment. Product support activities are set forth in Exhibit B.

To the extent Customer has leased an Aircraft or acquired a used Aircraft, Customer shall acquire the Engine Warranties rights to Engines installed on such Aircraft leased/acquired by Customer only through a documented assignment of such warranties from the leasing company/the previous Aircraft owner. Engine Warranties rights so acquired by Customer shall be limited to the unexpired portion thereof, if any, held by the leasing company/ the previous Aircraft owner at the time of assignment to Customer. Upon Customer's acceptance of such assignment, Customer further hereby agrees that, with respect to such assigned warranties and the Products warranted thereby, it shall, in any event, be bound by and comply with all of the terms and conditions, including the limitations, set forth in this Agreement.

ARTICLE 8 - EXCUSABLE DELAY

CFM shall not be liable or in breach of its obligations under this Agreement to the extent performance of such obligations is delayed or prevented, directly or indirectly, by causes beyond its reasonable control, including acts of God, fire, terrorism, war (declared or undeclared), severe weather conditions, earthquakes, epidemics, insurrection, fault or negligence of Customer or Customer's suppliers or agents, any order or act by any governmental authority, strikes, labor disputes, acts or threats of vandalism (including disruption of technology resources), material shortages and delays in transportation caused by one of the events set forth above (each an "Excusable Delay"). material shortages and delays in transportation caused by one of the events set forth above shall also be considered an Excusable Delay. Subject to the right of Customer below, the delivery or performance date shall be extended for a period equal to the time lost by reason of delay, including time to overcome the effect of the delay. CFM shall use reasonable efforts to continue performance whenever such causes are removed. In the event an Excusable Delay continues for a period of [...***...] beyond the scheduled delivery or performance date, subject to any other rights of Customer under any Letter Agreement, Customer may, upon sixty (60) calendar days written notice to CFM, cancel the part of this Agreement so delayed, CFM shall return to Customer all payments relative to the canceled part of this Agreement.

ARTICLE 9 - PATENTS

- A. CFM shall handle all claims and defend any suit or proceeding brought against Customer insofar as based on a claim that any Engine and/or Product furnished under this Agreement, without any alteration or further combination, constitutes an infringement of any patent of the United States or France, or of any patent of any other country that is signatory to Article 27 of the Convention on International Civil Aviation signed by the United States and France at Chicago on December 7, 1944, in which Customer is authorized to operate or in which another customer pursuant to lawful interchange, lease or similar arrangement, operates aircraft of Customer.
- B. Customer shall promptly notify CFM in writing and giving CFM authority, information and assistance (at CFM's expense) for the handling, defense or settlement of any claim, suit or proceeding; provided, that CFM's liability hereunder shall be limited to the extent that CFM is materially prejudiced by receipt of less than prompt notice from Customer and only to the extent thereof. In case such Engine and/or Product is held in such suit or proceeding to constitute infringement and the use of said Engine and/or Product is enjoined, CFM shall, at its own expense and at its option, either (1) procure for Customer the right to continue using such Engine and/or Product; (2) replace same with satisfactory and non-infringing Engine and/or Product; or (3) modify same so it becomes satisfactory and non-infringing Engine and/or Product. CFM shall defend, indemnify and hold Customer harmless from and against any claim, demand, loss, liability, cost and expenses, or damage arising from any loss or restriction on use of the Engine, including any enjoining of the use thereof, even if temporary, pursuant to or arising out of any claim of infringement.
- C. The remedies described in Paragraphs (A) and (B) above do not apply to any Engine and/or Product (1) not purchased by Customer from CFM (except for Engine and/or Product installed as original equipment on aircraft owned, leased or operated by Customer); (2) that was changed, modified, or otherwise altered by anyone other than CFM, its agents, suppliers, subcontractors and agents (excluding, for the avoidance of doubt, overhaul and repair), or not used for its intended purpose; or (3) that was manufactured by CFM to Customer's unique

specifications or directions. In such cases, CFM assumes no liability whatsoever for patent or copyright infringement, and Customer shall indemnify, defend and hold CFM harmless from and against any claim or liability, including costs and expense in defending any such claim or liability in respect thereto.

THE FOREGOING SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF CUSTOMER AND THE SOLE LIABILITY OF CFM FOR PATENT OR COPYRIGHT INFRINGEMENT BY ANY MATERIAL OR PROCESS AND IS SUBJECT TO THE LIMITATION OF LIABILITY SET FORTH IN ARTICLE 12 "LIMITATION OF LIABILITY" THE PATENT WARRANTY OBLIGATIONS RECITED ABOVE ARE IN LIEU OF ALL OTHER PATENT WARRANTIES WHATSOEVER, WHETHER ORAL, WRITTEN, EXPRESSED, IMPLIED OR STATUTORY (INCLUDING ANY WARRANTY OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE OR ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE).

ARTICLE 10 - DATA

- A. All Data is proprietary to and shall remain the property of CFM, GE or SNECMA, as the case may be. All Data is provided to or disclosed to Customer in confidence, and subject to applicable airworthiness regulations, and shall neither (1) be used by Customer or be furnished by Customer to any other person, firm or corporation for the design or manufacture or repair of any products, articles, compositions of matter, or processes, or be used to train third parties nor (2) be permitted out of Customer's possession, or divulged to any other person, firm or corporation, nor (3) be used in the creation, manufacture, development, or derivation of any repairs, modifications, spare parts, designs or configuration changes, or to obtain Airworthiness Authority or any other government or regulatory approval of any of the foregoing, nor (4) give Customer a license under any patents or rights owned or controlled by CFM, GE or SNECMA, as the case may be. Data shall not be used for the maintenance, repair, or assessment of continued airworthiness of any products not supplied or covered under this Agreement. If CFM's written consent is given for reproduction in whole or in part, any existing notice or legend shall appear in any such reproduction. Nothing in this Agreement shall preclude Customer from using such Data for the modification, overhaul, repair, or maintenance work performed by Customer or Customer's-designated third-party repairer on CFM Products purchased by Customer.
- B. Customer shall establish, maintain and follow a CFM approved Data control plan (" Data Control Plan ") for ensuring that CFM proprietary technical Data is used solely for purposes authorized by this Agreement. CFM designated third parties and CFM technical support persons shall have the right to inspect and audit, during company business hours which will not unreasonably disrupt Customer's business, Customer's Data Control Plan as well as the right to audit Customer's facilities for compliance with the Data Control Plan. CFM shall have the right to reject or require reasonable correction of any work or procedures, which do not comply with the Data Control Plan. All living, salary and travel expenses of CFM's personnel for visits under this Article shall be borne by CFM.
- C. CFM warrants that it either owns or will secure the right for Customer to use, as set forth in this Paragraph, software delivered as part of an Engine by CFM to Customer under this

Agreement. CFM agrees to provide to Customer, as part of the delivered Engines, a copy of all software, in machine readable (object code) format, necessary solely for the operation of Engines provided under this Agreement. CFM will provide to Customer and Customer agrees to accept and execute all necessary license agreements, if any, that are required to memorialize such rights to use such software. Customer agrees that it shall have no rights to sublicense, decompile or modify any software provided by CFM without the prior express written consent of the owner of such software. Customer shall be solely responsible for negotiating any licenses necessary to secure for Customer any additional rights in any software.

- D. Customer shall provide CFM with access to continuous data generated by the Electronic Engine Control (EEC) or by any device providing similar data, related to engine parameters (the “Continuous Engine Operational Data” or “CEOD”).

At least thirty (30) calendar days prior to Customer’s first Engine delivery, Customer and CFM shall agree on the amount and transfer method of recorded CEOD to be downloaded in order to be representative of Customer operations with the common goal of improving Aircraft operations. This initial amount may be further modified to be representative of future Customer operations and CFM program needs.

Notwithstanding the preceding paragraph, for the period of [...***...] following the start of flight operations for each Aircraft that enters the fleet, starting with the first Engine of each model in operation, Customer shall exert its reasonable efforts to download and transfer to CFM one hundred percent (100%) of CEOD for each installed Engine.

For the period after [...***...] of operation of each Aircraft, Customer shall make its reasonable efforts to download and timely send to CFM the percentage of CEOD representative of Customer flight operations determined above, provided however that in case of operational events, squawks or alerts, Customer shall exert its reasonable efforts to download recorded CEOD for both Engines of the affected Aircraft within twenty-four (24) hours following such event and promptly transfer to CFM such recorded CEOD.

CFM agrees to protect CEOD from unauthorized use or unauthorized or accidental disclosure. Any CEOD may be used by CFM, its parent companies and their affiliates, for 1) technical fleet and engine analysis, and/or 2) development of and improvements to CFM products and services, provided that CFM parent companies and their affiliates are subject to the same confidentiality obligations as CFM. Notwithstanding any provision to the contrary, it is expressly understood and agreed that any Derivative Data generated by CFM is and will remain the property of CFM. CFM will not provide Customer identification of Derivative Data to any third party.

- E. The existence and the content of the Agreement are confidential and shall not be disclosed by Customer or CFM to any third person, firm or corporation, without the prior written consent of the other Party, which consent shall not be unreasonably withheld; except (i) that Customer’s consent shall not be required for disclosure by CFM of this Agreement and related data given by Customer to CFM, to an Engine program participant, joint venture participant, engineering service provider or consultant to CFM, all of whom must, likewise, agree to be bound by confidentiality obligations as least as strict as set forth in this Agreement, so as to enable CFM to perform its obligations under this Agreement or to build the Engine or to provide

informational data; (ii) to the extent required by Government agencies (including, without limitation, by the Securities and Exchange Commission and filings required under its rules and regulations), by law, or to enforce this Agreement; and (iii) to the extent necessary for disclosure to the Parties' respective insurers, accountants or other professional advisors who must likewise agree to be bound by confidentiality obligations at least as strict as ones contained in the present Article. In the event (i) or (iii) occur, suitable restrictive legends limiting further disclosure shall be applied. In the event the Agreement, or other CFM Data is required to be disclosed or filed by government agencies by law, or by court order, Customer shall notify CFM at least ten (10) calendar days in advance of such disclosure or filing, shall cooperate fully with CFM in seeking confidential treatment of sensitive terms of the Agreement or such Data, and shall restrict such disclosure to the strictly necessary as counsel to Customer shall determine after consultation with counsel to CFM.

- F. Except otherwise agreed between the Parties, nothing contained in this Agreement will convey to Customer the right to use CFM trademarks.

ARTICLE 11 - TERMINATION FOR INSOLVENCY

- A. Upon the commencement of any bankruptcy or reorganization proceeding by or against either Party hereto (the "Defaulting Party"), the other Party (not in default) hereto may, upon written notice to the Defaulting Party, cease to perform any and all of its obligations under this Agreement and the purchase orders hereunder (including, without limitation, continuing work in progress and making deliveries or progress payments or down payments), unless the Defaulting Party shall provide adequate assurance, in the opinion of the other Party hereto, that the Defaulting Party will continue to perform all of its obligations under this Agreement and the purchase orders hereunder in accordance with the terms hereof, and will promptly compensate the other Party hereto for any actual pecuniary loss resulting from the Defaulting Party being unable to perform in full its obligations hereunder and under the purchase orders. If the Defaulting Party or the trustee thereof shall fail to provide prompt adequate assurance, upon notice to the Defaulting Party, this Agreement and all purchase orders hereunder may be terminated. It is understood that if CFM is the Defaulting Party, it shall not be entitled to void or terminate performance under existing warranties.
- B. Either Party at its option may terminate this Agreement or any purchase order hereunder with respect to any or all of the Products to be furnished hereunder which are undelivered or not furnished on the effective date of such termination by giving the other Party written notice, as hereinafter provided, at any time after a receiver of the other's assets is appointed on account of insolvency, or the other makes a general assignment for the benefit of its creditors and such appointment of a receiver shall remain in force un-dismissed, un-vacated or un-stayed for a period of sixty (60) calendar days thereafter. Such notice of termination shall be given thirty (30) calendar days prior to the effective date of termination, except that, in the case of a voluntary general assignment for the benefit of creditors, such notice need not precede the effective date of termination.

ARTICLE 12 - LIMITATION OF LIABILITY

The liability of CFM to Customer arising out of, connected with, or resulting from the manufacture, design, sale, possession, use or handling of any Product and/or Engines installed on i) Customer's owned or leased aircraft as original equipment, or ii) CFM56 engines obtained, acquired, leased or operated before or after the execution of the Agreement, and/or furnishing of services under this Agreement, whether in contract, tort (including, without limitation, negligence, but excluding willful misconduct or gross negligence of CFM, its subcontractors, representatives and agents and any affiliate thereof, and excluding any Customer claims and other indemnification provisions under this Agreement, which are governed by their respective terms) or otherwise, shall be as set forth in this Agreement or in Exhibit A or B or in the applicable Letter Agreements to the Agreement and shall not in any event exceed the purchase price (or in the absence of a purchase price, the fair market value) of the installed Engine, Product or service giving rise to Customer's claim. The foregoing shall constitute the sole remedy of Customer and the sole liability of CFM.

In no event, under the foregoing, shall CFM be liable for incidental, punitive, special, indirect or consequential damages, including but not limited to, damage to, or loss of use, revenue or profit with respect to any aircraft, engine, or part thereof.

THE LIABILITIES, WARRANTIES AND GUARANTEES SET FORTH IN THIS AGREEMENT OR IN EXHIBIT A OR B AND ANY APPLICABLE LETTER AGREEMENTS ARE EXCLUSIVE AND IN LIEU OF ALL OTHER LIABILITIES, WARRANTIES AND GUARANTEES WHETHER WRITTEN, STATUTORY, ORAL, OR IMPLIED (INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE).

For the purpose of this Article, the term “CFM” shall be deemed to include CFM, GE, SNECMA, and CFM's subsidiaries and/or affiliates, assigns, subcontractors, suppliers, and the respective directors, officers, employees, and agents of each.

ARTICLE 13 - GOVERNMENT AUTHORIZATION, EXPORT SHIPMENT

- A. Customer shall comply with all applicable laws and regulations, including (but not limited to) export laws and regulations of the United States (U.S.) Customer will not, without the appropriate governmental authority, in any form export or re-export, sell or resell, ship or reship, or divert, through direct or indirect means, any item or technical data or direct or indirect products sold or otherwise furnished to any person within any territory for which the relevant government, or any agency thereof, at the time of such action requires an export license or other governmental approval.
- B. Customer understands that certain items or technical data are subject to certain export controls laws and regulations and agrees to not supply the Products, installed Engines and/or any parts or components or technical data thereof (a) for any end-use or end-user that is prohibited under the applicable export controls laws and regulations of the US, nor (b) to any party that is designated by the U.S. government as a Specially Designated National or Blocked Person (“SDN”), to any party owned or controlled by an SDN, or to any other party subject to restrictions under US trade sanctions administered by the U.S. Office of Foreign Assets Control and/or to any party subject to sanctions and/or trade and financial restrictions under E.U. regulations, if

applicable. Notwithstanding the above, Products and technologies and Data supplied under this Agreement will not be used by Customer for military purposes or for proliferation of nuclear, biological, and/or chemical weaponry.

- C. Customer shall be responsible for obtaining any required authorization such as export license, import license, exchange permit or any other required governmental authorization and shall be responsible for complying with U.S. law, and if applicable, EU law with respect thereto. CFM shall not be liable if any authorization is delayed, denied, revoked, restricted or not renewed and Customer shall not be relieved of its obligation to pay CFM. CFM shall assist Customer in obtaining required all authorizations.
- D. Customer undertakes to implement all necessary security measures to prevent the transfer, by any means whatsoever, of information provided by CFM and identified as being subject to applicable laws and regulations on export control to any person not authorized to access such information, by dispensation or by an export license granted by the competent government authorities.
- E. Notwithstanding any other provision, the Parties agree that any violation of the present article shall constitute a material breach of this Agreement that would entitle CFM to immediately suspend or terminate the Agreement (and the related purchase order) without any indemnity and/or liability whatsoever.
- F. Moreover, for the avoidance of doubt, if any delivery under this Agreement is intended to be exported out of the United States by Customer, the Customer agrees that the relevant export(s) shall be treated as a routed transaction pursuant to 15 CFR 748.3(b) and 15 CFR 30.3(e).
 - (i) Export License Determination. Customer agrees that all provisions of the US EAR, including the end-use and end-user controls found in part 744 of the EAR, and the General Prohibitions found in part 736 of the EAR, apply to this routed export transaction. The Customer (or Customer's designated agent) shall be the exporter and must determine licensing authority (License, License Exception, or NLR), and obtain the appropriate license or other authorization. Customer shall be responsible for obtaining any required licenses or any other required governmental authorization and shall be responsible for complying with all US and foreign government licensing requirements. Customer shall restrict disclosure of all information and Data furnished in connection with such authorization and shall ship the subject matter of the authorization to only those destinations that are authorized by the US Government.
 - (ii) Export Reporting. Pursuant to 15 CFR 30.3(e), Customer hereby authorizes CFM, upon request of CFM, (or CFM's designated agent) to file all required Electronic Export Information (EEI) reports via the U.S. Automated Export System (i.e. "AES records") prior to export from the US. CFM (or CFM's designated agent) shall retain documentation to support the EEI filed and provide documentation to Customer upon request.

All rights to drawback on customs duties paid by CFM with respect to Products and installed Engines (and/or material or components thereof), belong to and shall remain in CFM. If Customer arranges for export shipment, Customer agrees to furnish without charge evidence of

exportation or other evidence of tax or duty exemption acceptable to the taxing or customs authorities when requested by CFM.

ARTICLE 14 – PERSONAL DATA PROTECTION

- A. “Personal Data” is any information relating to an identified or identifiable natural person or to any legal entity if such legal entity is subject to data protection legislation in their country of incorporation (“Data Subject”).
- B. Customer and CFM each agree that any Personal Data obtained from the other Party will be deemed “Data” of the other Party as defined in this Agreement whether or not the Personal Data is publicly available, and such Personal Data shall not be used for any other purpose than the performance of the Agreement. However, subject to the preceding, Customer authorizes CFM to share such Personal Data with its affiliates and parent companies.
- C. Customer and CFM each represent that in providing Personal Data to one another they will comply with all applicable laws and regulations, including but not limited to providing notices to or obtaining consents from the Data Subjects when required.
- D. Steps shall be taken to implement and maintain physical, technical and organizational measures to ensure the security and confidentiality of Personal Data in order to prevent accidental, unauthorized or unlawful access, use, modification, disclosure, loss or destruction of Personal Data. The security measures taken shall be in compliance with applicable data protection laws and shall be adapted to the risks represented by the processing and the nature of the personal data to be collected and/or stored.

ARTICLE 15 - NOTICES

All notices required or permitted hereunder shall be in writing, in the English language and shall be delivered personally, by courier service, or by confirmed-recipient receipte-mail to the respective Parties to the addresses indicated below, which may be changed by written notice:

- (a) in the case of a notice to Customer:

Sunrise Asset Management, LLC
1201 N Town Center Drive
Las Vegas, NV 89144
Attention: _____
Email: FleetTransactions@AllegiantAir.com

- (b) in the case of a notice to CFM:

CFM International, Inc.
One Neumann Way, M.D. Cincinnati, Ohio 45215-1988 USA Attn: Customer Support Manager Telephone Number +1-513-243-2000

Effect of Notices :

Notices will be effective and will be deemed to have been given to (or “received by”) the recipient: (A) upon delivery with acknowledgement of receipt, if delivered personally and sent by courier; or (B) upon delivery with acknowledgement of receipt and reading, if sent by e-mail.

ARTICLE 16 – DEFAULT

Customer’s breach of Customer’s payment obligations under this Agreement or other agreements for Engines, Spare Engines or engine overhaul services with GE or CFM, or services, including without limitation the failure to provide or maintain acceptable Securities as and when required by CFM in the conditions set forth in the Agreement and in particular its Exhibit C (after taking into account any applicable grace period), and which payment breach by Customer amounts to, individually, or in the aggregate, greater than [... *** ...] , will, if not cured within [... *** ...] following the receipt by Customer of a written notice, and at CFM’s option, be a material breach of this Agreement or other agreements for Engines, Spare Engines or engine overhaul services with GE or CFM, or services. In such an event, CFM may at its option and without any indemnity and/or liability whatsoever: (A) suspend performance under this Agreement, and any or all of the other agreements and contracts (including purchase orders) until a reasonable time after all defaults have been cured; (B) terminate this Agreement and any or all other such agreements and contracts (including purchase orders); and/or (C) pursue any other remedy with respect to this Agreement or the other agreements and contracts which the law permits.

ARTICLE 17 - MISCELLANEOUS

- A. Assignment of Agreement. This Agreement, any related purchase order or any rights or obligations hereunder may not be assigned without the prior written consent of the other Party, except (i) that Customer’s consent will not be required for an assignment by CFM to one of CFM’s affiliates, and (ii) Customer shall be entitled to (A) grant a security interest in, and provide a security assignment of, Customer’s rights under the warranties set forth in Exhibit A, in such form and having such content (including the requirement that upon enforcement of such security assignment, such assignee enter into a general terms agreement with CFM) as is customarily agreed by CFM upon the financing of the acquisition by Customer of any Product hereunder, and (B) obtain the cooperation and assistance of CFM in securing rights of any lessee of Customer pursuant to a general terms agreement with CFM if Customer leases any Products. In the event of any such substitution under (i), Customer will be so advised in writing. Any

assignment in contradiction of this clause will be considered null and void. Notwithstanding, CFM may assign any of its accounts receivable not in dispute under this Agreement to any party without Customer's consent, but Customer shall receive notice thereof.

- B. Exclusivity of Agreement. Except as otherwise expressly provided to the contrary, the rights herein granted and this Agreement are for the benefit of the Parties hereto and are not for the benefit of any third person, firm or corporation, except as expressly provided herein with respect to GE and SNECMA, and nothing herein contained shall be construed to create any rights in any third parties under, as the result of, or in connection with this Agreement.
- C. Governing Law and Waiver of Immunity. The Agreement will be interpreted and applied in accordance with the substantive laws of the State of New York, U.S.A. without giving effect to its choice of law or conflict of law provisions, rules or procedures (except to the extent that the validity, perfection or creation of any lien or security interest hereunder and the exercise of rights or remedies with respect of such lien or security for particular items of equipment are governed by the laws of jurisdiction other than New York) and excluding the UN Convention on Contracts for the International Sale of Goods. To the extent that Customer or any of its property is or becomes entitled at any time to any immunity on the grounds of sovereignty or otherwise from any legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any competent court, from service of process, from attachment prior to judgment, from attachment in aid of execution, or from execution prior to judgment, or other legal process in any jurisdiction, Customer for itself and its property does hereby regularly, irrevocably and unconditionally waives the application of such immunity and particularly, the U.S. Foreign Sovereign Immunities Act, 28 U.S.C. 1602, et. seq., and agrees not to plead or claim, any such immunity with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement or the subject matter hereof. Such agreement shall be irrevocable and not subject to withdrawal in any and all jurisdictions.
- D. Entire Agreement; Modification. This Agreement and any Letter Agreements making reference hereto, contains the entire and only agreement between the Parties, and it supersedes all pre-existing agreements between such Parties, respecting the subject matter hereof; and any representation, promise or condition in connection therewith not incorporated herein shall not be binding upon either Party. No modification or termination of this Agreement or any of the provisions herein contained shall be binding upon the Party against whom enforcement of such modification or termination is sought, unless it is made in writing and signed on behalf of CFM and Customer by duly authorized executives.
- E. Duration of Agreement. This Agreement shall remain in full force and effect until (i) Customer no longer operates [...***...], or (ii) [...***...] are in commercial service worldwide, or (iii) the occurrence of a material breach of the obligations set forth in this Agreement that remains uncured after a period of thirty (30) calendar days following the receipt by the faulting Party of the termination notice; or (iv) this Agreement is terminated in accordance with the terms and conditions of this Agreement, or (v) mutual consent of the Parties to terminate this Agreement, whichever occurs first. Nothing herein shall affect the rights and obligations and limitations set forth in this Agreement as to Products ordered for delivery and work performed prior to termination of this Agreement.

F. Survival of Certain Clauses. The rights and obligations of the Parties under the following Articles and related Exhibits shall survive the expiration, termination, completion or cancellation of this Agreement:

- Payment for Products
- Taxes and Duties
- Patents
- Data
- Limitation of Liability
- Governmental Authorization, Export Shipment
- Miscellaneous

G. Language. This Agreement, orders, Data, notices, shipping invoices, correspondence and other writings furnished hereunder shall be in the English language.

H. Severability. The invalidity or un-enforceability of any part of this Agreement, or the invalidity of its application to a specific situation or circumstance, shall not affect the validity of the remainder of this Agreement, or its application to other situations or circumstances. In addition, if a part of this Agreement becomes invalid, the Parties will endeavor in good faith to reach agreement on a replacement provision that will reflect, as nearly as possible, the intent of the original provision.

I. Waiver. The waiver by any Party of any provision, condition, or requirement of this Agreement, shall not constitute a waiver of any subsequent obligation to comply with such provision, condition, or requirement.

J. Dispute Resolution. All disputes arising out of or in connection with the present Agreement shall be fully and finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The Emergency Arbitrator Provisions shall not apply. The place and seat of arbitration and hearings shall be [...***...]. The arbitration shall be in English and the opinion shall be rendered in English. The arbitration award shall be final and binding by any Party in any court of competent jurisdiction, and shall waive any claim appeal whatsoever against it. The arbitrators will have no authority to award punitive damages or any other damages not measured by the prevailing Party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of the Agreement. All statements made or materials produced in connection with this dispute resolution process and arbitration are confidential and will not be disclosed to any third party except as required by law or subpoena or as may be necessary to enforce any arbitration award. The Parties intend that the dispute resolution process set forth in this Article will be their exclusive remedy for any dispute arising under or relating to this Agreement or its subject matter. Without inconsistency with this Article, either Party may at any time seek from a court of competent jurisdiction any equitable, interim or provisional relief to avoid irreparable damage.

K. Electronic Transactions.

(i) CFM may grant Customer access to and use of the Customer Web Center (“CWC”) and/or other CFM Web sites (collectively, “CFM Sites”). Customer agrees that such access

and use shall be governed by the applicable CFM Site Terms and Conditions, provided, however, that in the event of a conflict with the provisions of this Agreement, this Agreement shall govern. The access to the CFM Sites is subject to Customer undertaking to strictly respect the terms and conditions of the Exhibit D. Moreover, Customer acknowledges that the access to the CFM Sites of its designated users will be subject to the acceptance by each of them of these terms and conditions.

- (ii) CFM may permit Customer to place purchase orders for certain Products on the CFM Sites by various electronic methods (“Electronic POs”). The Parties agree that such Electronic POs a) constitute legally valid, binding agreements; b) have the same force and effect as purchase orders placed in paper format signed by Customer in ink; and c) are subject to the terms and conditions hereof.
- (iii) CFM may permit Customer to access certain technical Data through the CWC, including, but not limited to CFM technical publications under the terms and conditions of this Agreement. Customer shall be responsible for contacting its Airworthiness Authority representative or the relevant local airworthiness authority for guidelines on the use of such electronic technical data.
- (iv) Customer represents and warrants that any employee or representative who places Electronic POs or accesses Data through the CWC is authorized by Customer to do so and has obtained a login name(s) and password(s) through the CFM Site registration process. CFM shall be entitled to rely on the validity of a login name or password unless notified otherwise in writing by Customer.

L. Counterparts. This Agreement may be signed by the Parties in separate counterparts, and any single counterpart or set of counterparts, when signed and delivered to the other Parties shall together constitute one and the same document and be an original Agreement for all purposes.

M. General Rules of Agreement Interpretation. Article and paragraph headings contained in this Agreement are inserted for convenience of reference only and do not limit, affect or restrict in any way the meaning and the interpretation of this Agreement. Words used in the singular shall have a comparable meaning when used in the plural and vice versa, unless the contrary intention appears. Words such as “hereunder”, “hereof” and “herein” and other words beginning with “here” refer to the whole of this Agreement, including amendments. References to Articles, Sections, Paragraphs or Exhibits will refer to the specified Article, Section, Paragraph or Exhibit of this Agreement unless otherwise specified

N. Customer Activities. Provisions contained in the Agreement (as amended from time to time, and including Letter Agreements) are exclusively applicable in support of Customer’s Activities, to the exclusion of any other activities and/or uses. In case Customer chooses to purchase Products or services for other activities, specific terms and conditions applicable to such other activities shall be defined under a separate agreement.

O. Further Assurances. Customer and CFM shall, take all steps as are required or available by law and/or international conventions (including the Convention on International Interests in Mobile Equipment signed in Cape Town, South Africa, on November 16, 2001, and its protocol on Matters specific to Aircraft Equipment, if enforceable in the state of incorporation of

Customer) or by practice, custom or understanding or as CFM or Customer may reasonably request, to ensure that the Agreement is valid and enforceable in the jurisdiction of the Customer and CFM, and to protect, preserve, maintain and perfect to the fullest extent possible in accordance with applicable laws, the rights, title and interests of the Parties , including in any other jurisdiction in or over which the CFM asset may be operated at any time when under the possession of the Customer and over any sale of any Product. Each Party shall bear its respective costs to comply herewith.

[...***...]

IN WITNESS WHEREOF , the Parties hereto, by their duly authorized officers, entered into and executed this Agreement to be effective as of the Effective Date.

Allegiant Air, LLC.	CFM INTERNATIONAL, INC.
/s/	/s/
Signature	Signature
Printed Name	Printed Name
Title	Title

Sunrise Asset Management, LLC.
/s/
Signature
Printed Name
Title

EXHIBIT A
CFM56 ENGINE WARRANTY PLAN

SECTION I - WARRANTIES

A. New Engine Warranty

1. CFM warrants each new Engine and Module against Failure for the initial [...***...] Engine Flight Hours ("EFH") as follows:

- a. Parts Credit Allowance will be granted for any Failed Parts.
- b. Labor Allowance for disassembly, reassembly, test and Parts Repair of any new Engine part will be granted for replacement of Failed Parts.
- c. Such Parts Credit Allowance and Labor Allowance will be: [...***...]

2. As an alternative to the above allowances, CFM shall upon request of Customer:

- a. Arrange to have Failed Engines and Modules repaired per the terms of Paragraph 1 above, at a facility designated by CFM.

B. New Parts Warranty

In addition to the warranty granted for new Engines and Modules, CFM warrants Parts as follows:

- 1. During the first [...***...] for such Parts CFM will grant [...***...] Parts Credit Allowance or Labor Allowance for repair labor for Failed Parts.
- 2. CFM will grant [...***...] at the applicable hours designated in the applicable Engine Parts Table 1 set forth in Attachment I to this Exhibit A1.

C. Ultimate Life Warranty

- 1. CFM warrants Ultimate Life limits on the following Critical Parts:
 - a. Fan Disk and Compressor Disks,
 - b. Booster and Compressor Spools,
 - c. Fan and Compressor Shafts,
 - d. Compressor Discharge Pressure Seal (CDP),
 - e. HPT Front and Rear Shaft,
 - f. HPT Disk,
 - g. HPT Front Air Seal,
 - h. LPT Shaft,
 - i. LPT Conical Support,
 - j. LPT Disk.

2. CFM will [...] . Credit will be granted only when such Parts are permanently removed from service by a CFM and/or Airworthiness Authority imposed Ultimate Life Limitation of less than [...] . Credit will not be granted under this Ultimate Life Warranty for any individual Failure or other cause not related to the total usage capability of all such Parts in Customer service.

D. Campaign Change Warranty

1. A campaign change will be declared by CFM when a new Part design introduction, Part modification, Part Inspection, or premature replacement of an Engine or Module is required by a time compliance CFM Service Bulletin implementing an Airworthiness Directive. CFM will grant the following Parts Credit Allowances:

(i) [...] for Parts in inventory or removed from service when new [...***...]

(ii) [...] for Parts in inventory or removed from service with over [...***...] , regardless of warranty status.

2. Labor Allowance - CFM will grant [...***...] Labor Allowance for disassembly, reassembly, modification, testing, or inspection of CFM-supplied Engines, Modules or Parts therefor when such action is required to comply with a mandatory time compliance CFM Service Bulletin implementing an Airworthiness Directive. A Labor Allowance will be granted by CFM for other CFM issued Service Bulletins if so specified in such Service Bulletins.

3. Life controlled Parts which are set forth in the Ultimate Life Warranty and which are retired by Ultimate Life limits imposed by an Airworthiness Directive, are excluded from Campaign Change Warranty.

E. Warranty Pass-On

If requested by Customer and consented to by CFM in writing, which consent will not be unreasonably withheld, CFM will permit assignment of the warranty support for Engines sold or leased by Customer to commercial airline operators, or to other lessor leasing to commercial airline operators. Such warranty support will be limited to Engines or Parts which were purchased under this Agreement or to initially installed Engines purchased by Customer from the Aircraft manufacturer and apply to the unexpired portion of the New Engine Warranty, New Parts Warranty, Ultimate Life Warranty, and Campaign Change Warranty (collectively, the “ Engine Warranties ”), and will require such operator(s) to agree in writing to be bound by and comply with all the terms and conditions, including the limitations, applicable to the Engine Warranties as set forth in this Agreement.

F. Vendor Back-Up Warranty

1. CFM controls and accessories vendors provide a warranty on their products used on CFM Engines. This warranty applies to controls and accessories sold to CFM for delivery on installed or Spare Engines and controls and accessories sold by the vendor to Customer on a direct purchase basis. In the event the controls and accessories suffer a failure during the

vendor's warranty period, Customer will submit a claim directly to the vendor in accordance with the terms and conditions of the vendor's warranty.

2. In the event a controls and accessories vendor fails to provide a warranty at least as favorable as the CFM New Engine Warranty (for complete controls and accessories) or New Parts Warranty (for components thereof), or if provided, rejects a proper claim from Customer, CFM will intercede on behalf of Customer to resolve the claim with the vendor. [...***...]. Settlements under Vendor Back-Up Warranty will exclude credits for resultant damage to or from controls and accessories procured directly by Customer from vendors.

G. Vendor Interface Warranty

Should any CFM control or accessory, for which CFM is responsible, develop a problem due to its environment or interface with other controls and accessories or with an Engine, Module or equipment supplied by the Aircraft manufacturer, CFM will be responsible for initiating corrective action. [...***...].

H. THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, STATUTORY, ORAL, OR IMPLIED (INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE).

SECTION II - GENERAL CONDITIONS

- A. Customer will maintain adequate operational and maintenance records pertaining to the Engines and, upon advance notice and not more than 2 times per calendar year, make these available for CFM inspection, at CFM's cost and expense; provided that such inspection does not interfere with Customer's operations.
- B. CFM will deny a claim under any of the Warranty provisions, and the Warranty provisions will not apply if that such claim resulted from the subject Engine, Module or any Parts thereof (excluding in each such following instance, if CFM or one of its approved facilities, subsidiaries, assigns, subcontractors, suppliers, Product co-producers, and the respective directors, officers, employees, and agents of each, committed such act referred to in the following):
- Not being properly installed or maintained; or
 - Being operated contrary to applicable CFM recommendations as contained in its manuals, CFM Service Bulletins, or other written instructions; or
 - Being repaired or altered in such a way as to impair its safety of operation or efficiency; or
 - Being subjected to misuse, neglect or accident; or
 - Being subjected to Foreign Object Damage; or

- Being subjected to any other defect or cause (whether sole or contributory) not within the control of CFM;
- Not incorporating all Service Bulletins in accordance with the instructions (including timing for incorporation) therein related to the cause or failure;
- Has not been sold originally by CFM in support of Customer's Activities or has not been operated and/or used exclusively for Customer's Activities; or
- Being maintained and/or operated with parts and repairs not approved by CFM, which includes, but is not limited to, any Parts and/or Modules that may be impacted by Critical Influencing parts not approved by CFM or Critical Influencing parts repaired by processes not approved by CFM, and such parts and repairs are related to the cause or failure.

- C. The express provisions herein set forth the maximum liability of CFM with respect to claims of any kind under this Exhibit A1, including, without limitation, negligence arising out of the manufacture, sale, servicing, possession, use or handling of the Products or Parts thereof or therefor, and in no case shall CFM's liability to Customer exceed the purchase price (or in the absence of a purchase price, the fair market value) of the installed Engine, Product or service giving rise to Customer's claim. In no event shall CFM be liable for incidental, special, punitive or consequential damages. For the purpose of this Section II, the term "CFM" shall be deemed to include CFM, GE, SNECMA, and CFM's subsidiaries, assigns, subcontractors, suppliers, Product co-producers, and the respective directors, officers, employees, and agents of each. If Customer uses non-CFM-approved Parts, non-CFM Parts, or non-CFM-approved repairs and/or non-CFM published repairs and such parts or repairs cause personal injury, death or property damage to third parties, Customer shall indemnify and hold harmless CFM from all claims and liabilities connected therewith. This indemnification shall survive termination of this Agreement.
- D. Customer shall advise CFM of any Failure within [...***...] after the discovery of such Failure. Any Part for which a Parts Credit Allowance is requested by Customer shall be returned to CFM upon specific request by CFM and must be accompanied by sufficient information to identify the Part and the reason for its return. CFM will act with reasonable timeliness in evaluating and responding to warranty claims. In such event, upon return to CFM, issuance of Parts Credit Allowance and/or replacement by CFM, such returned Part shall become the property of CFM unless CFM directs otherwise. [...***...].
- E. The warranty applicable to a replacement Part provided under the terms of the New Engine Warranty or New Parts Warranty shall be the same as the warranty on the original Part. The unexpired portion of the applicable warranty will apply to Parts repaired under the terms of such warranty.
- F. Customer will give its reasonable cooperation to CFM in the development of Engine operating practices, repair procedures, and the like with the objective of improving Engine operating costs provided that there is minimal disruption and cost to Customer.

- G. If compensation becomes available to Customer under more than one warranty or other Engine program consideration, Customer will not receive duplicate compensation but will receive the compensation most beneficial to Customer under a single warranty or other program consideration.
- H. Any repair which is performed without the prior authorization of CFM will not be covered by the applicable warranty.
- I. [...***...]
- J. Except as provided in the Warranty Pass-On provisions in sub-section A, of Section II hereof, the provisions of Exhibit A apply only to the original owner of the Engines, whether such Engines are procured from CFM as a new Spare Engine or supplied by the Aircraft manufacturer installed on a new Aircraft.

ATTACHMENT I to Exhibit A

TABLE 1 CFM56 WARRANTY PARTS LIST *

		ENGINE FLIGHT HOURS						
		2000	3000	4000	6000	8000	12000	
Fan Rotor/Booster [... ** ...] [... ** ...] [... ** ...] [... ** ...] [... ** ...] [... ** ...]								
	Blades							
	Disk, Drum							
	Spinner							
Fan Frame								
	Casing							
	Hub & Struts							
	Fairings							
	Splitter (Mid Ring)							
	Vanes		1					
#1 & #2 Bearing Support								
	Bearings							
	Shaft							
	Support (Case)							
Inlet Gearbox & #3 Bearing								
	Bearings							
	Gear							
	Case							
Compressor Rotor								
	Blades							
	Disk & Drums							
	Shaft							
Compressor Stator								
	Casing							
	Shrouds							
	Vanes							
	Variable Stator Actuating Rings							
Combustor Diffuser Nozzle (CDN)								
	Casings							
	Combustor Liners							
	Fuel Atomizer							
	HPT Nozzle							
	HPT Nozzle Support							
	HPT Shroud							
HPT Rotor								
	Blades							
	Disks							
	Shafts							

	Retaining Ring						
LP Turbine [... *** ...] [... *** ...] [... *** ...] [... *** ...] [... *** ...] [... *** ...]							
	Casing						
	Vane Assemblies						
	Interstage Seals						
	Shrouds						
	Disks						
	Shaft						
	Bearings						
	Blades						
Turbine Frame							
	Casing & Struts						
	Hub						
	Sump						
Accessory & Transfer Gearboxes							
	Case						
	Shafts						
	Gears						
	Bearings						
Air-Oil Seals							
Controls & Accessories							
	Engine						
Condition Monitoring Equipment							

* Warranty Parts List may change

EXHIBIT B

ENGINE PRODUCT SUPPORT PLAN

SECTION I- SPARE PARTS PROVISIONING

A. Provisioning Data

In connection with Customer's initial provisioning of spare Parts, CFM shall furnish Customer with data in accordance with ATA Specification 2200 using a revision mutually agreed to in writing by CFM and Customer.

B. Return Of Parts

Customer shall have the right to return to CFM, at CFM's expense, any new or unused Part (i) which has been shipped in excess of the quantity ordered (except as adjusted per standard CFM unit pack quantity), or (ii) which is not the part number ordered, or (iii) which is in a discrepant condition except for damage occurring in transit from CFM to Customer.

C. Parts Buy-Back

Within the [...***...] after delivery of the first Aircraft to Customer, CFM will agree (i) to repurchase at the invoiced price, any initially provisioned spare Parts purchased from CFM that CFM recommended that Customer purchase, in the event Customer finds such Parts to be surplus to Customer's needs; or (ii) to exchange with Customer the equivalent value thereof in Spare Parts credits. Such Parts must be new and unused, in original CFM packaging, and shall meet CFM inspection requirements. Parts that become surplus to Customer's needs by reason of Customer's decision to upgrade or dispose of Products are excluded from this provision. Customer will deliver such Parts DDP (Incoterms 2010, whereby Customer acts as "Seller" and CFM as "Buyer"), to CFM's facility in the United States, and CFM shall reimburse Customer the reasonable shipping costs incurred for the returned Parts.

D. Parts of Modified Design

1. CFM shall have the right to make modifications to design or changes in the spare Parts sold to Customer hereunder.

2. CFM will from time to time inform Customer in accordance with the means set forth in ATA Specification 2200, when such spare Parts of modified design become available for shipment hereunder.

3. Spare Parts of the modified design will be supplied unless Customer advises CFM in writing of its contrary desire within ninety (90) calendar days of the issuance of the Service Bulletin specifying the change to the modified Parts. In such event, Customer may negotiate for the continued supply of spare Parts of the pre-modified design at a rate of delivery and price to be agreed upon.

E. Spare Parts Availability

1. CFM will maintain a stock of spare Parts to cover Customer's emergency needs. For purposes of this Paragraph, emergency is understood by CFM and Customer to mean the occurrence of any one of the following conditions:

AOG- Aircraft on Ground
Critical - Imminent AOG or Work Stoppage
Expedite- Less than Normal Lead Time

2. Customer will order spare Parts according to lead-time but should Customer's spare Parts requirements arise as a result of an emergency, Customer can draw such spare Parts from CFM's stock. Additional expedite fees may apply. A 24-hour Customer Response Center is available to Customer for this purpose. If an emergency does exist, CFM will use its best efforts to ship required spare Part(s) within the time period set forth below following receipt of an acceptable purchase order from Customer:

AOG- [...***...]
Critical- [...***...]
Expedite- [...***...]

3. Customer shall provide CFM, upon request from CFM, with spare Parts provisioning forecasts, once per calendar year, specifying projected requirements to cover at least the following twelve (12) months period. Customer agrees to promptly notify CFM in the event the Customer will not achieve such projected requirements. If Customer does not supply such forecast provisioning then CFM may modify the spare Part lead-time currently defined in the Spare Parts Catalog.

SECTION II - TECHNICAL PUBLICATIONS AND DATA

If Customer purchases new Aircraft equipped with Engines, CFM will furnish to Customer, at no charge, technical manuals, including revisions thereof, to Customer. Technical manuals shall be made available by CFM to Customer. All technical manuals provided by CFM shall be in the English language and in accordance with mutually agreed upon provisions of the ATA 2200 Specification.

SECTION III - TECHNICAL TRAINING

A. Introduction

If Customer has purchased or leased (if lessor does not provide such training) new Aircraft, CFM shall grant [...***...], and subject to availability, the Student Days described in B below for technical training, at CFM's designated facilities. Details on scope, quantity, materials, and planning shall be as mutually agreed.

If Customer has acquired used Aircraft or has leased used Aircraft, and upon Customer's written request, CFM will provide a quotation for technical training.

B. Scope

If Customer purchases new Aircraft equipped with Engines, the training furnished under this Agreement shall be as follows:

- **Product** – as previously defined in this Agreement.
- **Quantity** – [...***...]
- **Courses** – as detailed in CFM training catalog:

Standard Line Maintenance Training

- o General Familiarization
- o PowerPlant Line & Base Maintenance
- o Borescope Inspection

Student shall be an employee of the Customer, unless written approval received from CFM prior to scheduling the training

The Customer Support Manager, in conjunction with appropriate CFM Training representatives, will be available to conduct a review session with Customer to schedule required training. To assure training availability, such review shall be conducted six (6) to twelve (12) months prior to the delivery date of the first Aircraft.

C. Training Location

Unless arranged otherwise with CFM concurrence, training shall be provided by CFM in English at one or more of the CFM designated facilities identified in the training catalog.

If an alternate site is desired, CFM will furnish a quotation containing details covering all of the following minimum conditions under items 2 and 3 below) that must be met in order to deliver “equivalent” training at the alternate site, which quotation will be subject to approval and acceptance by Customer prior to implementation:

1. Customer will be responsible for providing acceptable classroom space and equipment, including engines, special tools, and hand tools required to conduct the training.
2. Customer will pay CFM’s travel and living charges for each CFM instructor for each calendar day, or fraction thereof, such instructor is away from CFM’s designated facility, including travel time and administrative fees.
3. Customer will pay for round-trip transportation (economy class) for CFM’s instructors and shipment of training materials between the designated facility and such alternate training site.

D. Customer Responsibility

During engine maintenance training at any of the CFM designated facilities, Customer shall be responsible for its personnel’s typical expenses such as:

- Air and ground transportation expenses
- Lodging (hotel accommodations)
- Meals
- All Medical – physicians, medication, emergencies, etc.
- Other various and sundry expenses (visits to other businesses, entertainment, etc.).

SECTION IV - CUSTOMER SUPPORT AND SERVICE

A. Customer Support Manager

CFM shall make available to Customer, on an as-required basis, a Customer Support Manager located at CFM's facility to provide and coordinate appropriate liaison between the Customer and CFM's facility personnel.

B. Field Support

CFM shall make available to Customer on an as-required basis, field service representation at Customer's facility. CFM will provide the level of representation required to ensure that CFM is able to expeditiously and accurately deliver Data that is required to resolve technical issues.

CFM will also assist with the introduction of new aircraft/Engines into Customer's fleet, resolution of unscheduled maintenance actions, product scrap approval, and rapid communication between Customer's maintenance base and CFM's factory personnel.
[...***...]

C. Fees for Customer Support Manager & Field Services Representative

[...***...]

SECTION V - ENGINEERING SUPPORT

A. CFM shall make Product engineering support available on an as-required basis, to Customer, for typical power plant issues:

- Engine(s) Shop Manual Clarifications via the CSC
- Technical Inquiry Support via the CSC,
- Special Engineering Investigation with mutual workscope agreement

B. [...*...]**

SECTION VI - PERFORMANCE TREND MONITORING

CFM will also provide, at no charge, the standard diagnostics services set forth in Exhibit E.

SECTION VII - GENERAL CONDITIONS - PRODUCT SUPPORT PLAN

- A. All support provided by CFM above, is provided to Customer exclusively for the line maintenance and aircraft operations (at the exclusion of any maintenance other than line maintenance) by Customer of Customer's Products provided that such Products are operated in the original Engine configuration, or in an Engine configuration that has been modified in accordance with CFM Engine shop manual. The support and Data provided herein may not be utilized for any other purpose, or assigned or otherwise transferred to any third party, without the written consent of CFM, which consent may be exercised by CFM in its sole discretion. Technical Data and associated support may be provided to Customer for the maintenance and overhaul of Customer's Engines and Products through a separate license agreement.
- B. intentionally left blank
- C. This Product Support Plan is subject to the provisions the Article titled "Limitation of Liability" of the Agreement to which this Exhibit B is attached.
- D. Customer will cooperate with CFM in the development of Engine operating practices, repair procedures, and the like with the objective of improving Engine operating costs.
- E. Except as provided in the Warranty Pass-On provisions in Paragraph E of Exhibit A of the Agreement to which this Exhibit B is attached and without prejudice to used engines operated by Customer and acquired from third parties being subject the the applicable terms hereof, this Product Support Plan applies only to the original purchaser of the Engine except that installed Engines supplied to Customer through the Aircraft manufacturer shall be considered as original Customer purchases covered by this Product Support Plan.
- F. Customer hereby requests and agrees that new CFM56 Engines purchased by Customer or installed in Aircraft purchased by Customer will be enrolled in CFM's TRUEngine™ program, at no charge to Customer. Engines purchased or operated by Customer may be eligible for TRUEngine™ benefits subject to the execution of a separate TRUEngine™ Letter Agreement as may be further agreed by the Parties.
- i. The TRUEngine™ program identifies an Engine that the Customer has declared as having been maintained per CFM recommendations as defined in the documents specified in TRUEngine™ Letter Agreement.
 - ii. The TRUEngine™ program is granted on an individual engine basis (ESN).
 - iii. Under the TRUEngine™ program, upon the occurrence of shop-level maintenance, Customer is required to submit updated engine maintenance documentation per terms of TRUEngine™ Letter Agreement to verify continued engine qualification in the TRUEngine™ program.

EXHIBIT C

PAYMENT TERMS

- A. Customer shall make payment in United States Dollars and in immediately available funds. Payment will be effective upon receipt thereof.
- For the Spare Engine, Shipping Stand and Modules:
 - [...***...] months prior to a scheduled delivery date, CFM shall render to Customer an invoice for [...***...] of the base price (unescalated) which Customer shall pay within [...***...] calendar days of the date of the invoice; and
 - Payment of the balance, including amount for price escalation to the month of scheduled delivery, if any, shall be made upon delivery of each item.
 - [...***...]
 - For special tools and test equipment, payment of the selling price shall be made upon delivery thereof.
 - For spare Parts including Expendable Parts, payment shall be made within [...***...] calendar days of CFM's invoice date.
 - For Engine Thrust Upgrade, payment shall be made upon receipt of CFM's invoice prior to delivery of related rating plug or increased thrust authorization.
- B. All invoicing and payments (including payment details) hereunder shall be transmitted electronically to CFM's bank account as notified by CFM on its invoices.
- C. If delivery hereunder is delayed by Customer, payment shall be made based on the delivery schedule set forth in the purchase order as accepted by CFM or the applicable Letter Agreement.
- D. CFM may, by written notice to Customer, establish different payment terms and/or request additional Securities in the event Customer repeatedly fails to make payment according to the terms set forth above.
- E. In the event that the Customer has a bona fide dispute regarding any part or amount contained within an invoice, Customer shall within [...***...] calendar days of receipt of the invoice give written notice to CFM of that portion of the invoice in dispute, with their substantiated reasons, together with any supporting documentation. CFM and Customer shall use their respective best endeavors and allocate sufficient resources to settle any part of an invoice disputed by Customer within [...***...] calendar days or as soon as possible thereafter. Should the Parties fail to reach resolution of any disputed invoice within such period, the disputed invoice shall be resolved by designating senior managers to resolve the dispute in accordance with Article 16, Paragraph J. On resolution of the dispute, CFM shall credit Customer or Customer shall pay to CFM, as applicable, the disputed portion of the invoice within [...***...].

Customer shall be required to pay the undisputed portion of any invoice in accordance with the payment terms set forth above. Provided that Customer complies with these requirements, no late payment charges, as set forth in paragraph F below, shall be levied on the disputed amount, for the time that such amount is disputed by the Parties.

- F. If Customer fails to pay and/or reimburse any amount payable under this Agreement when due, at CFM first written request and without prejudice to any other rights available to CFM under this Agreement, Customer shall pay, on the Late Payment Interest Payment Date (as defined below), to CFM (by way of liquidated damages and not as a penalty) interest on that amount, from the due date until and including the date of payment in full by Customer to CFM ("Late Payment Interest") based upon actual days elapsed in an assumed year of three hundred and sixty (360) days and twelve months of thirty (30) days each. Late Payment Interest will accrue (at the Late Payment Interest Rate, as defined below) on a day-to-day basis and will be compounded monthly at the end of each calendar month. For the purpose of this Article, the following definitions apply: "Late Payment Interest Rate" means London Interbank Offer Rate (LIBOR) United States Dollars six (6) months [...***...], using the applicable United States Dollars LIBOR rate in effect at the time of computation, but in no event the rate of interest will be greater than the highest rate then permitted under applicable laws. "Late Payment Interest Payment Date" means the 5th (fifth) Day of each calendar month.
- G. CFM shall be entitled, with [...***...] days written notice to Customer, to set off any outstanding payment obligation and amounts that are then due and owing from Customer to CFM (which are not subject to a good faith dispute) for Engines, Spare Engines or engine overhaul services with GE or CFM, or services solely in connection with this Agreement, which amount(s), in the aggregate, exceed [...***...], against any amount payable by CFM to Customer in connection with this Agreement.

EXHIBIT D

CONDITIONS OF ACCESS AND USE OF THE CFM CUSTOMER WEB CENTER

In consideration for being given a limited access to the CFM CWC, Customer hereby accepts to comply and respect the following terms and conditions of access and use of the CFM CWC:

1. The access and use rights of the CWC, hereby provided to the Customer, are limited to the rights granted, by CFM to the Customer, under the Agreement and are exclusively applicable for the CFM configurations. However, at the expiration date of the Agreement, the Customer undertakes not to use the CWC and its Information (hereafter defined) any more.
2. The Customer hereby acknowledges an obligation to comply with the restrictions on access, use and transmittal of information, data, patent and software (which includes, but is not limited to, information, data, patent and software which is proprietary to CFM), set forth herein and/or in the Agreement between CFM and the Customer. As used herein, "Information" includes information, data, inventions and software which reside on the CWC.
3. The Customer acknowledges an obligation to comply with all laws and regulations relating to the export of technical data which may apply to the Information on the CWC. The Customer further acknowledges that failure to comply with the laws and regulations applicable to the Information may trigger civil and criminal claims and proceedings.
4. The Customer shall designate in writing one of its employees who will become administrator of the access and use of the CWC for the Customer. Once CFM consent obtained, such administrator shall be responsible to manage, administrate and control the access and use rights to the CWC of the Customer's users. The Customer shall ensure that all information and privacy data provided by its administrator and users shall be correct and complete.

When a Customer's CWC administrator ceases to be an employee of the Customer or ceases to assume the function of CWC administrator for the Customer, the Customer shall immediately inform CFM by writing in order to revoke the rights of such administrator.

In case of any change concerning the users, the administrator shall immediately inform in writing CFM. In particular, the administrator shall immediately inform and request CFM to revoke the access rights for each user who ceases to be employees of the Customer.

CFM reserves the right, at its own discretion, to terminate or suspend at any moment each administrator' or users' access and/or to restrict at any moment the access conditions of each administrator or user.

The Customer shall ensure that, its administrator and users proceeds with an high level of care, confidentiality and protection.

Furthermore, the Customer hereby agrees and acknowledges that it would remain responsible for its administrator, users and employees, for the CWC access and use.

5. The Customer acknowledges and accepts that CFM may audit, at any moment the Customer's administrator action and the Customer user's access. The Customer undertakes to cooperate with CFM during such audits, and to obtain the same from its employees. Moreover, the Customer undertakes that its administrator shall promptly provide the name and position of Customer's administrator and users upon CFM first request.
6. The Information of the CWC, whether or not marked as proprietary, to which the Customer and/or its employees will be given access, including third party proprietary information and Information which the Customer may generate, is Information which CFM maintains in confidence and therefore is proprietary to CFM.

In this regard, it is the Customer's obligation to (a) access only to the CWC's files authorized to her in accordance with the Agreement and use the CWC Information only to perform its obligations, (b) not use, publish, or otherwise disclose, either during or subsequent to the Customer's authorized access, any Information belonging to CFM, including any Proprietary Information or any Information of others which CFM is obligated to maintain in confidence, (c) upon completion of such assignment, promptly deliver to CFM all computer software and media provided by CFM or obtained from CFM's CWC, (d) refrain from circumventing or attempting to circumvent CWC security or any CFM computer security, (e) not use, publish, or otherwise disclose any information regarding the structure, formal, contents or use of the CWC.

7. Finally, notwithstanding any other rights and recourses available to CFM, the Customer acknowledges that any failure from itself and/or its employees to comply with any and/or all of its obligations under the present agreement may result in the revocation of any and/or all its access and use rights of the CWC at CFM's convenience.

EXHIBIT E

STANDARD DIAGNOSTICS SERVICES

1. DIAGNOSTICS SERVICE ELEMENTS

Diagnostics Services. CFM shall provide the following services (hereinafter “ SD Services ”) to Customer in support of the Engines [...***...]:

1. Base SD Services Elements.
 - a) Engine condition data will be automatically processed by diagnostics software 24 hours a day, 7 days a week (“ 24x7 ”) when received at the designated CFM facility. CFM will be responsible for operating and maintaining the diagnostics software and the necessary facilities.
 - b) Significant shifts in Engine condition data trends will be automatically detected and notice of said shifts (“ Alerts ”) will be sent to Customer via email.
 - c) Customer will be given access to web-based tools for reviewing Engine condition data, managing Alerts and assessing Engine health.
 - d) Customer Notification Reports (“ CNR ”) for Engine condition monitoring trend shift observation, including engineering review, analysis, and recommendations will be provided to Customer as required on a 24x7 basis.
2. CFM will identify an SD Service integration team leader to provide initial program set-up, and provide technical support necessary to assist the Customer in meeting Customer obligations specified in Article 2.
3. As a part of the above SD Services, CFM shall review only the data and messages delivered by Customer in accordance with Section 2 needed to perform the SD Services.
4. CFM and Customer agree that any information provided to Customer by CFM for use in trending, performance analysis, troubleshooting, and managing operations are advisory only.

It is a fundamental principle of the SD Services that CFM is not responsible for line or other maintenance actions resulting from such advice. CFM will use commercially reasonable efforts to identify and notify Customer of Engine and Aircraft fault data. It remains the responsibility of Customer to conclusively identify and resolve any Aircraft or Engine faults or adverse trends, and make all maintenance decisions affecting Customer Aircraft.

2. CUSTOMER’S RESPONSIBILITY UNDER THE DIAGNOSTICS PROGRAM

A) Customer (or Customer’s operator by delegation of this responsibility) shall:

1. Provide CFM all information and records requested by CFM that are reasonably necessary for CFM to establish and provide the SD Service (including, but not limited to, avionics specifications, aircraft/engine maintenance history, engine configuration information, etc.). To the extent that such information and records are not owned by Customer, Customer represents and warrants that it has full authorization to disclose such information and records to CFM and that CFM has the right to use such information and records for all of the purposes that they are provided to CFM by Customer, including fulfilling CFM's obligations under this SD Service Agreement.
2. Make available to CFM data used in the monitoring and diagnostics of Engines eligible for coverage. Customer will authorize Customer's air-to-ground service provider to forward the data directly to the CFM SITA/ARINC address ILNGE7X or PARJBXH. If air-to-ground equipment is not available, CFM will work with the Customer to establish means such that the data is provided with minimal manual intervention.
3. Access the SD Service via the CWC. A web browser, an internet service provider and a user id/password (supplied by CFM) is required. Such access shall be subject to the then-current CFM Extranet Terms and Condition as provided on the CFM Extranet site.
4. Identify and resolve any aircraft or Spare/installed Engine faults or adverse trends, whether or not such faults or adverse trends were communicated to the Customer by CFM.
5. Make all decisions in regard to maintaining aircraft and Engines and carry out any required remediation to such aircraft or Engines.
6. It remains the sole responsibility of Customer to conclusively identify and resolve aircraft and Engine faults or adverse trends and make all maintenance decisions affecting Customer aircraft. Notwithstanding any other provision, regarding the SD Services only, the Customer waives all rights of recourse against CFM and agrees to indemnify, defend and hold harmless CFM including contractors, sub-contractors, employees, agents and anyone acting on their behalf (hereinafter referred to collectively as the "Indemnitees" and individually as the "Indemnitee") from and against any and all liabilities, claims, damages, losses (including costs and attorney's fees), and judgments (whether in contract, tort, negligence of any kind, including strict liability, or otherwise) which may be suffered by, accrued against, be charged to, or recoverable from the Indemnitees or any Indemnitee by reason of loss or damage to or loss of use of any property (including intellectual property and proprietary information) of the Customer and/or any third party, to the extent attributable to the use and/or provision of the SD Services, except to the extent that such loss, damage, bodily injury or death is due to the gross negligence or willful misconduct of CFM.

B) Customer acknowledges that the SD Services performed hereunder may be conducted by CFM affiliates and that there is no prohibition on CFM's export of Customer data for such purposes.

C)

3. WARRANTY

- A) CFM warrants to Customer that technical information and/or data furnished pursuant to the SD Services shall conform, as of the time and date of delivery, to the information provided by Customer and used by CFM. If any technical information and/or data furnished by CFM hereunder does not meet this requirement and Customer so notifies CFM within the time of performance hereunder, CFM shall correct the discrepancy, at its cost, by providing corrected data. The above limited warranty does not extend to data received but not reviewed by CFM.
- B) It is understood that any information provided to Customer by CFM for use in trending, performance analysis, troubleshooting, and managing operations is advisory only. Information contained in or generated by the SD Service represents an estimate based upon generally available fleet data or variable data furnished by Customer.
- C) **THE FOREGOING SD SERVICES DIAGNOSTICS SERVICE WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESSED, IMPLIED OR STATUTORY (INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE).**

4. ASSIGNMENT

[...***...]. Notwithstanding the foregoing, where Customer is a lessee or otherwise not the owner of the Engines, CFM reserves the right to disclose operational performance data to the owner of the Engines, subject to appropriate obligations of confidentiality.



GE
Aviation

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**LETTER AGREEMENT NO. 3
TO GTA No. 1-0000008363**

July 26, 2016

WHEREAS, **CFM International, Inc.** (hereinafter individually referred to as “CFM”) and **Allegiant Air, LLC** (herein, if referred to separately, “**Allegiant**”) and **Sunrise Asset Management, LLC** (herein, if referred to separately, “**SAM**”) (together or separately (and notwithstanding that SAM is not an “airline”, *per se*) hereinafter referred to as “Airline”) (CFM and Airline being hereinafter collectively referred to as the “Parties”) have entered into General Terms Agreement 1-0000008363 (hereinafter referred to as “GTA”); and

WHEREAS, the GTA contains the applicable terms and conditions governing the sale by CFM and the purchase by Airline of spare engine(s), related equipment and spare parts therefor in support of Airline’s CFM powered fleet of aircraft, including those acquired from Airbus S.A.S (“ Airbus ”) (or “Airframer”).

NOW THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree as follows:

1. Allegiant has agreed to acquire and take delivery of (12) new firm CFM56-5B4 (“Engine”) powered A320CEO aircraft (together the “Aircraft”) direct from Airframer in accordance with the delivery dates set forth in Attachment A hereto, as the same may be modified, with notice to CFM, consistent with the terms of the Aircraft Sale Agreement (the “Aircraft Delivery Schedule”) pursuant to a sale

and purchase agreement executed on or about the date hereof between Allegiant and Airframer (the "Aircraft Sale Agreement"). The Engines installed in the Aircraft are hereinafter referred to as "Installed Engines". It is planned that SAM will make the purchase and lease the Aircraft to Allegiant.

"Continued Production" means that at any relevant time, aircraft of the same make and model as the Aircraft and having the same make and model as the Engines remain in production (including aircraft manufactured but not delivered) by both Airframer and CFM.

2. Provided that Airline takes delivery of at least [...***...] of the Aircraft, Airline agrees to purchase and take delivery of [...***...] CFM56-5B4 spare Engine ("Spare Engine") from CFM according to the Spare Engine delivery schedule set forth in Attachment A hereto, as may be modified only by the mutual agreement of CFM and Airline (the "Spare Engine Delivery Schedule"). If, at any time, Airline does not take delivery of at least [...***...] of the Aircraft due solely to acts, or failure to act, of CFM, or due to reasons beyond the control of Airline, Airline shall have the right to terminate its obligations with respect to the purchase of the Spare Engine hereunder and any deposit or "Security" provided to CFM for the Spare Engine shall be promptly refunded to Airline, on demand and thereafter, neither party shall have any further rights or obligations with respect to the sale and purchase of the Spare Engine hereunder. Notwithstanding the foregoing, in the event that Airline acquires the Spare Engine prior to delivery of any Aircraft, this provision will be void and have no further force or effect.
3. The reference price for Installed Engine shipsets ("Installed Engine Shipset Reference Price"), as and when delivered under the Aircraft Delivery Schedule, shall be [...***...] (Jan. 2016 USD. CPI = 216.64) for CFM56-5B4 Engines. This Reference price will be the basis for the calculation of the Escalation Cap allowance described herein.

In consideration of the above, CFM agrees to the following:

A. Special Allowances

CFM agrees to provide the following allowances to Airline subject to the conditions set forth in Attachment B hereto:

(i) Aircraft Allowance

For each of the Aircraft referenced and delivered to Airline under the Aircraft Delivery Schedule, CFM will provide Airline with a per-Aircraft allowance of [...***...].

Such per Aircraft Allowance is stated in January 2016 US Dollars (CPI=216.64), and shall be adjusted for escalation to the date of delivery of each Aircraft to Airline in accordance with the escalation formula set forth in Attachment D hereto. If due to fault or negligence of Airline, there is a delay in delivery of Aircraft, such escalation shall stop at the original (scheduled delivery date in effect at the time of delay due to fault or negligence of Airline) scheduled delivery date of the Aircraft.

Each per Aircraft Allowance will be earned by Airline upon delivery of each shipset of Installed Engines to Airframer, and paid as follows:

If paid to Airline

Each per Aircraft Allowance will be made available and paid to Airline within (3) business days following receipt of written notice from Airline that it has taken delivery of each Aircraft.

If paid to Airframer

If requested in writing by Airline at least 30 days prior to scheduled Aircraft delivery date, CFM will pay the Aircraft Allowance directly to the Airframer. Notwithstanding the foregoing, CFM will not initiate the actual payment of the Aircraft Allowance to the Airframer until it receives further written direction by Airline at the time Airline takes delivery of each Aircraft.

Airline will keep CFM informed of any Aircraft delivery date changes. For the avoidance of doubt, CFM agrees it shall not provide the Aircraft Allowance to the Airframer without the Airline's further written direction under the foregoing and Airline agrees that it shall not issue such further written direction earlier than the date of Aircraft delivery to Airline. If, after such further written direction from Airline, CFM actually provides the Aircraft Allowance to the Airframer and the actual delivery date is delayed (not due to acts or failure to act by CFM) more than 2 days from the date CFM provides such allowance, Airline will pay to CFM interest on such amount, calculated from the date of payment to the Airframer to the date of actual Aircraft delivery. Interest will be computed at [... *** ...]. Such payment to the Airframer may be offset against any amounts due and owing CFM.

(ii) Spare Engine Allowance

Upon delivery of the Spare Engine, CFM will provide Airline with an allowance in the form of a [... *** ...] credit off the invoice issued by CFM. The price for the Spare Engine will be in accordance with Attachment C. The Spare Engine Delivery Schedule may be mutually amended, but in no case will CFM provide a Spare Engine Allowance for Spare Engine deliveries which, due to fault or negligence of Airline, occur beyond [... *** ...].

[...***...]

[...***...]

Notwithstanding previous agreements with Airframer, the Installed Engine Shipset Price so long as there is Continued Production, shall be subject to escalation from January 2016 (CPI=216.64) to the month delivery to the Airline, in accordance with Attachment D [...***...].

For Engines delivered directly to Airframer from CFM for installation on the firm Aircraft with delivery dates that occur after the period covered by the Aircraft Delivery Schedule, [...***...].

[...***...]

The price of Spare Engines delivered directly to Airline from CFM with delivery dates that occur on or before December 31, 2018 shall be subject to escalation from January 2016 (CPI=216.64) to the month of delivery [...***...].

For delivery of spare engines after December 31, 2018 and such delay results from the fault or negligence of Airline [...***...].

B. Spare Engine Base Price Protection

Base prices of the Spare Engine shall be as set forth in Attachment C hereto, and shall be subject to adjustment for escalation in accordance with Section 2 Part A.iv above, as applicable, through [...***...]. If the delay of a Spare Engine delivery is not due to a fault of the Airline, the price will not escalate beyond the scheduled delivery date.

For [...***...] Spare Engine in this Letter Agreement (and notwithstanding the provisions of Exhibit C of the GTA), CFM shall render to Customer an invoice for [...***...] of the base price (unescalated) and constituting a progress payment of the price thereof, which Customer shall pay within [...***...] calendar days after the date of the invoice; and payment of the balance, including amount for price escalation to the month of scheduled delivery, if any, shall be made upon delivery.

C. Special Guarantees

CFM agrees to provide the following special guarantees to Airline in support of the firm Aircraft (Installed Engines) and Spare Engine described in this Letter Agreement. These special guarantees are subject, to (i) the Limitation of Liability

provisions set forth in the GTA, (ii) the General Conditions set forth in Section II of Exhibit A to the GTA and (iii) to the Basis and Conditions for Special Guarantees set forth in Attachment E hereto. Terms which are capitalized but not otherwise defined herein shall have the meaning ascribed to them in Section I of the GTA.

It is understood that these Special Guarantees are personal to the Airline and not assignable to any third party, including any financier, lender or the like, but the CFM56 Engine Warranty Plan under Exhibit A to the GTA may be assigned as additional security to any lender or financier and to any third party subject to the terms of permitted assignment as set forth in the GTA

(aa). **Extended New Engine and Module Guarantee**

CFM warrants each new Engine and Module against Failure as follows:

a. [...***...]

b. [...***...]

c. [...***...]

This Guarantee is conditioned on the Engine being repaired or altered in a maintenance repair and overhaul shop designated by CFM.

(bb) **TruEngine**

Airline's Engines (whether being Installed Engines or Spare Engines) will be included in the CFM TruEngine program, free of charge.

(cc) **Extended New Parts Guarantee**

[...***...]

(dd) **Extended Campaign Change :**

[...***...]

(ee) **Extended Ultimate Life**

[...***...]

D. For Installed Engines, CFM will deliver to Airframer the then-current production configuration at the time of delivery of Airline's Engines to Airframer.

Each Spare Engine shall i) be the then-current production configuration at time of delivery to Airline, and ii) meet all production requirements of airworthiness, quality and performance.

Where the production requirements of airworthiness, quality and performance of the Spare Engine are not met (as demonstrated by the performance test results and an external physical inspection of the Spare Engine by Airline's representative prior to delivery), CFM and Airline shall discuss rectification and/or a reasonable commercial settlement, which may include the offering by CFM of a replacement engine. Airline shall be allowed to have a representative present at the performance of the Spare Engine performance test, of which test Airline shall be given reasonable notice.

[...***...]

The obligations set forth in this Letter Agreement are in addition to the obligations set forth in the GTA. In the event of conflict between the terms of this Letter Agreement and the terms of the GTA, the terms of this Letter Agreement shall take precedence. Terms which are capitalized but not otherwise defined herein shall have the meaning given to them in Article I of the GTA.

Confidentiality of Information. This Letter Agreement contains information specifically for Airline and CFM, and nothing herein contained shall be divulged by Airline or CFM to any third person, firm or corporation, without the prior written consent of the other Parties, which consent shall not be unreasonably withheld; except (i) that Airline's consent shall not be required for disclosure by CFM of this Letter Agreement, to an Engine program participant who is an Engine service provider under such program, CFM joint venture participant, engineering service provider or consultant to CFM so as to enable CFM to perform its obligations under this Letter Agreement or to provide informational data so long that in each such case, the recipient agrees to keep such information confidential on terms as restrictive as set forth herein; (ii) to the extent required by Government agencies, by law, or to enforce or defend claims under this Letter Agreement; (iii) to the extent necessary for disclosure to the Parties' respective insurers, accountants or other professional advisors who must likewise agree to be bound by the provisions of this paragraph; and (iv) Airline may disclose such information to the Airframer as reasonably necessary for Airline to obtain the full benefit of the terms hereof. In the event (i) or (iii) occur, suitable restrictive legends limiting further disclosure shall be applied. In the event this Letter Agreement, or other CFM information or data is required to be disclosed or filed by government agencies by law, or by court order, Airline shall, if practical and if permitted, notify CFM at least thirty (30) days in advance of such disclosure or filing and shall cooperate fully with CFM in seeking (at CFM's expense) confidential treatment of sensitive terms of this Letter Agreement.

It is further acknowledged and agreed by the Parties that neither Party shall publicly announce or disclose the Parties' entry into this Letter Agreement without the consent of the other party, including consent to the text of any such announcement. Each Party shall give its cooperation to permit such an announcement in due course after execution hereof.

ALLEGIANT AIR, LLC CFM INTERNATIONAL, INC.

Signature: /s/ Signature: /s/

Name: Name:

Title: Title:

Date: Date:

SUNRISE ASSET MANAGEMENT, LLC

Signature: /s/

Name:

Title:

Date:

ATTACHMENT A

Aircraft Delivery Dates

Firm Aircraft Qty.	Engine Type	Delivery Date
12 A320CEO	CFM56-5B4	[... ** ...]

Spare Engine Delivery Schedule

Spare Engine Qty.	Engine Type	Delivery Date
[... ** ...]	[... ** ...]	[... ** ...]

ATTACHMENT B
CONDITIONS FOR SPECIAL ALLOWANCES/DELAY/CANCELLATION

“Special Allowances” are the allowances described in Section A.i, A.ii, A.iii, A.iv.

1. Special Allowance for Initial Aircraft Sale Only

Any Special Allowance described herein applies only to the new firm Aircraft equipped with new Engines (the “Installed Engines”) purchased by Airline directly from the aircraft manufacturer in accordance with this Letter Agreement and Spare Engine purchased by Airline from CFM. The Special Allowances do not apply to aircraft equipped with buyer-furnished engines or, aircraft that have been previously sold or otherwise acquired through resale, lease, transfer, trade or exchange.

2. Special Allowance Not Paid

Special Allowances described herein will become unearned and will not be paid if Engines have been delivered to the Airframer for installation in Airline's Aircraft and, thereafter, for any reason, Airline's purchase order with the aircraft manufacturer is terminated, canceled or revoked.

3. Termination of Special Allowances

Airline agrees that all of the Special Allowances shall expire [...***...] (the “Expiration Date”). For the avoidance of doubt, it is understood that CFM shall have no further obligation beyond the Expiration Date to provide any of such Special Allowances which were not provided to Airline, through no fault of CFM.

4. Adjustment of Special Allowances

A. [...***...] the Special Allowance shall be adjusted in accordance with Adjustment of Special Allowance in paragraph B below, except:

1. For Aircraft, Airline can demonstrate to CFM that Airline did not owe (whether paid by Airline or not) Airframer any penalty or payment for such cancelation or failure to accept delivery, and such cancelation or failure to accept delivery was not due to an Aircraft substitution or conversion to an aircraft model other than the model of the Aircraft, or
2. For Spare Engine, such cancellation or failure to accept delivery was due to fault of CFM or due to reasons beyond the control of Airline.

B. Adjustment of Special Allowances.

1.[...***...]

2.[...***...]

3.[...***...]

5. Assignability of Special Allowance

Any allowance described herein is exclusively for the benefit of Airline and is not assignable without CFM's written consent. It is understood that the Special Allowances may be invoked by either Allegiant or SAM.

6. Set Off for Outstanding Balance

CFM shall be entitled, with five (5) days written notice to Airline, to set off any outstanding payment obligation then due and owing from Airline to CFM (and not subject to a good faith dispute) for Engines, Spare Engines or engine overhaul services with GE or CFM, or services (solely in connection with this Letter Agreement and/or GTA), which amount(s), in the aggregate, exceed [...***...], against any amount payable by CFM to Airline in connection with this Letter Agreement and/or GTA.

7. Cancellation of Installed or Spare Engines

[...***...]

1. [...***...]

2. [...***...]

[...***...]

CFM shall retain any progress payments or other deposits made by Airline to CFM for any such Engine, and such progress payments will be applied to the cancellation charge for such Engine. Progress payments held by CFM in respect of any such Engine which are in excess of such amounts will be refunded to Airline, provided Airline is not then in arrears on other amounts owed to CFM.

CFM shall invoice Customer for all such payments; invoice payment terms shall be net 30 and otherwise in accordance with Exhibit C, Section F of GTA.

8. Delay Charge for Installed or Spare Engines

In the event Airline delays the delivery of a Spare Engine beyond the period specified by the Spare Engine Delivery Schedule, or Airline causes a delay in delivery of an Installed Engine beyond the period specified by the Aircraft Delivery Schedule, for a period, or cumulative period, of more than [...***...], the provisions of Section 4 and 7 above shall apply.

9. Aircraft Not Operated for Minimum Period

[...***...]

ATTACHMENT C

BASE PRICES FOR BASIC SPARE ENGINE

Item	Base Price Jan 2016 US Dollars CPI=216.64
1. CFM56-5B4 basic Spare Engine	[...***...]

- A. Base prices are subject to escalation in accordance with Attachment D and are subject to the Escalation Cap. Base prices are effective for basic Spare Engines delivered to Airline by CFM on or before [...***...] , and thereafter, so long as the fault or negligence of Airline does not cause a delay in delivery after such date.
- B. The selling price of Spare Engines delivered after [...***...] shall be the base price then in effect, which base price shall be subject to adjustment for escalation in accordance with CFM's then-current escalation provisions; provided, however, if there is such a delay in delivery of the Spare Engine to a date after [...***...] which delay is not due to the fault or negligence of Airline, CFM shall provide the price protection in effect prior to such date pursuant to this Letter Agreement until the time of delivery.

ATTACHMENT D

CFM ESCALATION FORMULA

I. The base price for Products purchased hereunder shall be adjusted pursuant to the provisions of this Exhibit.

II. For the purpose of this adjustment:

A. Base price shall be the price(s) set forth in the applicable Letter Agreement.

B. The Composite Price Index (CPI) shall be calculated, to the second decimal place, using the following formula:

[...***...]

[...***...]

[...***...]

[...***...]

C. Each CPI shall be determined to the second decimal place. Calculation shall be to the third decimal digit and if the third decimal digit is five or more, the second decimal digit shall be raised to the next higher figure. If the third decimal digit is less than five, the second decimal figure shall remain as calculated.

C. The Base Composite Index (CPIb) shall be the base index stated in the published prices.

III. Base prices shall be adjusted in accordance with the following formula:

[...***...]

IV. The invoice price shall be the final price and will not be subject to further adjustments in the indices. In no event shall the invoice price be lower than the base price.

- IV. The ratio [...***...] shall be calculated to the fourth decimal digit. If the fourth decimal digit is five or more, the third decimal digit shall be raised to the next higher figure, and if the fourth decimal digit is less than five, the third decimal figure shall remain as calculated. If the calculation of this ratio results in a number less than 1.000, the ratio will be adjusted to 1.000. The resulting three digit decimal shall be used to calculate Pn.
- V. Values to be utilized in the event of unavailability. If at the time of delivery of Product, CFM is unable to determine the adjusted price because the applicable values to be used to determine the [...***...] have not been released by the Bureau of Labor Statistics, then:
- a) The Price Adjustment, to be used at the time of delivery of the Product, will be determined by utilizing the escalation provisions set forth above. The values released by the Bureau of Labor Statistics and available 30 days prior to scheduled Product delivery month will be used to determine the [...***...] values for the applicable months (including those noted as preliminary by the Bureau of Labor Statistics) to calculate the Product Price Adjustment. If no value have been released for an applicable month, the provisions set forth in Paragraph b, below, will apply. If prior to delivery of a Product, the U.S. Department of Labor changes the base year for determination of the [...***...] values as defined above, such rebase values will be incorporated in the Price Adjustment calculation.
 - b) If prior to delivery of a Product, U.S. Department of Labor substantially revises the methodology used for the determination of the values to be used to determine the [...***...] values (in contrast to benchmark adjustments or other corrections of previously released values), or for any reason has not released values needed to determine the applicable Price Adjustment, CFM will, and without discrimination to Airline, and prior to delivery of any such Product, select a substitute for such values from data published by the Bureau of Labor Statistics or other similar data reported by non-governmental United States organizations, such substitute to lead in application to the same adjustment result insofar as possible, as would have been achieved by continuing the use of the original values as they may have fluctuated during the applicable time period. Appropriate revisions of the formula will be made as required to reflect any substitute values. However, if within 24 months from delivery of the Product, the Bureau of Labor Statistics should resume releasing values for the months needed to determine the Product Price Adjustment, such values will be used to determine any increase or decrease in the Product Price Adjustment from that determined at the time of delivery of such Product.
 - c) In the event escalation provisions are made non-enforceable or otherwise rendered null and void by any agency of the United States Government, the parties agree, to the extent they may lawfully do so, to equitably adjust the base price of any affected Product to reflect an allowance for increase or decrease in labor compensation and material costs occurring since February of the Base Price year (2016) which is consistent with the applicable provisions of this Price Escalation formula.
 - d) For the calculation herein, the values released by the Bureau of Labor Statistics and available to CFM at the end of the month prior to scheduled Product delivery month will be used to determine the [...***...] values for the applicable months (including those noted as preliminary by the Bureau of Labor Statistics) to calculate the Product Price Adjustment for the Product invoice at the time of delivery. The values will be

considered final and no Product Price Adjustment will be made after Product delivery for any subsequent changes in published index values.

Note : Any rounding of a number, with respect to escalation of the Product Price, will be accomplished as follows: If the first digit of the portion to be dropped from the number is five or greater, the preceding digit will be raised to the next higher number .

ATTACHMENT E

BASIS AND CONDITIONS FOR SPECIAL GUARANTEES

A. General Conditions

The Special Guarantees offered in this Letter Agreement have been developed specifically for Airline's new Installed Engines and all Spare Engines, purchased under this Letter Agreement. The General Conditions described in Exhibit A of the General Terms Agreement between CFM and Airline apply to the guarantees and such guarantees are offered to Airline contingent upon:

1. Airline accepting delivery of the Installed Engines (with associated Aircraft) in accordance with the Aircraft Delivery Schedule and accepting delivery of the Spare Engine in accordance with the Spare Engine Delivery Schedule.
2. Agreement between Airline and CFM regarding administration of the guarantees;

B. Administration

If compensation becomes available to Airline under more than one specific guarantee, Airframer guarantee for which CFM has agreed to participate in, warranty or other engine program consideration, Airline will not receive duplicate compensation but will receive the compensation most beneficial to Airline under a single guarantee, warranty or other program consideration. If there is a dispute between CFM and the Airframer about which of them is responsible for payment of related compensation to Airline available under a Special Guarantee as a result of CFM's failure to meet such Special Guarantee, CFM shall promptly pay the compensation to Airline under such Special Guarantee and will be subrogated to Airline's rights to any related compensation from the Airframer (to the extent Customer may disclose information concerning the Airframer's obligations to compensate Customer). Unless otherwise stated, the guarantee compensation will be in the form of non-expiring credits to be used by Airline against the purchase from CFM of Spare Engines, spare Parts, and/or Engine services.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 9th day of September, 2016 by and between JOHN REDMOND (hereinafter "Executive"), whose address is 11492 Snow Creek Avenue, Las Vegas, Nevada 89135, and ALLEGIANT TRAVEL COMPANY, a Nevada corporation (hereinafter "the Company"), whose address is 1201 N. Town Center Drive, Las Vegas, Nevada 89144.

WITNESSETH

WHEREAS, the Company desires to employ Executive as its president and Executive desires to be so employed pursuant to and in accordance with the terms and conditions hereinafter set forth; and

NOW, THEREFORE, for and in consideration of the above premises, the terms and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Executive and the Company, it is hereby agreed as follows:

1. Employment. The Company hereby employs Executive and Executive hereby accepts employment by the Company upon all of the terms and conditions as are hereinafter set forth. Terms of employment with the Company are also governed by the Company's employment policies in effect from time to time. The Company shall provide a copy of such employment policies to Executive upon request. In the event of any conflict between the terms of this Agreement and the generally applicable employment policies, the terms of this Agreement shall prevail.

2. Scope of Services.

A. Executive shall be employed by the Company as the president of the Company. Executive shall report to the Company's Chief Executive Officer ("CEO") and Board of Directors ("Board"). Executive's duties shall include those indicated above and such other duties assigned to him by the CEO or the Board from time to time.

Executive shall be entitled to serve on the Board so long as he is actively employed as an executive officer of the Company. Simultaneously herewith, Executive hereby resigns as a member of the Audit Committee and Compensation Committee of the Board.

Executive's services are mutually agreed to be unique personal services. Executive acknowledges that the Company is relying upon Executive's experience, expertise and other qualifications in entering into this Agreement. Executive shall not assign or delegate any right, obligation or duty hereunder to any other person or entity without the express written consent of the Company.

B. During Executive's period of service hereunder, Executive agrees to perform such services not inconsistent with Executive's position as shall from time to time be assigned to Executive by the Company's CEO or Board. During the term of this Agreement, except for disability, illness and vacation periods, Executive shall devote Executive's full productive time, attention and energies to the position of president of the Company and its operating subsidiaries.

C. Executive shall be required to reside in Las Vegas, Nevada during his employment under this Agreement.

D. Executive's expenditure of reasonable amounts of time in connection with outside activities, not competitive with the business of the Company, such as outside directorships or charitable activities, shall not be considered in contravention of this Agreement so long as such activities do not interfere with his performance of this Agreement. Further, it is understood and agreed by the parties hereto that Executive is entitled to engage in passive and personal investment activities not interfering with his performance of this Agreement.

3. Limitations of Duties. Executive shall not, without consent first being given by the Company, which consent may be general authority from the Company:

A. Take part in activities detrimental to the best interests of the Company, including rendering any services to any other firm or entity which conflict or interfere with the performance of Executive's duties hereunder.

B. Exceed any limitations on his authority that may be established by the Board.

C. Enter into any contract, oral or written, in the name of, for or on behalf of the Company other than in the ordinary course of business.

D. Use any money belonging to the Company or pledge its credit other than in the ordinary course of business.

E. Commit or suffer to be committed any act whereby the Company's property may be subject to attachment or seizure.

F. Cause the Company to become a guarantor, surety or endorser or give any note for the benefit of any other person whomsoever. Upon a breach of any provision under this Item 3, the Company shall have the right to terminate this Agreement for cause as set forth in Item 6E hereof and to pursue any other remedies available to the Company as a result of such breach.

Executive shall indemnify and hold the Company harmless from and against any and all damages, actions, causes of action, claims and other liabilities, contingent or otherwise, directed toward the Company by others as a result of Executive's violation of any of the provisions of this Item 3.

4. Compensation.

A. Equity Grants. Upon the effective date of this Agreement, Employee will be granted 60,000 shares of restricted stock (the "Restricted Stock") and stock appreciation rights ("SARs") with respect to 15,000 shares of Company stock under the Company's 2016 Long-Term Incentive Plan.

B. Restricted Stock. The Restricted Stock will be subject to the terms of a Restricted Stock Agreement to be entered into between the Company and Executive to evidence this grant. The Restricted Stock will vest in six (6) equal semi-annual installments commencing on the date that is six (6) months after the date of grant. Unvested Restricted Stock will be subject to accelerated pro-rata vesting to the extent provided in this Agreement. Executive shall be entitled to vote all vested and unvested shares of Restricted Stock and to receive all dividends paid thereon, until and unless such time as such shares of Restricted Stock are forfeited in accordance with the terms of the Restricted Stock Agreement evidencing such grant.

C. SARs. The strike price for the SARs will be the closing price of the Company's common stock on the Nasdaq Global Select Market as of the last trading day prior to the date of this Agreement. The SARs will be subject to the terms of a Stock Appreciation Rights Grant Agreement to be entered into between the Company and Executive to evidence this grant. The SARs will vest in three (3) equal annual installments commencing on the first anniversary of the date of grant and all of the SARs, to the extent not earlier exercised, shall expire on the earlier of one hundred eighty (180) days after termination of employment for any reason whatsoever or on the (5th) anniversary of the date of grant. Unvested SARs will be subject to accelerated pro rata vesting to the extent provided in this Agreement.

D. No Base Compensation. The equity grants described above are intended to be the sole compensation payable to Executive under this Agreement. As such, Executive shall not be entitled to any base salary.

E. No Participation in Annual Bonus Plan. The equity grants described above are intended to be the sole compensation payable to Executive under this Agreement. As such, Executive shall not be entitled to participation in the Company's annual bonus plan. However, Executive may be granted a discretionary cash bonus for extraordinary performance in such amount as may be determined by the Board in its sole discretion.

F. Participation in Future Equity Grants. It is not anticipated that Executive will participate in annual equity grants to the Company's senior officers, but in the event of extra-ordinary performance, the Board may, in its sole discretion, choose to provide an equity grant to Executive in such amount as the Board may determine.

G. Fringe Benefits. The Company shall provide Executive health and dental insurance for Executive and his wife at the Company's cost and such vacation time, sick leave and other fringe benefits, including but not limited to participation in any pension, 401(k) and employee benefit plans that may be maintained by the Company from time to time as are made generally available to other management employees of the Company in accordance with Company policies. The Company reserves the right to change the benefits available under its benefit plans at any time or times.

H. Positive Space Travel. Executive shall be entitled to passes for air travel on the flights of the Company (and any successor-in-interest to the Company) for Executive and his spouse on a positive space basis at no cost to Executive.

I. Expense Reimbursement. In addition, the Company shall reimburse Executive for any expenses incurred by Executive in connection with the business of the Company, as approved by the Company. These expenses may include expenses for travel, business promotion, association memberships, and any other expenses as may be approved by the CEO or Board from time to time. The Company shall reimburse Executive for such out-of-pocket expenses by the tenth (10th) day of the month following the month in which such expenses were incurred (and appropriate documentation thereof has been provided to the Company). The Company may issue to Executive a company credit card. In such event, Executive agrees to use such card only for the expenses reimbursable under this paragraph. Executive agrees to keep the card securely. In the event of loss or theft, the issuing authority and the Company shall be informed immediately. The card shall be returned to the Company forthwith on the termination of Executive's employment for any reason whatsoever.

J. Payroll Taxes. Executive shall bear full responsibility for the employee portion of all payroll taxes. Such amounts may be paid, at Executive's request, by the cancellation of such number of shares of Restricted Stock upon vesting as may be necessary to fund the payroll tax obligation based on a value equal to the closing stock price of the Company's stock on the last trading day prior to the date of vesting.

K. Deductions. If any cash compensation is paid to Executive hereunder, then deductions shall be made from Executive's salary for social security, Medicare, federal and state withholding taxes, and any other such taxes as may from time to time be required by governmental authority.

L. The compensation provided for Executive hereunder is inclusive of any fees received by Executive as an officer of the Company or any other company or corporate body in which Executive holds an office as a nominee or representative of the Company. Any such amounts received by Executive shall be paid over to the Company.

M. Clawback Agreement. In accordance with the Company's clawback policy, Executive hereby agrees to reimburse the Company for all or any portion of any bonuses or incentive or equity-based compensation if the Compensation Committee in good faith determines: (a) the payment or grant was based on the achievement of certain financial results that were subsequently the subject of a material financial restatement (other than as a result of a change in accounting principles) and a lower payment or award would have occurred based upon the restated financial results; or (b) the Executive engaged in fraud or intentional misconduct related to the Company or its business. In each such instance, the Company will, to the extent practicable and allowable under applicable law, require reimbursement of any bonus or incentive or equity based compensation awarded or effect the cancellation of any unvested or deferred stock awards previously granted to the Executive in the amount by which the Executive's bonus or incentive or equity based compensation for the relevant period exceeded the lower payment that would have been made based on the restated financial results, or such other amount as determined by the Compensation Committee, provided that the Company will not be entitled to recover bonuses or incentive or equity based compensation paid more than three years prior to the date the applicable restatement is disclosed. The Company agrees that the initial grants of Restricted Stock and SARs are not subject to clawback.

5. Term. The initial term of this Agreement shall commence as of September 12, 2016 (the "Effective Date") and shall continue until September 11, 2019. The term may be extended from year to year thereafter upon written agreement of the parties specifying the compensation arrangement for the extension period.

6. Termination:

A. This Agreement shall be terminated upon Executive's death or upon a physician certified disability which permanently or indefinitely renders Executive unable to perform his usual duties on behalf of the Company. In the event of a termination for death or disability, all outstanding stock options, restricted stock grants and stock appreciation rights held by Executive at the time shall become vested on a pro rata basis through the end of the last calendar month ending on or before the Termination Date (as hereinafter defined). By way of example, if 10,000 shares of Restricted Stock are to vest on March 31, 2018 and the Termination Date is January 31, 2018 (four months after the last vesting date), then four-sixths or 6,667 of the shares of Restricted Stock to have vested on March 31, 2018, shall become vested on the January 31, 2018 Termination Date.

B. Executive may, without "Good Reason" (as defined in paragraph D below), terminate this Agreement by giving to the Company ninety (90) days prior written notice and such termination shall be effective on the date specified by Executive but in no event earlier than the ninetieth (90th) day following the date of such notice. In such event, Executive shall continue to render his services up to the Termination Date if so requested by the Company. In the event of such a resignation without Good Reason, all then unvested stock options, restricted stock grants and stock appreciation rights held by Executive shall be immediately forfeited.

C. The Company may, without "Cause" (as defined in paragraph E below), terminate this Agreement at any time by giving to Executive written notice and such termination shall be effective on the date specified by the Company. At the option of the Company, Executive shall immediately cease performing his duties hereunder upon receipt of the notice. If terminated without Cause pursuant to this paragraph C, Executive shall be entitled to continue to participate in the Company's fringe benefits for six (6) months following Executive's termination and all outstanding stock options, restricted stock grants and stock appreciation rights held by Executive at the time shall become vested on a pro rata basis through the end of the last calendar month ending on or before the Termination Date.

D. Executive may terminate this Agreement immediately for "Good Reason". For purposes of this Agreement, Good Reason shall be defined as (i) failure of the Company to make any payment or provide any benefit to Executive hereunder, which failure is not cured within thirty (30) days after the Company's receipt of written notice of such default, or (ii) a material diminution of Executive's duties and responsibilities or his title without Executive's consent; (iii) the imposition of a requirement on Executive to report to a new CEO or to another officer unless approved by Executive, or (iv) the principal location at which Executive is to perform his duties is relocated to a place more than fifty (50) miles from Las Vegas, Nevada. Any termination under this paragraph D shall take effect immediately upon the Company's receipt of written notice from Executive after the expiration of any applicable cure period. If Executive terminates this Agreement for "Good Reason" pursuant to this paragraph D, Executive shall be entitled to continue to participate in the Company's fringe benefits for six (6) months following Executive's termination and all outstanding stock options, restricted stock grants and stock appreciation rights held by Executive at the time shall become vested on a pro rata basis through the end of the last calendar month ending on or before the Termination Date.

E. The Company may terminate this Agreement immediately for "Cause". For purposes of this Agreement, "Cause" shall be defined as any of the following: (i) Executive shall commit a felony or other act involving moral turpitude, which other act is materially detrimental to the Company; (ii) Executive shall knowingly commit any act of prohibited conduct as set forth in Item 3 of this Agreement; (iii) Executive shall commit any act, specifically including but not limited to drug or alcohol abuse, which act is materially harmful to the Company, or which in the reasonable opinion of the Company's Board brings

the Company into disrepute; (iv) Executive shall commit any act of fraud, dishonesty, theft or misappropriation, whether or not related to his activities on behalf of the Company, including providing false reports or accounts to the Company or deliberately making false statements about the Company, its services, employees, customers or suppliers; (v) intentional or repeated material neglect of Executive's duties; (vi) breach by Executive of any other material provision of this Agreement; (vii) Executive shall become the subject of a bankruptcy proceeding or otherwise make an arrangement or composition with creditors generally; (viii) Executive shall engage in anti-social behavior (such as fighting, indecency, harassment, sexual or racial harassment or discrimination, intimidation of others, physical violence or assault) during the course of performing duties for the Company or against another employee outside of work; (ix) Executive shall have possession of illegal drugs at the Company's workplace; or (x) Executive shall perform duties in a negligent or dangerous manner which causes or is likely to cause material loss or injury. This Agreement may not be terminated by the Company under subclause (v), (vi) or (x) of this Item unless and until the Company has provided Executive with written notice of such violative conduct and Executive has failed to cure (or fails to commence and thereafter diligently pursue the cure) such act within thirty (30) days after Executive's receipt of such written notice; provided, however, that no right to cure shall be available for a second or subsequent violation of the same provision within any twelve (12) month period. Any termination under this paragraph E shall take effect immediately upon Executive's receipt of written notice from the Company or expiration of any applicable cure period, whichever is later. The failure of the Company to terminate this Agreement for cause as a result of any of the foregoing at any one or more times shall not affect the Company's ability to terminate this Agreement for cause as a result of the subsequent occurrence of any act giving rise to "cause" hereunder, provided that Executive is still provided with a notice to cure if applicable in accordance with the above. In the event of such a termination for Cause, all then unvested stock options, restricted stock grants and stock appreciation rights held by Executive shall be immediately forfeited.

F. Upon termination, Executive shall have no obligation to provide any additional services, and except as expressly provided above, the Company shall only be obligated pay to Executive the portion of any amounts due as of the termination date, together with all unreimbursed out-of-pocket expenses incurred by Executive.

G. Termination of Executive's Obligations. Executive's obligations under Items 7 and 8 of this Agreement shall survive the expiration of the term of this Agreement without renewal and termination of Executive's employment as provided in such Item.

H. Resignation of Positions upon Termination. On the termination of this Agreement for any reason whatsoever, Executive shall at the request of the Company immediately resign (without prejudice to any claims which Executive may have against the Company arising out of this Agreement or the termination thereof) from all and any offices which Executive may hold as an officer or member of the Board of the Company and from all other appointments or offices which Executive holds as a nominee or representative of the Company and if Executive should fail to do so, the Company is hereby irrevocably authorized to appoint another person in Executive's name and on Executive's behalf to sign any documents or do anything necessary or requisite to effect such resignation(s) and/or transfers.

I. Termination Date. For all purposes of this Agreement the "Termination Date" shall refer to the effective date of termination as set forth above.

7. Nonsolicitation of Employees. As a material inducement to the Company's employment of Executive, the provisions of this Item 7 shall apply.

A. For purposes of this Item, the following terms and provisions shall have the following meanings:

(i) "Prohibited Time Period" shall mean the period beginning on the date of execution hereof and ending on the date that is two (2) years after the termination of employment for any reason whatsoever of Executive.

(ii) "Prohibited Employee" means any employee, independent contractor or consultant of the Company who worked for the Company or its subsidiaries at any time within six (6) months prior to the Determination Date.

(iii) "Determination Date" shall mean any date as of which a determination is being made as to who is a Prohibited Employee.

B. Executive agrees that during the Prohibited Time Period, he shall not, for any reason, without the prior written consent of the Company, on his own behalf or in the service or on behalf of others, hire any Prohibited Employee or request or induce any Prohibited Employee to terminate that person's employment or relationship with the Company or to accept employment with any other person.

C. The parties agree that: (i) the covenants and agreements of Executive contained in this Item are reasonably necessary to protect the interests of the Company in whose favor said covenants and agreements are imposed in light of the nature of the Company's business and the professional involvement of Executive in such business; (ii) the restrictions imposed by this Item are not greater than are necessary for the protection of the Company in light of the substantial harm that the Company will suffer should Executive breach any of the provisions of said covenants or agreements; (iii) the covenants and

agreements of Executive contained in this Item have been independently negotiated between the parties and served as a material inducement for the Company to enter into this Agreement; and (iv) the period of restriction referred to in this Item are fair and reasonably required for the protection of the Company.

D. Executive acknowledges that a material breach by Executive of any part of this Item will result in irreparable and continuing damage to the Company and any material breach or threatened breach of the covenants provided in this Item shall be subject to specific performance by temporary as well as permanent injunction or any other equitable remedies of any court of competent jurisdiction without any requirement of the Company to post bond or prove actual economic damage.

E. The covenants and agreements on the part of Executive contained in this Item shall be construed as agreements independent of any other agreement between Executive and the Company. The existence of any claim or cause of action of Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of each of such covenants and agreements or otherwise affect the remedies to which the Company is entitled hereunder.

F. If the provisions of this Item 7 should ever be adjudicated to exceed the time or other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, or other limitation permitted by applicable law.

8. Confidential Information.

A. During the period beginning on the execution date of this Agreement and ending on the third (3rd) anniversary of any termination or expiration of this Agreement, Executive agrees that he shall not, except in pursuit of the Company's business or with the prior written consent of the Company, for his own benefit or for the benefit of any other person or entity:

(i) directly or indirectly disclose, reveal, report, duplicate or transfer any Confidential Information to any other person or entity outside of the Company;

(ii) directly or indirectly aid, encourage, direct or allow any other person or entity outside of the Company to gain possession of or access to Confidential Information;

(iii) directly or indirectly copy or reproduce Confidential Information, except as required as part of Executive's duties; or

(iv) directly or indirectly use, sell or exploit any Confidential Information or aid, encourage, direct or allow any other person or entity to use, sell or exploit any Confidential Information.

This covenant shall not apply to any Confidential Information now or hereafter voluntarily disseminated by the Company to the public, or which otherwise has become part of the public domain through means other than a breach of Executive's duty of confidentiality hereunder. "Confidential Information", for purposes of this Agreement, shall mean information of the Company that constitutes a trade secret or confidential information under Nevada law and shall include, but not be limited to, all relevant information (whether or not reduced to writing and in any and all stages of development), concerning the Company and its services, plans, business practices, methods of operation, financial information, names or lists of names of employees, contractors, suppliers and customers, employee compensation and benefits, other personal employee information, interpretations, surveys, forecasts, marketing plans, development plans, notes, reports, market analyses, specialized software and databases and other information related to suppliers and customers that could be used as a competitive advantage by competitors if revealed or disclosed to such competitors or to persons or entities revealing or disclosing same to such competitors; together with any and all extracts, summaries and photo, electronic or other copies or reproductions, in whole or in part, stored in whatever medium. Confidential Information also includes business information of the Company now known by Executive, or in Executive's possession, or hereafter learned or acquired by Executive that derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use. Confidential Information may be written or oral, expressed in electronic media or otherwise disclosed, and may be tangible or intangible. Confidential Information also includes any information made available to the Company by its customers or other third parties and which the Company is obligated to keep confidential. Executive acknowledges that the Confidential Information is secret, confidential and proprietary to the Company and has been or will be disclosed to and/or obtained by Executive in confidence and trust for the sole purpose of using the same for the sole benefit of the Company.

B. Executive hereby acknowledges and agrees that (i) the Company has expended considerable and substantial time, effort and capital resources to develop the Confidential Information, (ii) the Confidential Information is innovative and must receive confidential treatment to protect the Company's competitive position in the market and the Company's proprietary interest therein from irreparable damage, (iii) Executive, by virtue of his relationship with the Company, has had and will have access to the Confidential Information, and (iv) the Confidential Information and all physical embodiments or other repositories of the same shall be and at all times remain the sole and exclusive property of the Company.

C. Since irreparable harm will otherwise result to the Company in the event of a breach or threatened breach by Executive of the provisions of Item 8A, the Company shall be entitled to an injunction restraining Executive from disclosing, in whole or in part, any Confidential Information, or from rendering any services to any person, firm, company, association or other entity to whom such Confidential Information, in whole or in part, has been disclosed or is threatened to be disclosed. Executive waives any requirement for the Company to post a bond or prove actual economic damage prior to seeking injunctive relief.

9. Company Property.

A. Executive acknowledges that all recorded information, including without limitation all notes, memoranda, records, laboratory reports, documents, papers, computer disks, tapes or other storage media and all other papers and documents whatsoever which may have been prepared by Executive or have come into Executive's possession or control in the course of employment with the Company (the "Documents") and other materials owned or used by the Company shall at all times remain the sole property of the Company.

B. Executive agrees to promptly, upon request of the Company and in any event upon the termination of Executive's employment with the Company for any reason whatsoever, forthwith return to the Company all property whatsoever belonging to the Company including, without limitation, any laptop computer belonging to the Company, security passes, credit cards and all copies of the Documents which have come into Executive's possession or control in the course of employment with the Company and Executive shall not be entitled to and shall not retain any copies thereof.

10. Professional Responsibility.

A. Executive agrees that he will provide in connection with the performance of all services under this Agreement the skill and diligence normally provided by competent professionals in the performance of services similar to that contemplated by this Agreement.

B. Both parties acknowledge and agree that a fiduciary and confidential relationship has commenced and will continue to exist between them and that said relationship will continue during the term of this Agreement.

C. Executive represents that he has no conflicts of interest in rendering his professional services to the Company.

D. Executive shall not during the course of his employment (except as a representative or nominee of the Company or otherwise with the prior consent in writing of the Board) be directly or indirectly engaged, concerned or interested in any other business which: (i) is wholly or partly in competition with any business carried on by the Company by itself or in partnership, common ownership or as a joint venture with any third party; or (ii) is a supplier to or customer of the Company, provided that Executive may own not more than one percent (1%) of the issued shares of any company which is publicly held and listed on a national stock exchange or on the Nasdaq Stock Market.

E. Subject to any regulations from time to time issued by the Company, Executive shall not receive or obtain directly or indirectly any discount, rebate, commission or other inducement in respect of any sale or purchase of any goods or services effected or other business transacted (whether or not by Executive) by or on behalf of the Company and if Executive (or any firm or company in which Executive is directly or indirectly engaged, concerned or interested) shall obtain any such discount, rebate, commission or inducement, Executive shall account to the Company for the amount received by Executive or the amount received by such firm or company.

F. As an inducement to the Company to enter into this Agreement, Executive represents and warrants that: (i) he is not a party to any other agreement or obligation for personal services; (ii) there exist no impediments or restraints, contractual or otherwise, on Executive's power, right or ability to enter into this Agreement and to perform his duties and obligations hereunder; (iii) the performance of his obligations under this Agreement do not and will not violate or conflict with any agreement relating to confidentiality, non-competition or exclusive employment to which Executive is or was subject; and (iv) Executive has not been involved in any legal proceedings that would be required to be disclosed in response to Item 401(f) of Regulation S-K promulgated under the Securities Act of 1933, as amended. As an inducement to Executive to enter into this Agreement, the Company represents and warrants that there exist no impediments or restraints, contractual or otherwise, on the Company's power, right or ability to enter into this Agreement and to perform its duties and obligations hereunder.

11. Ownership Of Works and Materials.

A. Executive agrees that all Works (as defined below) and Materials (as defined below) are the sole and exclusive property of the Company.

B. Executive also specifically acknowledges and agrees that any tangible expression of any Works or Materials were developed, made or invented exclusively for the benefit of and are the sole and exclusive property of the Company or its successors and assigns as "works for hire" under Section 201 of Title 17 of the United States Code.

C. In the event that any Works or Materials are deemed not to be a work for hire, Executive agrees to assign, and does hereby irrevocably assign, to the Company all of his right, title and interest in and to such Works and Materials.

Executive further agrees to take any actions, including the execution of documents or instruments, which the Company may reasonably require to effect Executive's assignment of rights pursuant to this Item 11C, and Executive hereby constitutes and appoints, with full power of substitution and resubstitution, the Company as Executive's attorney-in-fact to execute and deliver any documents or instruments which Executive has agreed to execute and deliver pursuant to this Item 11C.

D. Executive hereby waives and releases in favor of Company all rights in and to the Works and Materials and agrees that Company shall have the right to revise, condense, abridge, expand, adapt, change, modify, add to, subtract from, re-title or otherwise modify the Works and Materials without Executive's consent.

E. For purposes of this Item 11, "Works" means any work, studies, reports or analyses devised, developed, designed, formulated or reduced to writing by Executive at any time while Executive is or has been employed by the Company, including, without limitation any and all compositions or works of authorship, concepts, compilations, abridgments, or other form in which Executive may directly or indirectly recast, transform or adapt any of the foregoing.

F. For purposes of this Item 11, "Materials" means any product, model, document, instrument, report, plan, proposal, specification, manual, tape, and all reproductions, copies or facsimiles thereof, or any other tangible item which in whole or in part contains, embodies or manifests, whether in printed, handwritten, coded, magnetic, digital or other form, any Works.

G. In order to avoid any ambiguity in connection with the creation of any Work which Executive claims is not covered by this Agreement, Executive agrees to disclose in writing to the Company complete details on any Works that are devised, developed, designed, formulated or reduced to writing by Executive at any time while Executive is or has been employed by the Company. Such disclosure shall be made promptly upon development, design or formulation with respect to any Works created while Executive is employed by the Company, and shall be disclosed in writing pursuant to such form as the Company may from time to time provide

12. Business Opportunities. For so long as Executive is employed by the Company, Executive will not, without the prior written consent of the Company (which consent may be withheld by the Company in the exercise of its absolute discretion), engage, directly or indirectly, in any business, venture or activity that Executive is aware or reasonably should be aware that the Company or any affiliate of the Company is engaged in, intends at any time to become engaged in, or might become engaged in if offered the opportunity, or in any other business, venture or activity if the Company reasonably determines that such activity would adversely affect the business of the Company or any affiliate thereof or the performance by Executive of any of Executive's duties or obligations to the Company.

13. Privacy Waivers.

A. The Company reserves the right to stop and search any Executive or property of any employee when entering or leaving the Company's premises.

B. The Company reserves the right to monitor at any time telephone calls, electronic communications and information transmitted on Company networks or on computer equipment which is owned by the Company or on computers on Company premises that are used for Company business.

14. Notice. All notices required or sent hereunder shall be sent by personal delivery, overnight priority mail via a nationally recognized overnight delivery company, or by certified mail, return receipt requested to the address of the party entitled to receive the notice as set forth above. Notices sent in accordance with this paragraph shall be deemed received upon personal delivery, one (1) business day after delivery to a nationally recognized overnight delivery company or five (5) days after mailed, as aforesaid.

15. Breach by the Company. If there is a dispute regarding the payment of any sum by the Company hereunder, the Company shall not be deemed to have failed to have made a payment hereunder if pending the resolution of such dispute, the Company pays the amount in dispute into court or into an escrow account at the Company's bank or with the Company's counsel.

16. Remedies Not Exclusive. The rights, remedies and benefits herein expressly specified are cumulative and not exclusive of any rights, remedies or benefits which any party may otherwise have.

17. Invalid Provisions. The invalidity of any one or more of the clauses or words contained in this Agreement shall not affect the reasonable enforceability of the remaining provisions of this Agreement, all of which are inserted herein conditionally upon being valid in law; and in the event that one or more of the words or clauses contained herein shall be invalid, this instrument shall be construed as if such invalid words or clauses had not been inserted or, alternatively, said words or clauses shall be reasonably limited to the extent that the applicable court interpreting the provisions of this Agreement considers to be reasonable.

18. Binding Effect. This Agreement, as it relates to restrictions applicable to Executive, is a personal contract and the rights and interests of Executive hereunder may not be sold, transferred, assigned, pledged or hypothecated. However, this Agreement shall inure to the benefit of and be binding upon Company and its successors and assigns including, without limitation, any corporation or other entity into which Company is merged or which acquires all or substantially all of the outstanding ownership interests or assets of Company.

19. Jurisdiction. Each of the undersigned further agrees that any action or proceeding brought or initiated in respect of this Agreement may be brought or initiated in the United States District Court for the State of Nevada or in any District Court located in Clark County, Nevada, and each of the undersigned consents to the exercise of personal jurisdiction and the placement of venue in any of such courts, or in any jurisdiction allowed by law, in any such action or proceeding and further consents that service of process may be effected in any such action or proceeding in the manner provided in Section 14.065 of the Nevada Revised Statutes or in such other manner as may be permitted by law. Each of the undersigned further agrees that no such action shall be brought against any party hereunder except in one of the courts above named.

20. Attorney's Fees. In the event an action is taken by either party to enforce this Agreement or resolve a dispute in connection herewith, the prevailing party shall be entitled to recover the costs incurred with the prosecution and defense of such action, including reasonable attorney's fees.

21. Miscellaneous. This Agreement shall be construed under and governed by the laws of the State of Nevada other than its conflicts of laws principles. This Agreement contains the complete understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior agreements, understandings and negotiations relating to the same subject matter. This Agreement may only be modified by a written instrument signed by each of the parties hereto. No provisions of this Agreement will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof. Failure to require strict compliance with any term or provision of this Agreement shall not constitute a waiver of a party's right to insist upon strict compliance with each and every provision of this Agreement. No waiver of any terms and conditions of this Agreement shall be deemed to be a waiver of any subsequent breach of that or any other term of condition. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and same instrument. The provisions of Item 3 (the last paragraph), 4M, 6H, 7, 8, 9, 11 and 14 through 21 shall survive the termination of this Agreement and Executive's employment with the Company. This Agreement may be executed by any party by delivery of a facsimile or pdf signature, which signature shall have the same force as an original signature. Any party which delivers a facsimile or pdf signature shall promptly thereafter deliver an originally executed signature to the other party; provided, however, that the failure to deliver an original signature page shall not affect the validity of any signature delivered by facsimile or pdf. The paragraph headings contained in this Agreement are for reference only and shall not be deemed to impart substantive meaning to any provision of this Agreement. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request and direction of the parties, at arm's length, with the advice and participation of counsel, and shall be interpreted in accordance with its terms and without favor to any party.

IN WITNESS WHEREOF , this Agreement has been signed, sealed and delivered as of the date and year first above written.

EXECUTIVE:

/s/ John Redmond
JOHN REDMOND

COMPANY:

ALLEGiant TRAVEL COMPANY

By: /s/ Maurice J. Gallagher, Jr.
Title: Chairman and Chief Executive Officer

**ALLEGIANT TRAVEL COMPANY
STOCK APPRECIATION RIGHTS AGREEMENT**

THIS STOCK APPRECIATION RIGHTS AGREEMENT (the "Agreement") is made and entered into as of September 9, 2016 ("the "Effective Date"), between ALLEGIANT TRAVEL COMPANY, a Nevada corporation (the "Company") and John Redmond (the "Participant").

THE PARTIES AGREE AS FOLLOWS:

1. Long Term Incentive Plan. The exercise of the Stock Appreciation Rights granted under this Agreement shall be subject to the terms, conditions and restrictions of the Allegiant Travel Company 2016 Long-Term Incentive Plan (the "Plan"). A copy of the Plan is available to Participant upon request and is incorporated in this Agreement by this reference. Terms used in this Agreement that are defined in the Plan shall have the same meaning as in the Plan, unless the text of this Agreement clearly indicates otherwise.

2. Grant of Stock Appreciation Rights. The Company hereby grants to Participant pursuant to the Plan stock appreciation rights (the "SARs") with respect to 15,000 shares (the "Shares") of the Company's \$.001 par value common stock (the "Common Stock") on the terms and conditions set forth herein and in the Plan. The SARs consist of the right to receive, upon exercise of the SAR (or any portion thereof) a cash payment equal to the number of SARs being exercised multiplied by the excess of the Fair Market Value (as defined in the Plan) of the Common Stock on the date upon which the Participant exercises the SAR (or any portion thereof) over the Exercise Price. The SARs shall only be settled in cash and not in shares of Common Stock in the Company or any other property.

3. Exercise Price. The exercise price (the "Exercise Price") for the SARs covered by this Agreement shall be \$146.03 per share.

4. Adjustment of SARs. Notwithstanding anything in this Agreement to the contrary, the number of Shares to which the SARs granted hereunder relate and the Exercise Price per Share shall be equitably adjusted in the event of a stock split, stock dividend, combination or similar exchange of Shares, recapitalization, reorganization, merger or consolidation in order to preserve the benefits or potential benefits intended to be made available to Participant under this Agreement. Further, the number of Shares to which the SARs granted hereunder relate and the Exercise Price per Share may be equitably adjusted, in the sole discretion of the Committee, in the event of an extraordinary dividend, split-up, spin-off, warrants or rights offering to purchase Shares at a price substantially below Fair Market Value or other similar corporate event affecting the Shares, in each case in order to preserve, but not increase, the benefits or potential benefits intended to be made available to Participant under this Agreement. With respect to any such adjustments to be made in the discretion of the Committee, such adjustments shall be made by the Committee, in its sole discretion, whose determination as to what adjustments shall be made, and the extent thereof, shall be final. Unless otherwise determined by the Committee, such adjusted awards shall be subject to the same restrictions and vesting or settlement schedule to which the underlying award is subject.

5. Exercise of SARs.

A. **Exercise of SARs.** Subject to the other terms of this Agreement, Participant's right to exercise the SARs granted hereunder shall be subject to the following Vesting Schedule wherein Participant shall be entitled to exercise his SARs at any point in time during this Agreement only to the extent indicated below:

Vesting Schedule

<u>Number of SARs</u>	
<u>Date</u>	<u>First Becoming Vested</u>
First anniversary of Effective Date	1/3 of SARs granted
Second anniversary of Effective Date	1/3 of SARs granted
Third anniversary of Effective Date	1/3 of SARs granted

The vesting of SARs will be accelerated to the extent provided in that certain Employment Agreement between the Company and the Participant dated September 9, 2016.

B. Partial Exercise. Subject to the terms of the Plan, the SARs (to the extent vested as provided in Paragraph 5A above) may be exercised in whole or in part.

C. Method of Exercising SARs. Subject to Paragraph 5A above, any SARs granted hereunder or any portion thereof may be exercised by the Participant by delivering to the Company at its main office (attention of its Secretary) written notice which shall set forth the Participant's election to exercise a portion or all of the vested SARs, the number of SARs with respect to which the SARs rights are being exercised and such other representations and agreements as may be required by the Company to comply with applicable securities laws.

D. Nonassignability of SARs. The SARs shall not be assignable or transferable by the Participant except by will or by the laws of descent and distribution. Any distributee by will or by the laws of descent and distribution shall be bound by the provisions of the Plan and this Agreement. During the life of the Participant, the SARs shall be exercisable only by the Participant. Any attempt to assign, pledge, transfer, hypothecate or otherwise dispose of the SARs, and any levy of execution, attachment or similar process on the SARs, shall be null and void.

E. Termination of Employment other than as a Result of Death or Disability. If Participant ceases to be an Employee other than as a result of Participant's death or disability (as defined in Paragraph F below), then the SARs shall be exercisable only to the extent exercisable (*i.e.* , vested) on the date of termination of employment. In such event, the vested SARs must be exercised on or before the date that is one hundred and eighty (180) days after the effective date of termination of employment. To the extent any portion of the SARs is not exercisable (*i.e.* , not vested) on the date of termination of employment, such nonvested portion of the SARs shall terminate on the date of termination of employment. To the extent any portion of the SARs is not exercised on or before the date that is one hundred and eighty (180) days after the date of termination of employment, such portion of the SARs shall terminate as of the end of such date. Nothing in the Agreement shall be construed as imposing any obligation on the Company to continue the employment of Participant or shall interfere or restrict in any way the rights of the Company to discharge Participant at any time for any reason whatsoever, with or without cause.

F. Termination of Employment as a Result of Death or Disability. In the event of the death or disability of the Participant while in the employ of the Company, the personal representative of the Participant (in the event of Participant's death) or the Participant (in the event of Participant's disability) may, subject to the provisions hereof and before the earlier of the SARs' expiration date or the date that is one hundred and eighty (180) days after the date of such death or disability, exercise the SARs granted to the Participant to the same extent the Participant might have exercised such SARs on the date of Participant's death or disability (*i.e.* , to the extent then vested), but not further or otherwise. To the extent any portion of the SARs is not exercisable at the date of the death or disability of the Participant (*i.e.* , to the extent not then vested), such nonvested portion of the SARs shall terminate on the date of death or disability. To the extent any portion of the SARs is not exercised within the time period provided, such portion of the SARs shall terminate as of the date of expiration of such time period. For purposes of this Paragraph F, the Participant shall be considered to be subject to a disability when the Participant is disabled within the meaning of Code Section 22(e)(3), and the date of any such disability shall be deemed to be the day following the last day the Participant performed services for the Company.

G. Period to Exercise SARs. The SARs granted hereunder may, prior to their expiration or termination, be exercised from time to time, in whole or in part, up to the total number of Shares with respect to which they shall have then become exercisable. The SARs granted hereunder may become exercisable in installments as determined by the Committee; provided, however, that if the SARs is exercisable in more than one installment, and if the employment of the Participant is terminated, then the SARs (or such portion thereof as shall be exercisable in accordance with the terms of this Agreement) shall be exercisable during the period set forth in Paragraph E or F (whichever is applicable).

H. No Exercise after Five Years. The SARs shall in no event be exercisable after five (5) years from the date hereof.

I. Payment of Cash Upon Exercise. Upon exercise of any portion or all of the SARs, the Company will make payment to Participant based on the Fair Market Value of the Common Stock on the date of exercise as provided in Item 2 above. Deductions shall be made from any cash payment to Participant hereunder for social security, Medicare, federal and state withholding taxes, and any other such taxes as may from time to time be required by governmental authority.

6. No Rights as a Shareholder. The Participant shall not have any rights as a shareholder with respect to any SARs granted hereunder. Except as provided in Item 4 of this Agreement or Section 12 of the Plan, no adjustment shall be made to the SARs granted hereunder as a result of any dividends or other rights paid with respect to the stock of the Company.

7. **No Employment Rights**. This Agreement shall not confer upon Participant any right with respect to the continuance of employment by the Company, nor shall it interfere in any way with the right of the Company to terminate such employment at any time.

8. **Enforcement**. If any portion of this Agreement shall be determined to be invalid or unenforceable, the remainder shall be valid and enforceable to the extent possible.

9. **Notices**. Any written notice under this Agreement shall be deemed given on the date that is three business days after it is sent by registered or certified mail, postage prepaid, addressed either to the Participant at his address as indicated in the Company's employment records or to the Company at its principal office. Any notice may be sent using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail or electronic mail) but no such notice shall be deemed to have been duly given unless and until it is actually received by the intended recipient.

10. **Amendment**. This Agreement may not be amended except by a writing signed by the Company and Participant.

11. **Heirs and Successors**. Subject to Item 2D above, this Agreement and all terms and conditions hereof shall be binding upon the Company and its successors and assigns, and upon the Participant and his heirs, legatees and legal representatives.

12. **Interpretation**. Any issues of interpretation of any provision of this Agreement shall be resolved by the Compensation Committee of the Board of Directors of the Company.

13. **Severability**. The provisions of this Agreement, and of each separate section and subsection, are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any unenforceable provisions to the extent enforceable, shall nevertheless be binding and enforceable.

14. **Governing Law; Jurisdiction**. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by and construed according to the internal law and not the law of conflicts of the State of Nevada. Each of the undersigned further agrees that any action or proceeding brought or initiated in respect of this Agreement may be brought or initiated in the United States District Court for the State of Nevada or in any District Court located in Clark County, Nevada, and each of the undersigned consents to the exercise of personal jurisdiction and the placement of venue in any of such courts, or in any jurisdiction allowed by law, in any such action or proceeding and further consents that service of process may be effected in any such action or proceeding in the manner provided in Section 14.065 of the Nevada Revised Statutes or in such other manner as may be permitted by law. Each of the undersigned further agrees that no such action shall be brought against any party hereunder except in one of the courts above named.

15. **Waiver**. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or any other provision hereof.

16. **Deemed Signature; Counterparts**. *It is contemplated that the Participant will confirm his/her acceptance of the stock appreciation rights evidenced hereby and the terms of this Agreement by logging onto the Plan administrator's website and electronically indicating his/her acceptance. As the Participant's information on the Plan administrator's website is password protected, such acceptance shall be deemed to be the Participant's acceptance absent Participant's ability to establish that he did not accept this Agreement and that whoever indicated such acceptance did so without the Participant's knowledge or acquiescence. Further, the acceptance by Participant of any benefits from the stock appreciation rights granted under this Agreement (whether by exercising such stock appreciation rights or otherwise) shall also be deemed a confirmation by Participant of his intent to be bound by the terms of this Agreement.* If this Agreement is physically signed (which is not required), then it may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document, and all counterparts shall be construed together and shall constitute one instrument. If this Agreement is physically signed (which is not required), this Agreement may be executed by any party by delivery of a facsimile or pdf signature, which signature shall have the same force as an original signature. Any party which delivers a facsimile or pdf signature shall promptly thereafter deliver an originally executed signature to the other parties; provided, however, that the failure to deliver an original signature page shall not affect the validity of any signature delivered by facsimile or pdf. A facsimile, pdf or photocopied signature shall be deemed to be the functional equivalent of an original for all purposes.

IN WITNESS WHEREOF, this Agreement has been duly executed on the date first above written.

PARTICIPANT: John Redmond

SIGNATURE: /s/ John Redmond

DATE: September 9, 2016

ALLEGIANT TRAVEL COMPANY

By: /s/ Maurice J. Gallagher, Jr.
Its: Chief Executive Officer

**ALLEGiant TRAVEL COMPANY
RESTRICTED STOCK
AGREEMENT**

This Restricted Stock Agreement (the "Agreement") is made as of September 9, 2016 ("Date of Grant") between Allegiant Travel Company, a Nevada corporation (the "Company") and John Redmond ("Grantee").

1. LONG- TERM INCENTIVE PLAN. The restricted stock granted under this Agreement shall be subject to the terms, conditions and restrictions of the Allegiant Travel Company 2016 Long-Term Incentive Plan (the "Plan"). A copy of the Plan is available to Grantee upon request and is incorporated in this Agreement by this reference. Terms used in this Agreement that are defined in the Plan shall have the same meaning as in the Plan, unless the text of this Agreement clearly indicates otherwise.

2. RESTRICTED STOCK AWARDS.

A. The Company hereby grants to Grantee a total of 60,000 shares of the Company's Common Stock (the "Restricted Stock") subject to the terms and conditions set forth below.

B. The number of shares of common stock issued to the Grantee as Restricted Stock shall be recorded in the records of the Company.

C. The Restricted Stock has been awarded as compensation to the Grantee for services to be rendered over the vesting period provided for herein.

D. This Agreement sets forth the terms, conditions and restrictions applicable to the Restricted Stock granted to Grantee.

3. RESTRICTIONS.

A. The Restricted Stock has been awarded to the Grantee subject to the transfer and forfeiture conditions set forth in Paragraph C below (the "Restrictions") which shall lapse, if at all, as described in Section 4 below. For purposes of this Award, the term Restricted Stock includes any additional shares of stock granted to the Grantee with respect to any Restricted Stock (e.g., shares issued upon a stock dividend or stock split) prior to the vesting of the Restricted Stock.

B. Grantee may not directly or indirectly, by operation of law or otherwise, voluntarily or involuntarily, sell, assign, pledge, encumber, charge or otherwise transfer (a "transfer") any of the Restricted Stock prior to vesting as provided in Section 4 below. Any transfer or attempted transfer prior to such time shall be null and void and of no effect whatsoever.

C. Except to the extent provided in that certain Employment Agreement between the Company and Grantee dated September 9, 2016, if the Grantee's employment with the Company terminates prior to the vesting of all Restricted Stock of the Grantee for any reason other than as set forth in Section 4 below, then the Grantee shall forfeit all of the Grantee's right, title and interest in and to the Restricted Stock not vested as of the date of such termination and such Restricted Stock shall be reconveyed to the Company as of the date of such termination without further consideration or any act or action by the Grantee.

D. The Restrictions imposed under this Section 3 shall apply to all shares of the Company's common stock or other securities issued with respect to Restricted Stock hereunder in connection with any merger, reorganization, consolidation, recapitalization, stock dividend or other change in corporate structure affecting the common stock of the Company which occurs prior to the vesting of the Restricted Stock.

4. EXPIRATION AND TERMINATION OF RESTRICTIONS. The Restrictions imposed under Section 3 above will expire and vesting of the Restricted Stock shall be as follows:

- A. On March 9, 2017, the Restrictions will expire with respect to one-sixth (1/6) of the Restricted Stock of the Grantee not forfeited prior to that date;
- B. On September 9, 2017, the Restrictions will expire with respect to an additional one-sixth (1/6) of the Restricted Stock of the Grantee not forfeited prior to that date;
- C. On March 9, 2018, the Restrictions will expire with respect to an additional one-sixth (1/6) of the Restricted Stock of the Grantee not forfeited prior to that date;
- D. On September 9, 2018, the Restrictions will expire with respect to an additional one-sixth (1/6) of the Restricted Stock of the Grantee not forfeited prior to that date;
- E. On March 9, 2019, the Restrictions will expire with respect to additional one-sixth (1/6) of the Restricted Stock of the Grantee not forfeited prior to that date; and
- F. On September 9, 2019, the Restrictions will expire with respect to the balance of the Restricted Stock of the Grantee not forfeited prior to that date.

5. ADJUSTMENTS. If the number of outstanding shares of common stock of the Company is changed as a result of a stock dividend, stock split or the like without additional consideration to the Company, the number of shares of Restricted Stock under this Agreement shall be adjusted to correspond to the change in the outstanding shares of the Company's common stock.

6. VOTING AND DIVIDENDS. Subject to the restrictions contained in Section 3 hereof, the Grantee shall have all rights of a stockholder of the Company with respect to the Grantee's Restricted Stock, including the right to vote the shares of the Grantee's Restricted Stock and the right to receive any cash or stock dividends, including dividends of stock of a company other than the Company. Stock dividends issued with respect to the Grantee's Restricted Stock shall be treated as additional shares of the Grantee's Restricted Stock (even if they are shares of a company other than the Company) that are subject to the same restrictions and other terms and conditions that apply to the shares with respect to which such dividends are issued. If a dividend is paid in other property, the Grantee will be credited with the amount of property which would have been received had the Grantee owned a number of shares of common stock equal to the number of shares of Restricted Stock credited to his/her account. The property so credited will be subject to the same restrictions and other terms and conditions applicable to the Restricted Stock under this Agreement and will be disbursed to the Grantee in kind simultaneously with the Restricted Stock to which such property relates.

7. DELIVERY OF SHARES. The shares of Restricted Stock of the Grantee will be issued in the name of the Grantee as Restricted Stock and will be held by the Company prior to vesting in certificated or uncertificated form. If a certificate for Restricted Stock is issued prior to vesting, such certificate shall be registered in the name of the Grantee and shall bear a legend in substantially the following form:

"This certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture and restrictions against transfer) contained in a Restricted Stock Agreement dated September 9, 2016, between the registered owner of the shares represented hereby and Allegiant Travel Company. Release from such terms and conditions shall be made only in accordance with the provisions of such Agreement, copies of which are on file in the office of Allegiant Travel Company."

Upon request from the Company, the Grantee shall deposit with the Company a stock power, or powers, executed in blank and sufficient to reconvey the Restricted Stock to the Company upon any forfeiture of the Restricted Stock (or a portion thereof), in accordance with the provisions of this Agreement. Upon vesting of any Restricted Stock, any stock certificates and stock powers relating to such vested Restricted Stock shall be released to the Grantee upon request.

8. WITHHOLDING TAXES. The Company is entitled to withhold an amount equal to the Company's required minimum statutory withholding taxes for the respective tax jurisdiction attributable to any share of common stock or property deliverable in connection with the Restricted Stock. Grantee may satisfy any withholding obligation in whole or in part by electing to have the Company retain shares of the Restricted Stock having a Fair Market Value on the date of vesting equal to the minimum amount to be withheld. Fair Market Value for this purpose shall be the closing price for a share of the Company's common stock on the last trading day before the date of vesting.

9. OTHER RIGHTS. The grant of Restricted Stock does not confer upon Grantee any right to continue in the employ of the Company and does not interfere with the right of the Company to terminate Grantee's employment at any time.
10. NOTICES. Any written notice under this Agreement shall be deemed given on the date that is three business days after it is sent by registered or certified mail, postage prepaid, addressed either to the Grantee at his/her address as indicated in the Company's employment records or to the Company at its principal office. Any notice may be sent using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail or electronic mail) but no such notice shall be deemed to have been duly given unless and until it is actually received by the intended recipient.
11. NONTRANSFERABILITY. This Agreement and all rights hereunder are nontransferable and nonassignable by the Grantee, other than by the last will and testament of Grantee or the laws of descent and distribution, unless the Company consents thereto in writing. Any transfer or attempted transfer except pursuant to the preceding sentence shall be null and void and of no effect whatsoever.
12. SECTION 83(b) ELECTION. Grantee may make an election to be taxed upon the grant of his/her Restricted Stock under Section 83(b) of the Internal Revenue Code of 1986, as amended. To effect such election, the Grantee must file an appropriate election with the Internal Revenue Service within thirty (30) days after the grant of the Restricted Stock and otherwise in accordance with the applicable Treasury Regulations.
13. AMENDMENT. This Agreement may not be amended except by a writing signed by the Company and Grantee.
14. HEIRS AND SUCCESSORS. This Agreement and all terms and conditions hereof shall be binding upon the Company and its successors and assigns, and upon the Grantee and his/her heirs, legatees and legal representatives.
15. INTERPRETATION. Any issues of interpretation of any provision of this Agreement shall be resolved by the Compensation Committee of the Board of Directors of the Company.
16. SEVERABILITY. The provisions of this Agreement, and of each separate section and subsection, are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any unenforceable provisions to the extent enforceable, shall nevertheless be binding and enforceable.
17. GOVERNING LAW; JURISDICTION. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by and construed according to the internal law and not the law of conflicts of the State of Nevada. Each of the undersigned further agrees that any action or proceeding brought or initiated in respect of this Agreement may be brought or initiated in the United States District Court for the State of Nevada or in any District Court located in Clark County, Nevada, and each of the undersigned consents to the exercise of personal jurisdiction and the placement of venue in any of such courts, or in any jurisdiction allowed by law, in any such action or proceeding and further consents that service of process may be effected in any such action or proceeding in the manner provided in Section 14.065 of the Nevada Revised Statutes or in such other manner as may be permitted by law. Each of the undersigned further agrees that no such action shall be brought against any party hereunder except in one of the courts above named.
18. WAIVER. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or any other provision hereof.
19. DEEMED SIGNATURE; COUNTERPARTS. *It is contemplated that the Grantee will confirm his/her acceptance of the restricted stock grant evidenced hereby and the terms of this Agreement by logging onto the Plan administrator's website and electronically indicating his/her acceptance. As the Grantee's information on the Plan administrator's website is password protected, such acceptance shall be deemed to be the Grantee's acceptance absent Grantee's ability to establish that he/she did not accept this Agreement and that whoever indicated such acceptance did so without the Grantee's knowledge or acquiescence. Further, the acceptance by Grantee of any benefits from the ownership of stock granted under this Agreement (whether by voting the Restricted Stock, accepting dividends on the Restricted Stock, selling any shares of Restricted Stock or otherwise) shall also be deemed a confirmation by Grantee of his/her intent to be bound by the terms of this Agreement.* If this
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Agreement is physically signed (which is not required), then it may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document, and all counterparts shall be construed together and shall constitute one instrument. If this Agreement is physically signed (which is not required), this Agreement may be executed by any party by delivery of a facsimile or pdf signature, which signature shall have the same force as an original signature. Any party which delivers a facsimile or pdf signature shall promptly thereafter deliver an originally executed signature to the other parties; provided, however, that the failure to deliver an original signature page shall not affect the validity of any signature delivered by facsimile or pdf. A facsimile, pdf or photocopied signature shall be deemed to be the functional equivalent of an original for all purposes.

IN WITNESS WHEREOF, the Company has executed this Agreement as of day and year first above written.

ALLEGiant TRAVEL COMPANY

By: /s/ Maurice J. Gallagher, Jr.

Its: Chairman and Chief Executive Officer

The undersigned Grantee hereby accepts, and agrees to, all terms and provisions of the foregoing Award.

Name: John Redmond

Signature: /s/ John Redmond

Date: September 9, 2016

**ALLEGIANT TRAVEL COMPANY
2016 LONG-TERM INCENTIVE PLAN**

1. **PURPOSES OF THE PLAN:** The purposes of the Plan are to (a) promote the long-term success of the Company and its Subsidiaries and to increase stockholder value by providing Eligible Individuals with incentives to contribute to the long-term growth and profitability of the Company by offering them an opportunity to obtain a proprietary interest in the Company through the grant of equity-based awards and (b) assist the Company in attracting, retaining and motivating highly qualified individuals who are in a position to make significant contributions to the Company and its Subsidiaries.

2. **DEFINITIONS AND RULES OF CONSTRUCTION:**

(a) **Definitions.** For purposes of the Plan, the following capitalized words shall have the meanings set forth below:

"Award" means an Option, Restricted Stock, Restricted Stock Unit, Stock Appreciation Right or Other Award granted by the Committee pursuant to the terms of the Plan.

"Award Document" means an agreement, certificate or other type or form of document or documentation approved by the Committee that sets forth the terms and conditions of an Award. An Award Document may be in written, electronic or other media, may be limited to a notation on the books and records of the Company and, unless the Committee requires otherwise, need not be signed by a representative of the Company or a Participant or alternatively, may be signed by electronic signature or other electronic indication of acceptance.

"Board" means the Board of Directors of the Company, as constituted from time to time.

"CEO" means the Chief Executive Officer of the Company.

"Change in Control" means: (i) the consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if more than 50% of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization is owned by persons who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization; (ii) the sale, transfer or other disposition of all or substantially all of the Company's assets; or (iii) any transaction as a result of which any person (other than anyone who was a five percent or more stockholder of the Company on the Effective Date) is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing at least 50% of the total voting power represented by the Company's then outstanding voting securities. For purposes of clause (iii), the term "person" shall have the same meaning as when used in Sections 13(d) and 14(d) of the Exchange Act but shall exclude: (A) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or of a Parent or Subsidiary and (B) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company. A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction. Notwithstanding the foregoing, with respect to an Award that is subject to Section 409A of the Code and for which payment or settlement of the Award will accelerate upon a Change in Control, no event set forth in an agreement applicable to a Participant or clauses (i), (ii) or (iii) will constitute a Change in Control for purposes of the Plan and any Award Document unless such event also constitutes a "Change in Ownership", "Change in Effective Control" or "Change in the ownership of a substantial portion of the Company's assets" as defined under Section 409A of the Code and the regulations and guidance promulgated thereunder.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable rulings and regulations thereunder.

"Committee" means the Compensation Committee of the Board, any successor committee thereto or any other committee appointed from time to time by the Board to administer the Plan. The Committee shall serve at the pleasure of the Board and shall meet the requirements of Section 162(m) of the Code and Section 16(b) of the Exchange Act; provided, however, that the Board may perform any duties delegated to the Committee and in such instances, any reference to the Committee shall be construed to include actions by the Board.

"Common Stock" means the common stock of the Company, par value \$0.001 per share, or such other class of share or other securities as may be applicable under Section 12(b) of the Plan.

"Company" means Allegiant Travel Company, a Nevada corporation, or any successor to all or substantially all of its business that adopts the Plan.

"Effective Date" means the date on which the Plan is approved by the stockholders of the Company.

"Eligible Individuals" means the individuals described in Section 4(a) of the Plan who are eligible for Awards under the Plan.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"Fair Market Value" means the market value of a share of Common Stock on a particular date determined as follows. In the event the Company's Common Stock is listed on an established stock exchange, Fair Market Value shall be deemed to be the closing price of the Company's Common Stock on such stock exchange on such date or, if no sale of the Company's Common Stock shall have been made on any stock exchange on that day, the Fair Market Value shall be determined at such price for the next preceding day upon which a sale shall have occurred; provided, however, that for purposes of determining the amount of cash payable or stock issuable upon the exercise of a Stock Appreciation Right, Fair Market Value shall be the highest reported trading price on such day. In the event the Company's Common Stock is not listed upon an established system, but is quoted on the over-the-counter bulletin board or similar trading market ("OTC"), the Fair Market Value shall be deemed to be the closing sale price (if reported) or otherwise, the mean between the closing dealer "bid" and "asked" prices for the Company's Common Stock as quoted on the OTC for such date, and if no closing sale price or "bid" and "asked" prices are quoted for that day, the Fair Market Value shall be determined by reference to such prices on the next preceding day on which such prices are quoted. In the event the Company's Common Stock is neither listed on an established stock exchange nor quoted on the OTC, the Fair Market Value on such date shall be determined by the Committee in its good faith discretion.

"Incentive Stock Option" means an Option that is intended to comply with the requirements of Section 422 of the Code or any successor provision thereto.

"Misconduct" shall mean the commission of any act of fraud, embezzlement or dishonesty by the Participant, any unauthorized use or disclosure by such person of confidential information or trade secrets of the Company (or any Subsidiary), or any other intentional misconduct by such person adversely affecting the business or affairs of the Company (or any Subsidiary) in a material manner. The foregoing definition shall not in any way preclude or restrict the right of the Company (or any Subsidiary) to discharge or dismiss any Participant or other person in the service of the Company (or any Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan, to constitute Misconduct.

"Nonqualified Stock Option" means an Option that is not intended to comply with the requirements of Section 422 of the Code or any successor provision thereto.

"Option" means an Incentive Stock Option or Nonqualified Stock Option granted pursuant to Section 7 of the Plan.

"Other Award" means any form of Award other than an Option, Restricted Stock, Restricted Stock Unit or Stock Appreciation Right granted pursuant to Section 10 of the Plan.

"Parent" means any corporation which at the time qualifies as a parent of the Company under the definition of "parent corporation" contained in Section 424(e) of the Code.

"Participant" means an Eligible Individual who has been granted an Award under the Plan.

"Performance Award" means any award granted pursuant to Section 6(i) of the Plan in the form of Options, Stock Appreciation Rights, Restricted Share Units, Restricted Shares or other awards of property, including cash, that have a performance feature described in Section 6(i) of the Plan.

"Performance Period" means the period established by the Committee and set forth in the applicable Award Document over which Performance Targets are measured.

"Performance Target" means the targets established by the Committee and set forth in the applicable Award Document.

"Plan" means the Allegiant Travel Company 2016 Long-Term Incentive Plan, as may be amended from time to time.

"Plan Limit" means the maximum aggregate number of Shares that may be issued for all purposes under the Plan as set forth in Section 5(a) of the Plan.

"Restricted Stock" means stock granted or sold to a Participant pursuant to Section 8 of the Plan.

"Restricted Stock Unit" means a right to receive a Share (or cash, if applicable) in the future, granted pursuant to Section 8 of the Plan.

"Shares" means shares of Common Stock.

"Stock Appreciation Right" means a right to receive all or some portion of the appreciation on Shares granted pursuant to Section 9 of the Plan.

"Subsidiary" means (i) a domestic or foreign corporation or other entity with respect to which the Company, directly or indirectly, has the power, whether through the ownership of voting securities, by contract or otherwise, to elect at least a majority of the members of such corporation's board of directors or analogous governing body, or (ii) any other domestic or foreign corporation or other entity in which the Company, directly or indirectly, has an equity or similar interest and which the Committee designates as a Subsidiary for purposes of the Plan. For purposes of determining eligibility for the grant of Incentive Stock Options under the Plan, the term "Subsidiary" shall be defined in the manner required by Section 424(f) of the Code.

"Time-Based Award" means any Award granted pursuant to the Plan which is not a Performance Award.

(b) Rules of Construction. The masculine pronoun shall be deemed to include the feminine pronoun, and the singular form of a word shall be deemed to include the plural form, unless the context requires otherwise. Unless the text indicates otherwise, references to sections are to sections of the Plan.

3. ADMINISTRATION:

(a) Committee. The Plan shall be administered by the Committee, which shall have full power and authority, subject to the express provisions hereof, to: (i) select the Participants from the Eligible Individuals; (ii) grant Awards in accordance with the Plan; (iii) determine the number of Shares subject to each Award or the cash amount payable in connection with an Award; (iv) determine the terms and conditions of each Award, including, without limitation, those related to term, permissible methods of exercise, vesting, forfeiture, payment, settlement, exercisability, Performance Periods, Performance Targets, and the effect, if any, of a Participant's termination of employment with the Company or any of its Subsidiaries or a Change in Control of the Company; (v) subject to Section 15, amend the terms and conditions of an Award after the granting thereof; (vi) specify and approve the provisions of the Award Documents delivered to Participants in connection with their Awards; (vii) construe and interpret any Award Document delivered under the Plan; (viii) make factual determinations in connection with the administration or interpretation of the Plan; (ix) prescribe, amend and rescind administrative regulations, rules and procedures relating to the Plan; (x) employ such legal counsel (who may be counsel to the Company), independent auditors and consultants as it deems desirable for the administration of the Plan and to rely upon any opinion or computation received therefrom; (xi) vary the terms of Awards to take account of tax, securities law and other regulatory requirements of foreign jurisdictions or to procure favorable tax treatment for Participants; and (xii) make all other determinations and take any other action desirable or necessary to interpret, construe or implement properly the provisions of the Plan or any Award Document.

(b) Plan Construction and Interpretation. The Committee shall have full power and authority, subject to the express provisions hereof, to construe and interpret the Plan.

(c) Determinations of Committee Final and Binding. All determinations by the Committee or its delegate in carrying out and administering the Plan and in construing and interpreting the Plan shall be final, binding and conclusive for all purposes and upon all persons interested herein. A majority of the Committee shall constitute a quorum and a majority of a quorum may authorize any action. Any decision reduced to writing and signed by a majority of the members of the Committee shall be fully effective as if it has been made at a meeting duly held.

(d) Delegation of Authority. To the extent not prohibited by applicable laws, rules and regulations, the Committee may, from time to time, delegate some or all of its authority under the Plan to a subcommittee or subcommittees thereof or other persons or groups of persons it deems appropriate under such conditions or limitations as it may set at the time of such delegation or thereafter, except that the Committee may not: (i) delegate its authority pursuant to Section 15 to amend the Plan or (ii) delegate to any executive officer of the Company, or a committee that includes any such executive officer, the Committee's authority to grant Awards, or the Committee's authority otherwise concerning Awards, awarded to executive officers of the Company. Any such authority delegated or allocated by the Committee under this Section 3(d) shall be exercised in accordance with the terms and conditions of the Plan and any rules, regulations or administrative guidelines that may from time to time be established by the Committee, and any such allocation or delegation may be revoked by the Committee at any time. For purposes of the Plan, reference to the Committee shall be deemed to refer to any subcommittee, subcommittees, or other persons or groups of persons to whom the Committee delegates authority pursuant to this Section 3(d).

(e) Liability of Committee. Subject to applicable laws, rules or regulations, (i) no member of the Board or Committee, the CEO, or any officer or employee of the Company to whom any duties or responsibilities are delegated hereunder shall be liable for any action or determination made in connection with the operation, administration or interpretation of the Plan, and (ii) the Company shall indemnify, defend and hold harmless each such person from any liability arising from or in connection with the Plan, except where such liability results directly from such person's fraud, willful misconduct or failure to act in good faith. In the performance of its responsibilities with respect to the Plan, the Committee shall be entitled to rely upon information and/or advice furnished by the Company's officers or employees, the Company's accountants, the Company's counsel and any other party the Committee deems necessary, and no member of the Committee shall be liable for any action taken or not taken in reliance upon any such information and/or advice.

(f) Action by the Board. Anything in the Plan to the contrary notwithstanding, any authority or responsibility that, under the terms of the Plan, may be exercised by the Committee may alternatively be exercised by the Board.

4. ELIGIBILITY:

(a) Eligible Individuals. Awards may be granted to officers, employees, directors and consultants of the Company or any of its Subsidiaries or joint ventures, partnerships or business organizations in which the Company or its Subsidiaries have an equity interest. The Committee shall have the authority to select the persons to whom Awards may be granted and to determine the number and terms of Awards to be granted to each such Participant. Under the Plan, references to "employment" or "employed" include Participants who are directors or consultants of the Company or its Subsidiaries.

(b) Grants to Participants. The Committee shall have no obligation to grant any Eligible Individual an Award or to designate an Eligible Individual as a Participant solely by reason of such Eligible Individual having received a prior Award or having been previously designated as a Participant. The Committee may grant more than one Award to a Participant and may designate an Eligible Individual as a Participant for overlapping periods of time.

5. SHARES SUBJECT TO THE PLAN:

(a) Plan Limit. Subject to Section 12 of the Plan, the maximum aggregate number of Shares that may be issued for all purposes under the Plan shall be 2,000,000 (the "Plan Limit"). Such number excludes any awards outstanding prior to the Effective Date under any prior incentive plan. Shares to be issued under the Plan may be authorized and unissued shares, issued shares that have been reacquired by the Company (in the open-market or in private transactions) and that are being held in treasury, or a combination thereof. Each Share issued pursuant to an Award other than an Option or a Stock Appreciation Right shall count as two (2) Shares for purposes of the Plan Limit. Each Share which may be issued upon exercise of an Option shall count as one Share. Each Share to which a Stock Appreciation Right relates shall be counted as one Share to the extent such Stock Appreciation Right is or may be settled in stock. Any Stock Appreciation Right which may only be settled in cash shall not be counted against the Plan Limit. For Awards which are not denominated in Shares, the Plan Limit shall be reduced by the number of Shares delivered upon settlement or payment of the Award.

(b) Share Replenishment. In addition to the Shares authorized by Section 5(a), Shares underlying Awards that are granted under the Plan, but which are subsequently forfeited, cancelled or expire for any reason without being exercised or settled shall again become available for issuance under the Plan. In addition, to the extent a Stock Appreciation Right which may be settled in cash or stock is exercised for cash, the Shares underlying such Stock Appreciation Right shall again become available for issuance under the Plan. The following Shares shall not become available for issuance under the Plan: (x) Shares tendered in payment of an Option or other Award, and (y) Shares withheld for taxes or in payment of the Exercise Price of an Award. Shares purchased by the Company using Option proceeds shall not be added to the Plan Limit. Upon the exercise of any Stock Appreciation Right

for stock, the difference between the number of Stock Appreciation Rights exercised and the number of Shares delivered on the exercise of the Stock Appreciation Right shall not be added back to the Plan Limit.

(c) Special Limits. Anything to the contrary in Section 5(a) above notwithstanding, but subject to Section 12(b) of the Plan, the maximum number of Shares that may be subject to Options and/or other Awards granted to any one Eligible Individual in any calendar year shall not exceed 100,000 Shares.

6. AWARDS IN GENERAL:

(a) Types of Awards. Awards under the Plan may consist of Options, Restricted Stock Units, Restricted Stock, Stock Appreciation Rights and Other Awards. Any Award described in Sections 7 through 10 of the Plan may be granted singly or in combination or tandem with any other Awards, as the Committee may determine. Awards under the Plan may be made in combination with, in replacement of, or as alternatives to awards or rights under any other compensation or benefit plan of the Company, including the plan of any acquired entity.

(b) Terms Set Forth in Award Document. The terms and conditions of each Award shall be set forth in an Award Document in a form approved by the Committee for such Award, which shall contain terms and conditions not inconsistent with the Plan. Notwithstanding the foregoing, and subject to applicable laws, the Committee may, in its sole discretion, accelerate (i) the vesting or payment of any Time-Based Award, (ii) the lapse of restrictions on any Time-Based Award or (iii) the date on which any Time-Based Award first becomes exercisable subject, however, to the restrictions in Section 6(c). The terms of Awards may vary among Participants, and the Plan does not impose upon the Committee any requirement to make Awards or to accelerate Awards subject to uniform terms. Accordingly, the terms of individual Award Documents may vary. An Award Document shall not be a precondition to the granting of an Award; provided, however, that (i) the Committee may, but need not, require as a condition to any Award's effectiveness, that such Award Document be executed on behalf of the Company and/or by the Participant to whom the Award evidenced thereby shall have been granted and such executed Award Document to be delivered to the Company, and (ii) no person shall have any rights under any Award unless and until the Participant to whom such Award shall have been granted has complied with the applicable terms and conditions of the Award.

(c) Minimum Vesting. Except as otherwise provided herein, any Award shall have a minimum restriction period or performance period, as applicable, of one year from the date of grant; provided, however, that the Committee may provide for earlier vesting upon a Participant's termination of employment or service by reason of death or disability, or a Change in Control. Notwithstanding any provision herein to the contrary, up to five percent (5%) of the Plan Limit (the "Excepted Shares,") shall not be subject to the minimum restriction period or performance period, as applicable, described in the preceding sentence, it being understood that the Committee may, in its discretion, and at the time an Award is granted, designate any Shares that are subject to such Award as Excepted Shares; provided, however, that, in no event shall the Committee designate any such Shares as Excepted Shares after the time such Award is granted.

(d) Termination of Employment. The Committee shall specify at or after the time of grant of an Award the provisions governing the disposition of an Award in the event of a Participant's termination of employment with the Company or any of its Subsidiaries. Subject to applicable laws, rules and regulations and subject to the limitation in Section 6(c), in connection with a Participant's termination of employment, the Committee shall have the discretion to accelerate the vesting, exercisability or settlement of, eliminate the restrictions and conditions applicable to, or extend the post-termination exercise period of an outstanding Award. Such provisions may be specified in the applicable Award Document or determined at a subsequent time. Should a Participant's service with the Company be terminated for Misconduct or should a Participant otherwise engage in Misconduct while holding one or more outstanding Awards under this Plan, then all Awards held by such a Participant shall, in the Committee's discretion, terminate immediately and cease to be outstanding.

(e) Repricing. Except in the event of capital adjustments under Section 12(b) hereof, unless the approval of stockholders of the Company is obtained, (i) Options and Stock Appreciation Rights issued under the Plan shall not be amended to lower their exercise price, (ii) Options and Stock Appreciation Rights issued under the Plan will not be exchanged for (or cancelled and replaced with) other Options or Stock Appreciation Rights with lower exercise prices, (iii) Options and Stock Appreciation Rights issued under the Plan with an exercise price in excess of the Fair Market Value of the underlying Shares will not be exchanged for cash or other property, and (iv) no other action shall be taken with respect to Options or Stock Appreciation Rights that would be treated as a repricing under the rules of the principal stock exchange or market system on which the Shares are listed.

(f) Change in Control. The Committee shall have full authority to determine the effect, if any, of a Change in Control of the Company on the vesting, exercisability, settlement, payment or lapse of restrictions applicable to an Award, which effect may be specified in the applicable Award Document or subject to the limitations described below with respect to Performance

Awards, determined at a subsequent time. Except as otherwise specified in an Award Document (or in a Participant's employment agreement), and subject to applicable laws, rules and regulations, the Board or the Committee shall in its sole discretion, at any time prior to, coincident with or after the time of a Change in Control, take such actions as it may consider appropriate to maintain the rights of a Participant in an Award granted under the Plan, including, without limitation: (i) providing for the acceleration of any vesting conditions relating to the exercise or settlement of an Award or that an Award may be exercised or settled in full on or before a date fixed by the Board or the Committee; (ii) making such other adjustments to the Awards then outstanding as the Board or the Committee deems appropriate to reflect such Change in Control; or (iii) causing the Awards then outstanding to be assumed, or new rights substituted therefor, by the surviving corporation in such Change in Control; provided, however, that in the event of a Change in Control and unless the Award Document provides otherwise, the vesting of Performance Awards may not be accelerated except to the extent based on actual results through the date of the Change in Control or on a pro rata basis to reflect that portion of the applicable ongoing Performance Period that has elapsed as of the date of the Change in Control.

(g) Dividends and Dividend Equivalents. The Committee may provide Participants with the right to receive dividends or payments equivalent to dividends or interest with respect to an outstanding Award, which payments can either be paid currently or deemed to have been reinvested in Shares, and can be made in Shares, cash or a combination thereof, as the Committee shall determine.

(h) Rights of a Shareholder. A Participant shall have no rights as a shareholder with respect to Shares covered by an Award until the date the Participant or his nominee becomes the holder of record of such Shares. No adjustment shall be made for dividends or other rights for which the record date is prior to such date, except as provided in Section 12(b) of the Plan.

(i) Performance-Based Awards. The Committee may determine whether any Award under the Plan is intended to be "performance-based compensation" as that term is used in Section 162(m) of the Code. Any such Awards designated to be "performance-based compensation" shall be conditioned on the achievement of one or more Performance Targets to the extent required by Section 162(m) of the Code and will be subject to all other conditions and requirements of Section 162(m). The Performance Targets that may be used by the Committee for such Awards will be based on measurable and attainable financial goals for the Company, one or more of its operating divisions or Subsidiaries or any combination of the above such as net income, total revenues, operating cash flow, operating margin, operating revenue, revenue growth rates, pretax income, pretax operating income, growth rates, operating income growth, return on assets, total shareholder return, share price, return on equity, operating earnings, cost per available seat mile, cost per available seat mile excluding fuel, diluted earnings per share, earnings per share growth, or similar financial measures, or a combination thereof as selected by the Committee, and quantifiable nonfinancial goals. The applicable Performance Targets will be established by the Committee prior to the commencement of the applicable Performance Period (or such later date permitted by Section 162(m) of the Code). Each Participant is assigned a target number of Shares (subject to the limitations set forth in Section 5(c)) payable if Performance Targets are achieved. Any payment of an Award granted with Performance Targets shall be conditioned on the written certification of the Committee in each case that the Performance Targets and any other material conditions were satisfied. If a Participant's performance exceeds such Participant's Performance Targets, Awards may be greater than the target number, but may not exceed two hundred percent (200%) of such Participant's target number. The Committee retains the right to reduce any Award if it believes that individual performance does not warrant the Award calculated by reference to the quantified results. In the event all members of the Committee are not "outside directors" as that term is defined in Section 162(m) of the Code, the grant and terms of Awards intended to qualify as "performance-based compensation" will be made by a subcommittee appointed in accordance with Section 3(d) of the Plan consisting of two or more "outside directors" for purposes of Section 162(m) of the Code.

7. TERMS AND CONDITIONS OF OPTIONS:

(a) General. The Committee, in its discretion, may grant Options to eligible Participants and shall determine whether such Options shall be Incentive Stock Options or Nonqualified Stock Options. Each Option shall be evidenced by an Award Document that shall expressly identify the Option as an Incentive Stock Option or Nonqualified Stock Option (or partially an Incentive Stock Option and partially a Nonqualified Stock Option), and be in such form and contain such provisions as the Committee shall from time to time deem appropriate.

(b) Exercise Price. The exercise price of an Option shall be fixed by the Committee at the time of grant or shall be determined by a method specified by the Committee at the time of grant, but in no event shall the exercise price of an Option be less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant.

(c) Term. An Option shall be effective for such term as shall be determined by the Committee and as set forth in the Award Document relating to such Option, and the Committee may extend the term of an Option after the time of grant; provided, however, that the term of an Option may in no event extend beyond the tenth anniversary of the date of grant of such Option.

(d) Payment of Exercise Price. Subject to the provisions of the applicable Award Document, the exercise price of an Option may be paid (i) in cash, (ii) by actual delivery for cancellation of freely transferable Shares already owned by the person exercising the Option, (iii) by a combination of cash and Shares equal in value to the exercise price, (iv) through net share settlement or similar procedure involving the withholding of Shares subject to the Option with a value equal to the exercise price or (v) by such other means as the Committee, in its discretion, may authorize. In accordance with the rules and procedures authorized by the Committee for this purpose, the Option may also be exercised through a "cashless exercise" procedure authorized by the Committee that permits Participants to exercise Options by delivering a properly executed exercise notice to the Company together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds necessary to pay the exercise price and the amount of any required tax or other withholding obligations.

(e) Incentive Stock Options. The exercise price per Share of an Incentive Stock Option shall be fixed by the Committee at the time of grant or shall be determined by a method specified by the Committee at the time of grant. No Incentive Stock Option may be issued pursuant to the Plan to any individual who, at the time the Incentive Stock Option is granted, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries, unless (i) the exercise price determined as of the date of grant is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant of the Shares subject to such Incentive Stock Option and (ii) the Incentive Stock Option is not exercisable more than five years from the date of grant thereof. No Participant shall be granted any Incentive Stock Option which would result in such Participant receiving a grant of Incentive Stock Options that would have an aggregate Fair Market Value in excess of one hundred thousand dollars (\$100,000), determined as of the time of grant, that would be exercisable for the first time by such Participant during any calendar year. The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, or any successor provision thereto, and any regulations promulgated thereunder.

8. TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS AND RESTRICTED STOCK:

(a) Restricted Stock Units. The Committee is authorized to grant Restricted Stock Units to Eligible Individuals. A Restricted Stock Unit shall entitle a Participant to receive, subject to the terms, conditions and restrictions set forth in the Plan and the applicable Award Document, one or more Shares in consideration of the Participant's employment with the Company or any of its Subsidiaries. The Restricted Stock Units shall be paid in Shares, cash, or a combination of cash and Shares as provided in the Award Document, with a value equal to the Fair Market Value of the Shares at the time of payment.

(b) Restricted Stock. An Award of Restricted Stock shall consist of one or more shares of Common Stock granted or sold to an Eligible Individual, and shall be subject to the terms and conditions established by the Committee in connection with the Award and specified in the applicable Award Document. Restricted Stock may, among other things, be subject to restrictions on transferability, vesting requirements or other specified circumstances under which it may be canceled.

9. STOCK APPRECIATION RIGHTS:

(a) General. The Committee is authorized to grant Stock Appreciation Rights to Eligible Individuals. A Stock Appreciation Right shall entitle a Participant to receive, upon satisfaction of the conditions to payment specified in the applicable Award Document, an amount equal to the excess, if any, of the Fair Market Value on the exercise date of the number of Shares for which the Stock Appreciation Right is exercised over the grant price for such Stock Appreciation Right specified in the applicable Award Document. The grant price per share of Shares covered by a Stock Appreciation Right shall be fixed by the Committee at the time of grant or, alternatively, shall be determined by a method specified by the Committee at the time of grant, but in no event shall the grant price of a Stock Appreciation Right be less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant. At the sole discretion of the Committee, the Award Document may provide that payments to a Participant upon exercise of a Stock Appreciation Right may be made in cash or Shares, or in a combination of cash and Shares, having an aggregate Fair Market Value as of the date of exercise equal to such cash amount.

(b) Term. A Stock Appreciation Right shall be effective for such term as shall be determined by the Committee and as set forth in the Award Document relating to such Stock Appreciation Right, and the Committee may extend the term of a Stock Appreciation Right after the time of grant; provided, however, that the term of a Stock Appreciation Right may in no event extend beyond the tenth anniversary of the date of grant of such Stock Appreciation Right.

(c) Methods of Exercise. In accordance with the rules and procedures established by the Committee for this purpose, and subject to the provisions of the applicable Award Document and all applicable laws, the Committee shall determine the permissible methods of exercise for a Stock Appreciation Right.

(d) Stock Appreciation Rights in Tandem with Options. A Stock Appreciation Right granted in tandem with an Option may be granted either at the same time as such Option or subsequent thereto. If granted in tandem with an Option, a Stock Appreciation Right shall cover the same number of Shares as covered by the Option (or such lesser number of shares as the Committee may determine) and shall be exercisable only at such time or times and to the extent the related Option shall be exercisable, and shall have the same term as the related Option. The grant price of a Stock Appreciation Right granted in tandem with an Option shall equal the per share exercise price of the Option to which it relates. Upon exercise of a Stock Appreciation Right granted in tandem with an Option, the related Option shall be canceled automatically to the extent of the number of Shares covered by such exercise; conversely, if the related Option is exercised as to some or all of the Shares covered by the tandem grant, the tandem Stock Appreciation Right shall be canceled automatically to the extent of the number of Shares covered by the Option exercise.

10. **OTHER AWARDS:** The Committee shall have the authority to specify the terms and provisions of other forms of equity-based or equity-related Awards not described above that the Committee determines to be consistent with the purpose of the Plan and the interests of the Company, which Awards may provide for cash payments based in whole or in part on the value or future value of Shares, for the acquisition or future acquisition of Shares, or any combination thereof.

11. **CERTAIN RESTRICTIONS:**

(a) Transfers. Unless the Committee determines otherwise on or after the date of grant, no Award shall be transferable other than by last will and testament or by the laws of descent and distribution or pursuant to a domestic relations order, as the case may be; provided, however, that the Committee may, in its discretion and subject to such terms and conditions as it shall specify, permit the transfer of an Award for no consideration (i) to a Participant's family member, (ii) to one or more trusts established in whole or in part for the benefit of one or more of such family members, (iii) to one or more entities which are beneficially owned in whole or in part by one or more such family members or (iv) to any other individual or entity permitted under law and the rules of the stock exchange that lists the Shares (collectively, "Permitted Transferees"). Any Award transferred to a Permitted Transferee shall be further transferable only by last will and testament or the laws of descent and distribution or, for no consideration, to another Permitted Transferee of the Participant.

(b) Award Exercisable Only by Participant. During the lifetime of a Participant, an Award shall be exercisable only by the Participant or by a Permitted Transferee to whom such Award has been transferred in accordance with Section 11(a) above. The grant of an Award shall impose no obligation on a Participant to exercise or settle the Award.

12. **RECAPITALIZATION OR REORGANIZATION:**

(a) Authority of the Company and Stockholders. The existence of the Plan, the Award Documents and the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or business, any merger or consolidation of the Company, any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Shares or the rights thereof or which are convertible into or exchangeable for Shares, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) Change in Capitalization. Notwithstanding any provision of the Plan or any Award Document, the number (the Plan Limit) and kind of Shares authorized for issuance under Section 5 of the Plan, including the maximum number of Shares available under the special limits provided for in Section 5(c), shall be equitably adjusted in the event of a stock split, stock dividend, recapitalization, reorganization, merger or consolidation and may be equitably adjusted in the sole discretion of the Committee in the event of an extraordinary dividend, split-up, spin-off, combination, exchange of Shares, warrants or rights offering to purchase Shares at a price substantially below Fair Market Value or other similar corporate event affecting the Shares. In each case in which an adjustment is made, the adjustment shall be to preserve, but not increase, the benefits or potential benefits intended to be made available under the Plan. In addition, upon the occurrence of any of the foregoing events for which an adjustment is made, the number of outstanding Awards and the number and kind of Shares subject to any outstanding Award and the exercise price per Share (or the grant price per Share, as the case may be), if any, under any outstanding Award shall be equitably adjusted (including by payment of cash to a Participant) in the sole discretion of the Committee in order to preserve the benefits or potential benefits intended to be made available to Participants granted Awards. Such adjustments shall be made by the Committee, in its sole discretion, whose determination as to what adjustments shall be made, and the extent thereof, shall be final. Unless otherwise determined by the Committee, such adjusted Awards shall be subject to the same restrictions and vesting or settlement schedule to which the underlying Award is subject.

13. **TERM OF THE PLAN:** Unless earlier terminated pursuant to Section 15 of the Plan, the Plan shall terminate on June 30, 2026, except with respect to Awards then outstanding. No Awards may be granted under the Plan after June 30, 2026.

14. **EFFECTIVE DATE:** The Plan shall become effective on the Effective Date; provided, however, that if the Plan is not approved by the stockholders upon submission to them for approval, the Plan shall be void *ab initio*.

15. **AMENDMENT AND TERMINATION:** Subject to applicable laws, rules and regulations, the Board may at any time terminate or, from time to time, amend, modify or suspend the Plan; provided, however, that no termination, amendment, modification or suspension of the Plan shall materially and adversely alter or impair the rights of a Participant in any Award previously made under the Plan without the consent of the holder thereof. Notwithstanding the foregoing, the Committee shall have broad authority to amend the Plan or any Award under the Plan without the consent of a Participant to the extent it deems necessary or desirable (a) to comply with, or take into account changes in, applicable tax laws, securities laws, accounting rules and other applicable laws, rules and regulations or (b) to ensure that an Award is not subject to interest and penalties under Section 409A of the Code. In addition, no such amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by any applicable law, tax rules, stock exchange rules or accounting rules (including as necessary to comply with any rules or requirements of any securities exchange or inter-dealer quotation system on which the Shares may be listed or quoted or to prevent the Company from being denied a tax deduction under Section 162(m) of the Code).

16. **MISCELLANEOUS:**

(a) **Tax Withholding.** The Company or a Subsidiary, as appropriate, may require any individual entitled to receive a payment in respect of an Award or to vest in a Restricted Stock or Restricted Stock Unit grant to remit to the Company, prior to such payment or in connection with such vesting, an amount sufficient to satisfy any applicable tax withholding requirements. In the case of an Award payable in Shares, the Company or a Subsidiary, as appropriate, may permit such individual to satisfy, in whole or in part, such obligation to remit taxes by directing the Company to withhold Shares that would otherwise be received by such individual or to repurchase Shares that were issued to such individual to satisfy the statutory withholding rates for any applicable tax withholding purposes, in accordance with all applicable laws and pursuant to such rules as the Committee may establish from time to time. The Company or a Subsidiary, as appropriate, shall also have the right to deduct from all cash payments made to a Participant (whether or not such payment is made in connection with an Award) any applicable taxes required to be withheld with respect to such payments.

(b) **No Right to Awards or Employment.** No person shall have any claim or right to receive Awards under the Plan. Neither the Plan, the grant of Awards under the Plan nor any action taken or omitted to be taken under the Plan shall be deemed to create or confer on any Eligible Individual any right to be retained in the employ of the Company or any Subsidiary or other affiliate thereof, or to interfere with or to limit in any way the right of the Company or any Subsidiary or other affiliate thereof to terminate the employment of such Eligible Individual at any time. No Award shall constitute salary, recurrent compensation or contractual compensation for the year of grant, any later year or any other period of time. Payments received by a Participant under any Award made pursuant to the Plan shall not be included in, nor have any effect on, the determination of employment-related rights or benefits under any other employee benefit plan or similar arrangement provided by the Company and the Subsidiaries, unless otherwise specifically provided for under the terms of such plan or arrangement or by the Committee.

(c) **Forfeiture; Recoupment.** Notwithstanding any provision in this Plan or any Award Document to the contrary, Awards will be subject, to the extent applicable, to: (a) the terms and conditions of the Company's executive compensation recoupment policy (as previously adopted, and as may be amended and restated from time to time); and (b) the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended (the "Dodd Frank Act"), the Sarbanes-Oxley Act of 2002, as amended, and rules, regulations and binding, published guidance thereunder, and any similar legislation that may be enacted subsequent to the date hereof (including any rules, regulations and binding, published guidance thereunder). Without limiting the generality of the foregoing, the Company may, in its sole discretion, implement any recoupment policies or make any changes to the Company's existing recoupment policies as the Company deems necessary or advisable in order to comply with applicable law or regulatory guidance (including, without limitation, the Dodd-Frank Act).

(d) **Securities Law Restrictions.** An Award may not be exercised or settled and no Shares may be issued in connection with an Award unless the issuance of such shares has been registered under the Securities Act of 1933, as amended, and qualified under applicable state "blue sky" laws and any applicable foreign securities laws, or the Company has determined that an exemption from registration and from qualification under such state "blue sky" laws is available. The Committee may require each Participant purchasing or acquiring Shares pursuant to an Award under the Plan to represent to and agree with the Company in writing that such Eligible Individual is acquiring the Shares for investment purposes and not with a view to the distribution thereof. All certificates for Shares delivered under the Plan shall be subject to such stop-transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any exchange

upon which the Shares are then listed, and any applicable securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(e) Section 162(m) of the Code. The Plan is intended to comply in all respects with Section 162(m) of the Code.

(f) Awards to Individuals Subject to Laws of a Jurisdiction Outside of the United States. To the extent that Awards under the Plan are awarded to individuals who are domiciled or resident outside of the United States or to persons who are domiciled or resident in the United States but who are subject to the tax laws of a jurisdiction outside of the United States, the Committee may adjust the terms of the Awards granted hereunder to such person (i) to comply with the laws of such jurisdiction and (ii) to permit the grant of the Award not to be a taxable event to the Participant. The authority granted under the previous sentence shall include the discretion for the Committee to adopt, on behalf of the Company, one or more sub-plans applicable to separate classes of Eligible Individuals who are subject to the laws of jurisdictions outside of the United States.

(g) Satisfaction of Obligations. Subject to applicable law, the Company may apply any cash, Shares, securities or other consideration received upon exercise or settlement of an Award to any obligations a Participant owes to the Company and the Subsidiaries in connection with the Plan or otherwise, including, without limitation, any tax obligations or obligations under a currency facility established in connection with the Plan.

(h) Unfunded Plan. The Plan is intended to constitute an unfunded plan for incentive compensation. Prior to the issuance of Shares in connection with an Award, nothing contained herein shall give any Participant any rights that are greater than those of a general unsecured creditor of the Company. In its sole discretion, the Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Shares with respect to awards hereunder.

(i) Award Document. In the event of any conflict or inconsistency between the Plan and any Award Document, the Plan shall govern and the Award Document shall be interpreted to minimize or eliminate any such conflict or inconsistency.

(j) Application of Funds. The proceeds received by the Company from the sale of Shares pursuant to Awards will be used for general corporate purposes.

(k) Headings. The headings of sections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Plan.

(l) Section 409A of the Code. If any provision of the Plan or an Award Document contravenes any regulations or Treasury guidance promulgated under Section 409A of the Code or could cause an Award to be subject to the interest and penalties under Section 409A of the Code, such provision of the Plan or any Award Agreement shall be modified to maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A of the Code. Moreover, any discretionary authority that the Committee may have pursuant to the Plan shall not be applicable to an Award that is subject to Section 409A of the Code to the extent such discretionary authority will contravene Section 409A or the regulations or guidance promulgated thereunder. With respect to any Award that provides for a deferral of compensation for purposes of Section 409A of the Code and that is payable under its terms on a Participant's termination of employment (including a Participant's termination of employment on account of retirement, if applicable), notwithstanding any provision herein or in the Participant's Award Agreement to the contrary, if at the time of payment under such an Award, the Participant is a "specified employee" (as defined below), no such payment shall occur prior to the earlier of (A) the expiration of the six (6) month period measured from the date of the Participant's separation from service, or (B) the date of the Participant's death. Upon the expiration of the six (6) month deferral period referred to in the preceding sentence or the Participant's death, all amounts that would otherwise have been paid during such period but for this Section 16(l) shall be paid and any amounts that remain to be paid under the Award shall be paid in accordance with the terms hereof and of the Award Document. The term "specified employee" shall have the same meaning as assigned to that term under Section 409A(a)(2)(B)(i) of the Code and whether a Participant is a specified employee shall be determined in accordance with written guidelines adopted by the Company for such purposes.

(m) Governing Law. Except as to matters of federal law, the Plan and all actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Nevada (other than its conflict of law rules).

**ALLEGIAN'T TRAVEL COMPANY
RESTRICTED STOCK
AGREEMENT**

This Restricted Stock Agreement (the "Agreement") is made as of the **[Grant Date]** ("Date of Grant") between Allegiant Travel Company, a Nevada corporation (the "Company") and **[Participant Name]** ("Grantee").

1. LONG- TERM INCENTIVE PLAN. The restricted stock granted under this Agreement shall be subject to the terms, conditions and restrictions of the Allegiant Travel Company 2016 Long-Term Incentive Plan (the "Plan"). A copy of the Plan is available to Grantee upon request and is incorporated in this Agreement by this reference. Terms used in this Agreement that are defined in the Plan shall have the same meaning as in the Plan, unless the text of this Agreement clearly indicates otherwise.

2. RESTRICTED STOCK AWARDS.

A. The Company hereby grants to Grantee a total of **[Number of Shares Granted]** shares of the Company's Common Stock (the "Restricted Stock") subject to the terms and conditions set forth below.

B. Grantee will receive a certificate identifying the number of shares of common stock issued to the Grantee as Restricted Stock.

C. The Restricted Stock has been awarded as compensation to the Grantee for services to be rendered as a Director of the Company over the vesting period provided for herein.

D. This Agreement sets forth the terms, conditions and restrictions applicable to the Restricted Stock granted to Grantee.

3. RESTRICTIONS.

A. The Restricted Stock has been awarded to the Grantee subject to the transfer and forfeiture conditions set forth in Paragraph C below (the "Restrictions") which shall lapse, if at all, as described in Section 4 below. For purposes of this Award, the term Restricted Stock includes any additional shares of stock granted to the Grantee with respect to any Restricted Stock (e.g., shares issued upon a stock dividend or stock split) prior to the vesting of the Restricted Stock.

B. Grantee may not directly or indirectly, by operation of law or otherwise, voluntarily or involuntarily, sell, assign, pledge, encumber, charge or otherwise transfer (a "transfer") any of the Restricted Stock prior to vesting as provided in Section 3 below. Any transfer or attempted transfer prior to such time shall be null and void and of no effect whatsoever.

C. If the Grantee's service as a Director of the Company terminates prior to the vesting of all Restricted Stock of the Grantee for any reason other than as set forth in Section 4 below, then the Grantee shall forfeit all of the Grantee's right, title and interest in and to the Restricted Stock not vested as of the date of such termination and such Restricted Stock shall be reconveyed to the Company as of the date of such termination without further consideration or any act or action by the Grantee.

D. The Restrictions imposed under this Section 3 shall apply to all shares of the Company's common stock or other securities issued with respect to Restricted Stock hereunder in connection with any merger, reorganization, consolidation, recapitalization, stock dividend or other change in corporate structure affecting the common stock of the Company which occurs prior to the vesting of the Restricted Stock.

4. EXPIRATION AND TERMINATION OF RESTRICTIONS. The Restrictions imposed under Section 3 above will expire and vesting of the Restricted Stock shall be as follows:

On **[the first anniversary date]**, the Restrictions will expire with respect to all of the Restricted Stock of the Grantee not forfeited prior to that date.

Notwithstanding anything herein to the contrary, all Restricted Stock of a Grantee shall become fully vested upon the Grantee's death or total disability or upon a "Change of Control" of the Company. Total disability shall be defined as a physician certified disability which permanently or indefinitely renders the Grantee unable to perform his usual duties for the Company.

For purposes of this Agreement, a "Change of Control" shall be deemed to have occurred if at any time after the date this Agreement is signed: (i) by any method, transaction or series of related transactions, more than 50% of the outstanding shares of Company or beneficial ownership thereof are acquired within a period of one year by a person or group (as defined in Section 13(d) of the Securities Exchange Act of 1934) other than the members of Company's Board, those persons who were more than 5% owners of the Company prior to the date of this Agreement, employees of the Company and any of their immediate family members and affiliates; (ii) there is a merger or consolidation of the Company in which the Company is not the continuing or surviving entity or in which the stockholders of the Company immediately before such transaction do not own in the aggregate at least 50% of the outstanding voting shares of the continuing or surviving entity immediately after such transaction; (iii) there is a merger or consolidation of the Company pursuant to which the Company's shares are converted into cash, securities or other property; or (iv) the Company sells, leases or exchanges all or substantially all of its assets or the Company's stockholders approve the liquidation or dissolution of the Company.

5. ADJUSTMENTS. If the number of outstanding shares of common stock of the Company is changed as a result of a stock dividend, stock split or the like without additional consideration to the Company, the number of shares of Restricted Stock under this Agreement shall be adjusted to correspond to the change in the outstanding shares of the Company's common stock.

6. VOTING AND DIVIDENDS. Subject to the restrictions contained in Section 3 hereof, the Grantee shall have all rights of a stockholder of the Company with respect to the Grantee's Restricted Stock, including the right to vote the shares of the Grantee's Restricted Stock and the right to receive any cash or stock dividends, including dividends of stock of a company other than the Company.

Cash dividends shall be paid to the Grantee regardless of whether the Restricted Stock is fully vested unless the cash dividend has been determined to be an extraordinary dividend by the Board of Directors.

Stock dividends issued with respect to the Grantee's Restricted Stock shall be treated as additional shares of the Grantee's Restricted Stock (even if they are shares of a company other than the Company) that are subject to the same restrictions and other terms and conditions that apply to the shares with respect to which such dividends are issued.

If there is an extraordinary cash dividend or if a dividend is paid in property other than cash or stock, the Grantee will be credited with the amount of such extraordinary cash dividend or property which would have been received had the Grantee owned a number of shares of common stock equal to the number of shares of Restricted Stock credited to his account. The extraordinary cash dividend or property so credited will be subject to the same restrictions and other terms and conditions applicable to the Restricted Stock under this Agreement and will be disbursed to the Grantee in kind simultaneously with the Restricted Stock to which such extraordinary cash dividend or property relates.

7. DELIVERY OF SHARES. The shares of Restricted Stock of the Grantee will be issued in the name of the Grantee as Restricted Stock and will be held by the Company prior to vesting in certificated or uncertificated form. If a certificate for Restricted Stock is issued prior to vesting, such certificate shall be registered in the name of the Grantee and shall bear a legend in substantially the following form:

"This certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture and restrictions against transfer) contained in a Restricted Stock Agreement dated [Grant Date], between the registered owner of the shares represented hereby and Allegiant Travel Company. Release from such terms and conditions shall be made only in accordance with the provisions of such Agreement, copies of which are on file in the office of Allegiant Travel Company."

Upon request from the Company, the Grantee shall deposit with the Company a stock power, or powers, executed in blank and sufficient to reconvey the Restricted Stock to the Company upon any forfeiture of the Restricted Stock (or a portion thereof), in accordance with the provisions of this Agreement. Upon vesting of any Restricted Stock, any stock certificates and stock powers relating to such vested Restricted Stock shall be released to the Grantee upon request.

8. WITHHOLDING TAXES. The Company is entitled to withhold an amount equal to the Company's required minimum statutory withholding taxes (if any) for the respective tax jurisdiction attributable to any share of

common stock or property deliverable in connection with the Restricted Stock. Grantee may satisfy any withholding obligation in whole or in part by electing to have the Company retain shares of the Restricted Stock having a Fair Market Value on the date of vesting equal to the minimum amount to be withheld. Fair Market Value for this purpose shall be the closing price for a share of the Company's common stock on the last trading day before the date of vesting.

9. OTHER RIGHTS. The grant of Restricted Stock does not confer upon Grantee any right to continue on the Board of Directors of the Company and does not interfere with the right of the Company to terminate Grantee's service on the Board at any time in accordance with the Company's By-Laws.

10. CLAWBACK AGREEMENT. In accordance with the Company's clawback policy applicable to executive officers of the Company, in the event Grantee is an executive officer of the Company, then Grantee hereby agrees to reimburse the Company for all or any portion of any bonuses or incentive or equity-based compensation if the Compensation Committee of the Company's Board of Directors in good faith determines: (a) the payment or grant was based on the achievement of certain financial results that were subsequently the subject of a material financial restatement (other than as a result of a change in accounting principles) and a lower payment or award would have occurred based upon the restated financial results; or (b) Grantee engaged in fraud or intentional misconduct related to the Company or its business. In each such instance, the Company will, to the extent practicable and allowable under applicable law, require reimbursement of any bonus or incentive or equity based compensation awarded or effect the cancellation of any unvested or deferred stock awards previously granted to Grantee in the amount by which Grantee's bonus or incentive or equity based compensation for the relevant period exceeded the lower payment that would have been made based on the restated financial results, or such other amount as determined by the Compensation Committee, provided that the Company will not be entitled to recover bonuses or incentive or equity based compensation paid more than three years prior to the date the applicable restatement is disclosed.

11. NOTICES. Any written notice under this Agreement shall be deemed given on the date that is three business days after it is sent by registered or certified mail, postage prepaid, addressed either to the Grantee at his address as indicated in the Company's employment records or to the Company at its principal office. Any notice may be sent using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail or electronic mail) but no such notice shall be deemed to have been duly given unless and until it is actually received by the intended recipient.

12. NONTRANSFERABILITY. This Agreement and all rights hereunder are nontransferable and nonassignable by the Grantee, other than by the last will and testament of Grantee or the laws of descent and distribution, unless the Company consents thereto in writing. Any transfer or attempted transfer except pursuant to the preceding sentence shall be null and void and of no effect whatsoever.

13. SECTION 83(b) ELECTION. Grantee may make an election to be taxed upon the grant of his Restricted Stock under Section 83(b) of the Internal Revenue Code of 1986, as amended. To effect such election, the Grantee must file an appropriate election with the Internal Revenue Service within thirty (30) days after the grant of the Restricted Stock and otherwise in accordance with the applicable Treasury Regulations.

14. AMENDMENT. This Agreement may not be amended except by a writing signed by the Company and Grantee.

15. HEIRS AND SUCCESSORS. Subject to Section 10 above, this Agreement and all terms and conditions hereof shall be binding upon the Company and its successors and assigns, and upon the Grantee and their heirs, legatees and legal representatives.

16. INTERPRETATION. Any issues of interpretation of any provision of this Agreement shall be resolved by the Compensation Committee of the Board of Directors of the Company.

17. SEVERABILITY. The provisions of this Agreement, and of each separate section and subsection, are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any unenforceable provisions to the extent enforceable, shall nevertheless be binding and enforceable.

18. GOVERNING LAW. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by and construed according to the internal law and not the law of conflicts of the State of Nevada.

19. WAIVER. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or any other provision hereof.

20. DEEMED SIGNATURE: COUNTERPARTS. *It is contemplated that the Grantee will confirm his/her acceptance of the restricted stock grant evidenced hereby and the terms of this Agreement by logging onto the Plan administrator's website and electronically indicating his/her acceptance. As the Grantee's information on the Plan administrator's website is password protected, such acceptance shall be deemed to be the Grantee's acceptance absent Grantee's ability to establish that he/she did not accept this Agreement and that whoever indicated such acceptance did so without the Grantee's knowledge or acquiescence. Further, the acceptance by Grantee of any benefits from the ownership of stock granted under this Agreement (whether by voting the Restricted Stock, accepting dividends on the Restricted Stock, selling any shares of Restricted Stock or otherwise) shall also be deemed a confirmation by Grantee of his/her intent to be bound by the terms of this Agreement.* If this Agreement is physically signed (which is not required), then it may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document, and all counterparts shall be construed together and shall constitute one instrument. If this Agreement is physically signed (which is not required), this Agreement may be executed by any party by delivery of a facsimile or pdf signature, which signature shall have the same force as an original signature. Any party which delivers a facsimile or pdf signature shall promptly thereafter deliver an originally executed signature to the other parties; provided, however, that the failure to deliver an original signature page shall not affect the validity of any signature delivered by facsimile or pdf. A facsimile, pdf or photocopied signature shall be deemed to be the functional equivalent of an original for all purposes.

IN WITNESS WHEREOF, the Company has executed this Agreement as of day and year first above written.

ALLEGiant TRAVEL COMPANY

By: _____

Its: _____

The undersigned Grantee hereby accepts, and agrees to, all terms and provisions of the foregoing Award.

Name: **[Participant Name]**

Signature: **[Signed Electronically]**

Date: **[Acceptance Date]**

**ALLEGIANT TRAVEL COMPANY
STOCK OPTION AGREEMENT**

THIS STOCK OPTION AGREEMENT (the "Agreement") is made and entered into as of **[Grant Date]** (the "Effective Date"), between ALLEGIANT TRAVEL COMPANY, a Nevada corporation (the "Company") and **[Participant Name]** (the "Optionee").

THE PARTIES AGREE AS FOLLOWS:

1. Stock Option Plan. The exercise of the Options granted under this Agreement shall be subject to the terms, conditions and restrictions of Allegiant Travel Company 2016 Long-Term Incentive Plan (the "Plan"). A copy of the Plan is available to Optionee upon request and is incorporated in this Agreement by this reference. Terms used in this Agreement that are defined in the Plan shall have the same meaning as in the Plan, unless the text of this Agreement clearly indicates otherwise.

2. Grant of Option.

A. The Company hereby grants to Optionee pursuant to the Plan an option (the "Option") to purchase all or any part of **[Number of Shares Granted]** shares (the "Option Shares") of the Company's \$.001 par value common stock (the "Common Stock") on the terms and conditions set forth herein and in the Plan.

B. All Options granted under this Agreement shall be considered to be incentive stock options within the meaning of Code Section 422 to the extent permitted by the Plan and the Code and options in excess of the amount allowable as incentive stock options shall be non-qualified stock options under the Code.

3. Exercise Price. The exercise price (the "Exercise Price") for each share of Common Stock covered by this Option shall be \$ **[Exercise Price]** per share.

4. Adjustment of Options. The Committee shall adjust the number of Option Shares and the Exercise Price thereof in certain circumstances in accordance with the provisions of Item 11 of the Plan.

5. Exercise of Options.

A. Exercise of Option. Subject to the other terms of this Agreement, Optionee's right to exercise the Option granted hereunder shall be subject to the following Vesting Schedule wherein Optionee shall be entitled to exercise his right to purchase the Option Shares at any point in time during this Agreement only to the extent indicated below:

Vesting Schedule

<u>Date First Becoming Vested</u>	<u>Number of Option Shares</u>
First anniversary of Effective Date	1/3 of Option Shares granted
Second anniversary of Effective Date	1/3 of Option Shares granted
Third anniversary of Effective Date	1/3 of Option Shares granted

B. Partial Exercise. Subject to the terms of the Plan, this Option (to the extent vested as provided in Paragraph 5A above) may be exercised for all or any part of the Option Shares.

C. Method of Exercising Option. Subject to Paragraph 5A above, any Option granted hereunder or any portion thereof may be exercised by the Optionee by delivering to the Company at its main office (attention of its Secretary) written notice which shall set forth the Optionee's election to exercise a portion or all of his Option, the number of shares with respect to which the Option rights are being exercised and such other representations and agreements as may be required by the Company to comply with applicable securities laws and by paying in full the purchase price of the shares purchased in cash or its equivalent or, subject to the approval of the Committee, pursuant to one of the alternative methods set forth in Paragraph 10B of the Plan.

D. Nonassignability of Option. The Option shall not be assignable or transferable by the Optionee except by will or by the laws of descent and distribution. Any distributee by will or by the laws of descent and distribution shall be bound by the provisions of the Plan and this Agreement. During the life of the Optionee, the Option shall be exercisable only by the Optionee. Any attempt to assign, pledge, transfer, hypothecate or otherwise dispose of the Option, and any levy of execution, attachment or similar process on the Option, shall be null and void.

E. Termination of Employment other than as a Result of Death or Disability. If Optionee ceases to be an Employee other than as a result of Optionee's death or disability (as defined in Paragraph F below), then the Option shall be exercisable only to the extent exercisable (*i.e.* , vested) on the date of termination of employment and all incentive stock options must be exercised on or before the date that is ninety (90) days after the effective date of termination of employment and all nonqualified stock options must be exercised on or before one hundred eighty (180) days after the effective date of termination of employment. To the extent any portion of the Option is not exercisable (*i.e.* , not vested) on the date of termination of employment, such nonvested portion of the Option shall terminate on the date of termination of employment. To the extent any portion of the Option is not exercised on or before the date that is ninety (90) days (in the case of incentive stock options) or one hundred eighty (180) days (in the case of nonqualified stock options) after the date of termination of employment, such portion of the Option shall terminate as of such date. Nothing in the Plan shall be construed as imposing any obligation on the Company to continue the employment of Optionee or shall interfere or restrict in any way the rights of the Company to discharge Optionee at any time for any reason whatsoever, with or without cause.

F. Termination of Employment as a Result of Death or Disability. In the event of the death or disability of the Optionee while in the employ of the Company, the personal representative of the Optionee (in the event of Optionee's death) or the Optionee (in the event of Optionee's disability) may, subject to the provisions hereof and before the earlier of the Option's expiration date or the expiration of one (1) year after the date of such death or disability, exercise the Option granted to the Optionee to the same extent the Optionee might have exercised such Option on the date of Optionee's death or disability (*i.e.* , to the extent then vested), but not further or otherwise. To the extent any portion of the Option is not exercisable at the date of the death or disability of the Optionee (*i.e.* , to the extent not then vested), such nonvested portion of the Option shall terminate on the date of death or disability. To the extent any portion of the Option is not exercised within the time period provided, such portion of the Option shall terminate as of the date of expiration of such time period. For purposes of this Paragraph F, the Optionee shall be considered to be subject to a disability when the Optionee is disabled within the meaning of Code Section 22(e)(3), and the date of any such disability shall be deemed to be the day following the last day the Optionee performed services for the Company.

G. Period to Exercise Option. The Option granted hereunder may, prior to its expiration or termination, be exercised from time to time, in whole or in part, up to the total number of Option Shares with respect to which it shall have then become exercisable. An Option granted hereunder may become exercisable in installments as determined by the Committee; provided, however, that if the Option is exercisable in more than one installment, and if the employment of the Optionee is terminated, then the Option (or such portion thereof as shall be exercisable in accordance with the terms of this Agreement) shall be exercisable during the period set forth in Paragraph E or F (whichever is applicable).

H. No Exercise after Five Years. The Option shall in no event be exercisable after five (5) years from the date hereof.

I. Issuance of Stock Certificates Upon Exercise. Subject to the provisions of Item 6 of this Agreement, upon receipt of the Exercise Price for any Option Shares, the Company will issue to Optionee shares of Common Stock equal to the number of such Option Shares; provided, however, that no stock certificate shall be issued to the Optionee pursuant to the exercise of any Option granted herein, in whole or in part, unless and until either: (i) the Option Shares have been registered in accordance with the rules of the SEC, or (ii) Optionee signs an Investment Letter in a form provided by the Company.

6. Restriction on Issuance of Shares; Optionee's Representations

A. Securities Laws - Restrictions on Issuance of Shares. No shares of Common Stock shall be issued or sold upon the exercise of any portion of the Option unless and until (i) the full amount of the Exercise Price has been paid as provided in Item 5C hereof, and (ii) the then applicable requirements of the Securities Act of 1933 and the applicable securities laws of any state, the rules and regulations of the Securities and Exchange Commission and any other regulations of any securities exchange on which the Common Stock may be listed, shall have been fully complied with and satisfied.

B. Purchase for Investment; Other Representations of Optionee. In the event the offering of shares with respect to which the Option is being exercised is not registered under the Securities Act of 1933, but an exemption is available which requires an investment representation or other representation, the Optionee shall, as a condition to exercise of

this Option, be required to execute such documents as may be necessary or advisable in the opinion of counsel for the Company to comply with any federal securities laws or any applicable state securities laws. Stock certificates evidencing such unregistered shares acquired upon exercise of the Option shall bear a restrictive legend in substantially the following form and such other restrictive legends as are required or advisable under the provisions of any applicable laws:

This stock certificate and the shares represented hereby have not been registered under the Securities Act of 1933, as amended (the "Act") nor under the securities laws of any state and shall not be transferred at any time in the absence of (i) an effective registration statement under the Act and any other applicable state law with respect to such shares at such time; or (ii) an opinion of counsel satisfactory to the Company and its counsel to the effect that such transfer at such time will not violate the Act or any applicable state securities laws; or (iii) a "no action" letter from the Securities and Exchange Commission and a comparable ruling from any applicable state agency with respect to such state's securities laws.

C. Holding Period Before Sale of Option Shares. If the Optionee is an insider subject to the SEC's rules under Section 16(b) of the Securities and Exchange Act of 1934, then the Optionee shall be restricted from selling any Option Shares acquired by him through exercise of the Options or any portion thereof during the six (6) month period following the date of grant of the Option.

7. Additional Agreements. As a material inducement to the grant of Options to Optionee hereunder, the provisions of Items 7, 8, 9, 10 and 11 shall apply.

A. For purposes of this Agreement, the following terms and provisions shall have the following meanings:

(i) The "Prohibited Time Period" shall mean the period beginning on the date of execution hereof and ending on the date that is one (1) year after the termination of Optionee's employment with the Company.

(ii) "Prohibited Employee" means any employee, independent contractor or consultant of the Company or its subsidiaries who worked for the Company or its subsidiaries at any time within six (6) months prior to the Determination Date; provided, however, that the term "Prohibited Employee" shall not include any employee who had not been employed by the Company within the six (6) month period immediately preceding the date contacted by Optionee for subsequent employment.

(iii) "Determination Date" shall mean any date as of which a determination is being made as to who is a Prohibited Employee.

(iv) "Confidential Information" means business information of the Company (including but not limited to, information included within or relating to any Works, the fact that Optionee is performing services for the Company, the type of services being performed, network architecture, software, hardware, systems, system requirements and plans, database, automation capabilities and plans, compilations, analyses, reports, forecasts, strategic insights and statistical models about customers or prospective customers and their behavior, know-how, ideas, research and development, programs, methods, techniques, processes, financial information and data, business plans, business strategies, marketing plans and strategies, customer lists, price lists, cost information, information about employees and information and descriptions of new products and new product development) now known by Optionee, or in Optionee possession, or hereafter learned or acquired by Optionee, that derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use. Confidential Information may be written or oral, expressed in electronic media or otherwise disclosed, and may be tangible or intangible. Confidential Information also includes any information made available to the Company by its customers or other third parties and which the Company is obligated to keep confidential. Confidential Information does not include information which at the time of disclosure or thereafter becomes publicly available other than through Optionee's fault or negligence.

(v) "Employed" or "Employment" means, for purposes of this Agreement only, to be engaged in the performance of services for or on behalf of the Company or its subsidiaries, whether as an employee, independent contractor or otherwise.

(vi) "Works" means any work, studies, reports or analyses devised, developed, designed, formulated or reduced to writing by Optionee at any time while Optionee is or has been Employed by the Company, including, without limitation any and all compositions or works of authorship, concepts,

compilations, abridgments, or other form in which Optionee may directly or indirectly recast, transform or adapt any of the foregoing.

(vii) "Materials" means any product, model, document, instrument, report, plan, proposal, specification, manual, tape, and all reproductions, copies or facsimiles thereof, or any other tangible item which in whole or in part contains, embodies or manifests, whether in printed, handwritten, coded, magnetic, digital or other form, any Confidential Information or Works.

B. Optionee agrees that during the Prohibited Time Period, he shall not, for any reason, without the prior written consent of the Company, on his own behalf or in the service or on behalf of others, hire any Prohibited Employee or request or induce any Prohibited Employee to terminate that person's employment or relationship with the Company or to accept employment with any other person.

8. Ownership of Works and Materials.

A. Optionee agrees that all Confidential Information, Works and Materials are the sole and exclusive property of the Company.

B. Optionee also specifically acknowledges and agrees that any tangible expression of any Confidential Information, Works or Materials were developed, made or invented exclusively for the benefit of and are the sole and exclusive property of the Company or its successors and assigns as "works for hire" under Section 201 of Title 17 of the United States Code.

C. In the event that any Confidential Information, Works or Materials are deemed not to be a work for hire, Optionee agrees to assign, and does hereby irrevocably assign, to the Company all of his right, title and interest in and to such Confidential Information, Works and Materials. Optionee further agrees to take any actions, including the execution of documents or instruments, which the Company may reasonably require to effect Optionee's assignment of rights pursuant to this Item 8C, and Optionee hereby constitutes and appoints, with full power of substitution and resubstitution, the Company as Optionee's attorney-in-fact to execute and deliver any documents or instruments which Optionee has agreed to execute and deliver pursuant to this Item 8C.

D. Optionee hereby waives and releases in favor of Company all rights in and to the Confidential Information, Works and Materials and agrees that Company shall have the right to revise, condense, abridge, expand, adapt, change, modify, add to, subtract from, re-title or otherwise modify the Confidential Information, Works and Materials without Optionee's consent.

9. Confidentiality.

A. Optionee agrees to protect the Company's Confidential Information by agreeing that Optionee will not, at any time from and after the date hereof until a date that is three (3) years after Optionee's Employment with the Company has terminated for any reason, directly or indirectly, disclose, reveal or permit access to all or any portion of the Confidential Information (including any facilities, apparatus or equipment which embody or employ all or any portion of the Confidential Information), to any Person without the written consent of the Company, except to Persons designated or Employed by the Company, or unless compelled to do so by law, provided that Optionee will provide the Company with sufficient advance notice so that Company may seek a protective order to avoid disclosure of such Confidential Information.

B. Without the prior written consent of the Company, Optionee agrees that Optionee will not, directly or indirectly, use or exploit any Confidential Information at any time from and after the date hereof until a date that is three (3) years after Optionee's Employment with the Company has terminated for any reason for any purpose other than in connection with Optionee's Employment duties and obligations, including without limitation, using Confidential Information to induce or attempt to induce any Person to cease doing business or not to commence doing business with the Company, or to solicit or assist in the solicitation of the business of any customer for any products or services competing with those products and services offered and sold by the Company.

C. Additionally, Optionee agrees that, upon the earlier of either the written request of the Company or upon termination of Optionee's Employment, Optionee will deliver to the Company all Confidential Information that Optionee has in Optionee's possession or control.

10. Disclosure Requirements.

In order to avoid any ambiguity in connection with the creation of any Work which Optionee claims is not covered by this Agreement, Optionee agrees to disclose in writing to the Company complete details on any Works that are devised, developed, designed, formulated or reduced to writing by Optionee at any time while Optionee is or has been Employed by the Company.

Such disclosure shall be made promptly upon development, design or formulation with respect to any Works created while Optionee is employed by the Company, and shall be disclosed in writing pursuant to such form as the Company may from time to time provide.

11. Business Opportunities

For so long as Optionee is Employed by the Company, Optionee will not, without the prior written consent of the Company (which consent may be withheld by the Company in the exercise of its absolute discretion), engage, directly or indirectly, in any business, venture or activity that Optionee is aware or reasonably should be aware that the Company or any affiliate of the Company is engaged in, intends at any time to become engaged in, or might become engaged in if offered the opportunity, or in any other business, venture or activity if the Company reasonably determines that such activity would adversely affect the business of the Company or any affiliate thereof or the performance by Optionee of any of Optionee's duties or obligations to the Company.

12. No Rights as a Shareholder. The Optionee shall not have any rights as a shareholder with respect to any Option Shares covered by the Option granted hereunder until the issuance of a stock certificate for such shares. No adjustment shall be made on the issuance of a stock certificate to the Optionee as to any dividends or other rights for which the record date occurred prior to the date of issuance of such certificate.

13. No Employment Rights. This Agreement shall not confer upon Optionee any right with respect to the continuance of employment by the Company, nor shall it interfere in any way with the right of the Company to terminate such employment at any time.

14. Enforcement. If any portion of this Agreement shall be determined to be invalid or unenforceable, the remainder shall be valid and enforceable to the extent possible.

15. Clawback Agreement. In accordance with the Company's clawback policy applicable to executive officers of the Company, in the event Optionee is an executive officer of the Company, then Optionee hereby agrees to reimburse the Company for all or any portion of any bonuses or incentive or equity-based compensation if the Compensation Committee of the Company's Board of Directors in good faith determines: (a) the payment or grant was based on the achievement of certain financial results that were subsequently the subject of a material financial restatement (other than as a result of a change in accounting principles) and a lower payment or award would have occurred based upon the restated financial results; or (b) Optionee engaged in fraud or intentional misconduct related to the Company or its business. In each such instance, the Company will, to the extent practicable and allowable under applicable law, require reimbursement of any bonus or incentive or equity based compensation awarded or effect the cancellation of any unvested or deferred stock awards previously granted to Optionee in the amount by which Optionee's bonus or incentive or equity based compensation for the relevant period exceeded the lower payment that would have been made based on the restated financial results, or such other amount as determined by the Compensation Committee, provided that the Company will not be entitled to recover bonuses or incentive or equity based compensation paid more than three years prior to the date the applicable restatement is disclosed.

16. Notices. Any written notice under this Agreement shall be deemed given on the date that is three business days after it is sent by registered or certified mail, postage prepaid, addressed either to the Optionee at his address as indicated in the Company's employment records or to the Company at its principal office. Any notice may be sent using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail or electronic mail) but no such notice shall be deemed to have been duly given unless and until it is actually received by the intended recipient.

17. Amendment. This Agreement may not be amended except by a writing signed by the Company and Optionee.

18. Heirs and Successors. Subject to Item 5D above, this Agreement and all terms and conditions hereof shall be binding upon the Company and its successors and assigns, and upon the Optionee and his or her heirs, legatees and legal representatives.

19. Interpretation. Any issues of interpretation of any provision of this Agreement shall be resolved by the Compensation Committee of the Board of Directors of the Company.

20. Severability. The provisions of this Agreement, and of each separate section and subsection, are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any unenforceable provisions to the extent enforceable, shall nevertheless be binding and enforceable.

21. Governing Law; Jurisdiction. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by and construed according to the internal law and not the law of conflicts of the State of Nevada. Each of the undersigned further agrees that any action or proceeding brought or initiated in respect of this Agreement may be brought or initiated in the United States District Court for the State of Nevada or in any District Court located in Clark County, Nevada, and each of the undersigned consents to the exercise of personal jurisdiction and the placement of venue in any of such courts, or in any jurisdiction allowed by law, in any such action or proceeding and further consents that service of process may be effected in any such action or proceeding in the manner provided in Section 14.065 of the Nevada Revised Statutes or in such other manner as may be permitted by law. Each of the undersigned further agrees that no such action shall be brought against any party hereunder except in one of the courts above named.

22. Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or any other provision hereof.

23. Deemed Signature; Counterparts. It is contemplated that the Optionee will confirm his/her acceptance of the option grant evidenced hereby and the terms of this Agreement by logging onto the Plan administrator's website and electronically indicating his/her acceptance. As the Optionee's information on the Plan administrator's website is password protected, such acceptance shall be deemed to be the Optionee's acceptance absent Optionee's ability to establish that he/she did not accept this Agreement and that whoever indicated such acceptance did so without the Optionee's knowledge or acquiescence. Further, the acceptance by Optionee of any benefits from the ownership of stock options granted under this Agreement (whether by exercising any options, selling any shares acquired on option exercise or otherwise) shall also be deemed a confirmation by Optionee of his/her intent to be bound by the terms of this Agreement. If this Agreement is physically signed (which is not required), then it may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document, and all counterparts shall be construed together and shall constitute one instrument. If this Agreement is physically signed (which is not required), this Agreement may be executed by any party by delivery of a facsimile or pdf signature, which signature shall have the same force as an original signature. Any party which delivers a facsimile or pdf signature shall promptly thereafter deliver an originally executed signature to the other parties; provided, however, that the failure to deliver an original signature page shall not affect the validity of any signature delivered by facsimile or pdf. A facsimile, pdf or photocopied signature shall be deemed to be the functional equivalent of an original for all purposes.

IN WITNESS WHEREOF, this Agreement has been duly executed on the date first above written.

PARTICIPANT: [Participant Name]

SIGNATURE: [Signed Electronically]

DATE: [Acceptance Date]

ALLEGIANT TRAVEL COMPANY

By: _____ Its: Chief Executive Officer

**ALLEGiant TRAVEL COMPANY
RESTRICTED STOCK
AGREEMENT**

This Restricted Stock Agreement (the “Agreement”) is made as of **[Grant Date]** (“Date of Grant”) between Allegiant Travel Company, a Nevada corporation (the “Company”) and **[Participant Name]** (“Grantee”).

1. LONG- TERM INCENTIVE PLAN. The restricted stock granted under this Agreement shall be subject to the terms, conditions and restrictions of the Allegiant Travel Company 2016 Long-Term Incentive Plan (the “Plan”). A copy of the Plan is available to Grantee upon request and is incorporated in this Agreement by this reference. Terms used in this Agreement that are defined in the Plan shall have the same meaning as in the Plan, unless the text of this Agreement clearly indicates otherwise.

2. RESTRICTED STOCK AWARDS.

A. The Company hereby grants to Grantee a total of **[Number of Shares Granted]** shares of the Company’s Common Stock (the “Restricted Stock”) subject to the terms and conditions set forth below.

B. The number of shares of common stock issued to the Grantee as Restricted Stock shall be recorded in the records of the Company.

C. The Restricted Stock has been awarded as compensation to the Grantee for services to be rendered over the vesting period provided for herein.

D. This Agreement sets forth the terms, conditions and restrictions applicable to the Restricted Stock granted to Grantee.

3. RESTRICTIONS.

A. The Restricted Stock has been awarded to the Grantee subject to the transfer and forfeiture conditions set forth in Paragraph C below (the “Restrictions”) which shall lapse, if at all, as described in Section 4 below. For purposes of this Award, the term Restricted Stock includes any additional shares of stock granted to the Grantee with respect to any Restricted Stock (e.g., shares issued upon a stock dividend or stock split) prior to the vesting of the Restricted Stock.

B. Grantee may not directly or indirectly, by operation of law or otherwise, voluntarily or involuntarily, sell, assign, pledge, encumber, charge or otherwise transfer (a “transfer”) any of the Restricted Stock prior to vesting as provided in Section 4 below. Any transfer or attempted transfer prior to such time shall be null and void and of no effect whatsoever.

C. If the Grantee’s employment with the Company terminates prior to the vesting of all Restricted Stock of the Grantee for any reason other than as set forth in Section 4 below, then the Grantee shall forfeit all of the Grantee’s right, title and interest in and to the Restricted Stock not vested as of the date of such termination and such Restricted Stock shall be reconveyed to the Company as of the date of such termination without further consideration or any act or action by the Grantee.

D. The Restrictions imposed under this Section 3 shall apply to all shares of the Company’s common stock or other securities issued with respect to Restricted Stock hereunder in connection with any merger, reorganization, consolidation, recapitalization, stock dividend or other change in corporate structure affecting the common stock of the Company which occurs prior to the vesting of the Restricted Stock.

4. EXPIRATION AND TERMINATION OF RESTRICTIONS. The Restrictions imposed under Section 3 above will expire and vesting of the Restricted Stock shall be as follows:

A. **[On first anniversary date]**, the Restrictions will expire with respect to one-third (1/3) of the Restricted Stock of the Grantee not forfeited prior to that date;

B. **[On second anniversary date]**, the Restrictions will expire with respect to an additional one-third ($\frac{1}{3}$) of the Restricted Stock of the Grantee not forfeited prior to that date; and

C. **[On third anniversary date]**, the Restrictions will expire with respect to the balance of the Restricted Stock of the Grantee not forfeited prior to that date.

Notwithstanding anything herein to the contrary, the following special vesting rules shall apply:

All Restricted Stock of a Grantee shall become fully vested upon the Grantee's death or total disability. Total disability shall be defined as a physician certified disability which permanently or indefinitely renders the Grantee unable to perform his/her usual duties for the Company.

5. **ADJUSTMENTS**. If the number of outstanding shares of common stock of the Company is changed as a result of a stock dividend, stock split or the like without additional consideration to the Company, the number of shares of Restricted Stock under this Agreement shall be adjusted to correspond to the change in the outstanding shares of the Company's common stock.

6. **VOTING AND DIVIDENDS**. Subject to the restrictions contained in Section 3 hereof, the Grantee shall have all rights of a stockholder of the Company with respect to the Grantee's Restricted Stock, including the right to vote the shares of the Grantee's Restricted Stock and the right to receive any cash or stock dividends, including dividends of stock of a company other than the Company. Stock dividends issued with respect to the Grantee's Restricted Stock shall be treated as additional shares of the Grantee's Restricted Stock (even if they are shares of a company other than the Company) that are subject to the same restrictions and other terms and conditions that apply to the shares with respect to which such dividends are issued. If a dividend is paid in other property, the Grantee will be credited with the amount of property which would have been received had the Grantee owned a number of shares of common stock equal to the number of shares of Restricted Stock credited to his/her account. The property so credited will be subject to the same restrictions and other terms and conditions applicable to the Restricted Stock under this Agreement and will be disbursed to the Grantee in kind simultaneously with the Restricted Stock to which such property relates.

7. **DELIVERY OF SHARES**. The shares of Restricted Stock of the Grantee will be issued in the name of the Grantee as Restricted Stock and will be held by the Company prior to vesting in certificated or uncertificated form. If a certificate for Restricted Stock is issued prior to vesting, such certificate shall be registered in the name of the Grantee and shall bear a legend in substantially the following form:

"This certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture and restrictions against transfer) contained in a Restricted Stock Agreement dated **[Grant Date]** between the registered owner of the shares represented hereby and Allegiant Travel Company. Release from such terms and conditions shall be made only in accordance with the provisions of such Agreement, copies of which are on file in the office of Allegiant Travel Company."

Upon request from the Company, the Grantee shall deposit with the Company a stock power, or powers, executed in blank and sufficient to reconvey the Restricted Stock to the Company upon any forfeiture of the Restricted Stock (or a portion thereof), in accordance with the provisions of this Agreement. Upon vesting of any Restricted Stock, any stock certificates and stock powers relating to such vested Restricted Stock shall be released to the Grantee upon request.

8. **ADDITIONAL AGREEMENTS**. As a material inducement to the grant of Restricted Stock to Grantee hereunder, the provisions of Sections 8, 9, 10, 11 and 12 shall apply.

A. For purposes of this Agreement, the following terms and provisions shall have the following meanings:

(i) The "Prohibited Time Period" shall mean the period beginning on the date of execution hereof and ending on the date that is one (1) year after the termination of Grantee's employment with the Company.

(ii) "Prohibited Employee" means any employee, independent contractor or consultant of the Company or its subsidiaries who worked for the Company or its subsidiaries at any time within six (6) months prior to the Determination Date.

(iii) "Determination Date" shall mean any date as of which a determination is being made as to who is a Prohibited Employee.

(iv) "Confidential Information" means business information of the Company (including but not limited to, information included within or relating to any Works, the fact that Grantee is performing services for the Company, the type of services being performed, network architecture, software, hardware, systems, system requirements and plans, database, automation capabilities and plans, compilations, analyses, reports, forecasts, strategic insights and statistical models about customers or prospective customers and their behavior, know-how, ideas, research and development, programs, methods, techniques, processes, financial information and data, business plans, business strategies, marketing plans and strategies, customer lists, price lists, cost information, information about employees and information and descriptions of new products and new product development) now known by Grantee, or in Grantee possession, or hereafter learned or acquired by Grantee, that derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use. Confidential Information may be written or oral, expressed in electronic media or otherwise disclosed, and may be tangible or intangible. Confidential Information also includes any information made available to the Company by its customers or other third parties and which the Company is obligated to keep confidential. Confidential Information does not include information which at the time of disclosure or thereafter becomes publicly available other than through Grantee's fault or negligence.

(v) "Employed" or "Employment" means, for purposes of this Agreement only, to be engaged in the performance of services for or on behalf of the Company or its subsidiaries, whether as an employee, independent contractor or otherwise.

(vi) "Works" means any work, studies, reports or analyses devised, developed, designed, formulated or reduced to writing by Grantee at any time while Grantee is or has been Employed by the Company, including, without limitation any and all compositions or works of authorship, concepts, compilations, abridgments, or other form in which Grantee may directly or indirectly recast, transform or adapt any of the foregoing.

(vii) "Materials" means any product, model, document, instrument, report, plan, proposal, specification, manual, tape, and all reproductions, copies or facsimiles thereof, or any other tangible item which in whole or in part contains, embodies or manifests, whether in printed, handwritten, coded, magnetic, digital or other form, any Confidential Information or Works.

B. Grantee agrees that during the Prohibited Time Period, he/she shall not, for any reason, without the prior written consent of the Company, on his/her own behalf or in the service or on behalf of others, hire any Prohibited Employee or request or induce any Prohibited Employee to terminate that person's employment or relationship with the Company or to accept employment with any other person.

9. OWNERSHIP OF WORKS AND MATERIALS.

A. Grantee agrees that all Confidential Information, Works and Materials are the sole and exclusive property of the Company.

B. Grantee also specifically acknowledges and agrees that any tangible expression of any Confidential Information, Works or Materials were developed, made or invented exclusively for the benefit of and are the sole and exclusive property of the Company or its successors and assigns as "works for hire" under Section 201 of Title 17 of the United States Code.

C. In the event that any Confidential Information, Works or Materials are deemed not to be a work for hire, Grantee agrees to assign, and does hereby irrevocably assign, to the Company all of his/her right, title and interest in and to such Confidential Information, Works and Materials. Grantee further agrees to take any actions, including the execution of documents or instruments, which the Company may reasonably require to effect Grantee's assignment of rights pursuant to this Section 9C, and Grantee hereby constitutes and appoints, with full power of substitution and resubstitution, the Company as Grantee's attorney-in-fact to execute and deliver any documents or instruments which Grantee has agreed to execute and deliver pursuant to this Section 9C.

D. Grantee hereby waives and releases in favor of Company all rights in and to the Confidential Information, Works and Materials and agrees that Company shall have the right to revise, condense, abridge, expand, adapt, change, modify, add to, subtract from, re-title or otherwise modify the Confidential Information, Works and Materials without Grantee's consent.

10. CONFIDENTIALITY.

A. Grantee agrees to protect the Company's Confidential Information by agreeing that Grantee will not, at any time from and after the date hereof until a date that is three (3) years after Grantee's Employment with the Company has terminated for any reason, directly or indirectly, disclose, reveal or permit access to all or any portion of the Confidential Information (including any facilities, apparatus or equipment which embody or employ all or any portion of the Confidential Information), to any Person without the written consent of the Company, except to Persons designated or Employed by the Company, or unless compelled to do so by law, provided that Grantee will provide the Company with sufficient advance notice so that Company may seek a protective order to avoid disclosure of such Confidential Information.

B. Without the prior written consent of the Company, Grantee agrees that Grantee will not, directly or indirectly, use or exploit any Confidential Information at any time from and after the date hereof until a date that is three (3) years after Grantee's Employment with the Company has terminated for any reason for any purpose other than in connection with Grantee's Employment duties and obligations, including without limitation, using Confidential Information to induce or attempt to induce any Person to cease doing business or not to commence doing business with the Company, or to solicit or assist in the solicitation of the business of any customer for any products or services competing with those products and services offered and sold by the Company.

C. Additionally, Grantee agrees that, upon the earlier of either the written request of the Company or upon termination of Grantee's Employment, Grantee will deliver to the Company all Confidential Information that Grantee has in Grantee's possession or control.

11. DISCLOSURE REQUIREMENTS. In order to avoid any ambiguity in connection with the creation of any Work which Grantee claims is not covered by this Agreement, Grantee agrees to disclose in writing to the Company complete details on any Works that are devised, developed, designed, formulated or reduced to writing by Grantee at any time while Grantee is or has been Employed by the Company. Such disclosure shall be made promptly upon development, design or formulation with respect to any Works created while Grantee is employed by the Company, and shall be disclosed in writing pursuant to such form as the Company may from time to time provide.

12. BUSINESS OPPORTUNITIES. For so long as Grantee is Employed by the Company, Grantee will not, without the prior written consent of the Company (which consent may be withheld by the Company in the exercise of its absolute discretion), engage, directly or indirectly, in any business, venture or activity that Grantee is aware or reasonably should be aware that the Company or any affiliate of the Company is engaged in, intends at any time to become engaged in, or might become engaged in if offered the opportunity, or in any other business, venture or activity if the Company reasonably determines that such activity would adversely affect the business of the Company or any affiliate thereof or the performance by Grantee of any of Grantee's duties or obligations to the Company.

13. WITHHOLDING TAXES. The Company is entitled to withhold an amount equal to the Company's required minimum statutory withholding taxes for the respective tax jurisdiction attributable to any share of common stock or property deliverable in connection with the Restricted Stock. Grantee may satisfy any withholding obligation in whole or in part by electing to have the Company retain shares of the Restricted Stock having a Fair Market Value on the date of vesting equal to the minimum amount to be withheld. Fair Market Value for this purpose shall be the closing price for a share of the Company's common stock on the last trading day before the date of vesting.

14. OTHER RIGHTS. The grant of Restricted Stock does not confer upon Grantee any right to continue in the employ of the Company and does not interfere with the right of the Company to terminate Grantee's employment at any time.

15. CLAWBACK AGREEMENT. In accordance with the Company's clawback policy applicable to executive officers of the Company, in the event Grantee is an executive officer of the Company, then Grantee hereby agrees to reimburse the Company for all or any portion of any bonuses or incentive or equity-based compensation if the Compensation Committee of the Company's Board of Directors in good faith determines: (a) the payment or grant was based on the achievement of certain financial results that were subsequently the subject of a material financial restatement (other than as a result of a change in accounting principles) and a lower payment or award would have occurred based upon the restated financial results; or (b) Grantee engaged in fraud or intentional misconduct related to the Company or its business. In each such instance, the Company will, to the extent practicable and allowable under applicable law, require reimbursement of any bonus or incentive or equity based compensation awarded or effect the cancellation of any unvested or deferred stock awards previously granted to Grantee in the amount by which Grantee's bonus or incentive or equity based compensation for the relevant period exceeded the lower payment that would have been made based on the restated financial results, or such other amount as determined by the Compensation

Committee, provided that the Company will not be entitled to recover bonuses or incentive or equity based compensation paid more than three years prior to the date the applicable restatement is disclosed.

16. NOTICES. Any written notice under this Agreement shall be deemed given on the date that is three business days after it is sent by registered or certified mail, postage prepaid, addressed either to the Grantee at his/her address as indicated in the Company's employment records or to the Company at its principal office. Any notice may be sent using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail or electronic mail) but no such notice shall be deemed to have been duly given unless and until it is actually received by the intended recipient.

17. NONTRANSFERABILITY. This Agreement and all rights hereunder are nontransferable and nonassignable by the Grantee, other than by the last will and testament of Grantee or the laws of descent and distribution, unless the Company consents thereto in writing. Any transfer or attempted transfer except pursuant to the preceding sentence shall be null and void and of no effect whatsoever.

18. SECTION 83(b) ELECTION. Grantee may make an election to be taxed upon the grant of his/her Restricted Stock under Section 83(b) of the Internal Revenue Code of 1986, as amended. To effect such election, the Grantee must file an appropriate election with the Internal Revenue Service within thirty (30) days after the grant of the Restricted Stock and otherwise in accordance with the applicable Treasury Regulations.

19. AMENDMENT. This Agreement may not be amended except by a writing signed by the Company and Grantee.

20. HEIRS AND SUCCESSORS. This Agreement and all terms and conditions hereof shall be binding upon the Company and its successors and assigns, and upon the Grantee and his/her heirs, legatees and legal representatives.

21. INTERPRETATION. Any issues of interpretation of any provision of this Agreement shall be resolved by the Compensation Committee of the Board of Directors of the Company.

22. SEVERABILITY. The provisions of this Agreement, and of each separate section and subsection, are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any unenforceable provisions to the extent enforceable, shall nevertheless be binding and enforceable.

23. GOVERNING LAW; JURISDICTION. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by and construed according to the internal law and not the law of conflicts of the State of Nevada. Each of the undersigned further agrees that any action or proceeding brought or initiated in respect of this Agreement may be brought or initiated in the United States District Court for the State of Nevada or in any District Court located in Clark County, Nevada, and each of the undersigned consents to the exercise of personal jurisdiction and the placement of venue in any of such courts, or in any jurisdiction allowed by law, in any such action or proceeding and further consents that service of process may be effected in any such action or proceeding in the manner provided in Section 14.065 of the Nevada Revised Statutes or in such other manner as may be permitted by law. Each of the undersigned further agrees that no such action shall be brought against any party hereunder except in one of the courts above named.

24. WAIVER. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or any other provision hereof.

25. DEEMED SIGNATURE; COUNTERPARTS. *It is contemplated that the Grantee will confirm his/her acceptance of the restricted stock grant evidenced hereby and the terms of this Agreement by logging onto the Plan administrator's website and electronically indicating his/her acceptance. As the Grantee's information on the Plan administrator's website is password protected, such acceptance shall be deemed to be the Grantee's acceptance absent Grantee's ability to establish that he/she did not accept this Agreement and that whoever indicated such acceptance did so without the Grantee's knowledge or acquiescence. Further, the acceptance by Grantee of any benefits from the ownership of stock granted under this Agreement (whether by voting the Restricted Stock, accepting dividends on the Restricted Stock, selling any shares of Restricted Stock or otherwise) shall also be deemed a confirmation by Grantee of his/her intent to be bound by the terms of this Agreement.* If this Agreement is physically signed (which is not required), then it may be executed in any number of counterparts with

the same effect as if all parties hereto had signed the same document, and all counterparts shall be construed together and shall constitute one instrument. If this Agreement is physically signed (which is not required), this Agreement may be executed by any party by delivery of a facsimile or pdf signature, which signature shall have the same force as an original signature. Any party which delivers a facsimile or pdf signature shall promptly thereafter deliver an originally executed signature to the other parties; provided, however, that the failure to deliver an original signature page shall not affect the validity of any signature delivered by facsimile or pdf. A facsimile, pdf or photocopied signature shall be deemed to be the functional equivalent of an original for all purposes.

IN WITNESS WHEREOF, the Company has executed this Agreement as of day and year first above written.

ALLEGiant TRAVEL COMPANY

By: _____

Its: _____

The undersigned Grantee hereby accepts, and agrees to, all terms and provisions of the foregoing Award.

Name: **[Participant Name]**

Signature: **[Signed Electronically]**

Date: **[Acceptance Date]**

**ALLEGIANT TRAVEL COMPANY
STOCK APPRECIATION RIGHTS AGREEMENT**

THIS STOCK APPRECIATION RIGHTS AGREEMENT (the “Agreement”) is made and entered into as of **[Grant Date]** (“ (the “Effective Date”), between ALLEGIANT TRAVEL COMPANY, a Nevada corporation (the “Company”) and **[Participant Name]** (the “Participant”).

THE PARTIES AGREE AS FOLLOWS:

1. **Long Term Incentive Plan**. The exercise of the Stock Appreciation Rights granted under this Agreement shall be subject to the terms, conditions and restrictions of the Allegiant Travel Company 2016 Long-Term Incentive Plan (the “Plan”). A copy of the Plan is available to Participant upon request and is incorporated in this Agreement by this reference. Terms used in this Agreement that are defined in the Plan shall have the same meaning as in the Plan, unless the text of this Agreement clearly indicates otherwise.
2. **Grant of Stock Appreciation Rights**. The Company hereby grants to Participant pursuant to the Plan stock appreciation rights (the “SARs”) with respect to **[Number of Shares Granted]** shares (the “Shares”) of the Company's \$.001 par value common stock (the “Common Stock”) on the terms and conditions set forth herein and in the Plan. The SARs consist of the right to receive, upon exercise of the SAR (or any portion thereof) a cash payment equal to the number of SARs being exercised multiplied by the excess of the Fair Market Value (as defined in the Plan) of the Common Stock on the date upon which the Participant exercises the SAR (or any portion thereof) over the Exercise Price. The SARs shall only be settled in cash and not in shares of Common Stock in the Company or any other property.
3. **Exercise Price**. The exercise price (the “Exercise Price”) for the SARs covered by this Agreement shall be **\$(Exercise Price)** per share.
4. **Adjustment of SARs**. Notwithstanding anything in this Agreement to the contrary, the number of Shares to which the SARs granted hereunder relate and the Exercise Price per Share shall be equitably adjusted in the event of a stock split, stock dividend, combination or similar exchange of Shares, recapitalization, reorganization, merger or consolidation in order to preserve the benefits or potential benefits intended to be made available to Participant under this Agreement. Further, the number of Shares to which the SARs granted hereunder relate and the Exercise Price per Share may be equitably adjusted, in the sole discretion of the Committee, in the event of an extraordinary dividend, split-up, spin-off, warrants or rights offering to purchase Shares at a price substantially below Fair Market Value or other similar corporate event affecting the Shares, in each case in order to preserve, but not increase, the benefits or potential benefits intended to be made available to Participant under this Agreement. With respect to any such adjustments to be made in the discretion of the Committee, such adjustments shall be made by the Committee, in its sole discretion, whose determination as to what adjustments shall be made, and the extent thereof, shall be final. Unless otherwise determined by the Committee, such adjusted awards shall be subject to the same restrictions and vesting or settlement schedule to which the underlying award is subject.
5. **Exercise of SARs**.

A. **Exercise of SARs**. Subject to the other terms of this Agreement, Participant's right to exercise the SARs granted hereunder shall be subject to the following Vesting Schedule wherein Participant shall be entitled to exercise his or her SARs at any point in time during this Agreement only to the extent indicated below:

Vesting Schedule

<u>Date</u>	<u>First Becoming Vested</u>	<u>Number of SARs</u>
First anniversary of Effective Date		1/3 of SARs granted
Second anniversary of Effective Date		1/3 of SARs granted
Third anniversary of Effective Date		1/3 of SARs granted

All SARs of the Participant shall become fully vested upon the Participant’s death or total disability. Total disability shall be defined as a physician certified disability which permanently or indefinitely renders the Participant unable to perform his or her usual duties for the Company.

B. Partial Exercise. Subject to the terms of the Plan, the SARs (to the extent vested as provided in Paragraph 5A above) may be exercised in whole or in part.

C. Method of Exercising SARs. Subject to Paragraph 5A above, any SARs granted hereunder or any portion thereof may be exercised by the Participant by delivering to the Company at its main office (attention of its Secretary) written notice which shall set forth the Participant's election to exercise a portion or all of the vested SARs, the number of SARs with respect to which the SARs rights are being exercised and such other representations and agreements as may be required by the Company to comply with applicable securities laws.

D. Nonassignability of SARs. The SARs shall not be assignable or transferable by the Participant except by will or by the laws of descent and distribution. Any distributee by will or by the laws of descent and distribution shall be bound by the provisions of the Plan and this Agreement. During the life of the Participant, the SARs shall be exercisable only by the Participant. Any attempt to assign, pledge, transfer, hypothecate or otherwise dispose of the SARs, and any levy of execution, attachment or similar process on the SARs, shall be null and void.

E. Termination of Employment other than as a Result of Death or Disability. If Participant ceases to be an Employee other than as a result of Participant's death or disability (as defined in Paragraph F below), then the SARs shall be exercisable only to the extent exercisable (*i.e.* , vested) on the date of termination of employment. In such event, the vested SARs must be exercised on or before the date that is ninety (90) days after the effective date of termination of employment. To the extent any portion of the SARs is not exercisable (*i.e.* , not vested) on the date of termination of employment, such nonvested portion of the SARs shall terminate on the date of termination of employment. To the extent any portion of the SARs is not exercised on or before the date that is ninety (90) days after the date of termination of employment, such portion of the SARs shall terminate as of the end of such date. Nothing in the Agreement shall be construed as imposing any obligation on the Company to continue the employment of Participant or shall interfere or restrict in any way the rights of the Company to discharge Participant at any time for any reason whatsoever, with or without cause.

F. Termination of Employment as a Result of Death or Disability. In the event of the death or disability of the Participant while in the employ of the Company, the personal representative of the Participant (in the event of Participant's death) or the Participant (in the event of Participant's disability) may, subject to the provisions hereof and before the earlier of the SARs' expiration date or the date that is ninety (90) days after the date of such death or disability, exercise the SARs granted to the Participant to the same extent the Participant might have exercised such SARs on the date of Participant's death or disability (*i.e.* , to the extent then vested), but not further or otherwise. To the extent any portion of the SARs is not exercisable at the date of the death or disability of the Participant (*i.e.* , to the extent not then vested), such nonvested portion of the SARs shall terminate on the date of death or disability. To the extent any portion of the SARs is not exercised within the time period provided, such portion of the SARs shall terminate as of the date of expiration of such time period. For purposes of this Paragraph F, the Participant shall be considered to be subject to a disability when the Participant is disabled within the meaning of Code Section 22(e)(3), and the date of any such disability shall be deemed to be the day following the last day the Participant performed services for the Company.

G. Period to Exercise SARs. The SARs granted hereunder may, prior to their expiration or termination, be exercised from time to time, in whole or in part, up to the total number of Shares with respect to which they shall have then become exercisable. The SARs granted hereunder may become exercisable in installments as determined by the Committee; provided, however, that if the SARs is exercisable in more than one installment, and if the employment of the Participant is terminated, then the SARs (or such portion thereof as shall be exercisable in accordance with the terms of this Agreement) shall be exercisable during the period set forth in Paragraph E or F (whichever is applicable).

H. No Exercise after Five Years. The SARs shall in no event be exercisable after five (5) years from the date hereof.

I. Payment of Cash Upon Exercise. Upon exercise of any portion or all of the SARs, the Company will make payment to Participant based on the Fair Market Value of the Common Stock on the date of exercise as provided in Item 2 above. Deductions shall be made from any cash payment to Participant hereunder for social security, Medicare, federal and state withholding taxes, and any other such taxes as may from time to time be required by governmental authority.

6. Additional Agreements. As a material inducement to the grant of SARs to Participant hereunder, the provisions of Items 6, 7, 8, 9 and 10 shall apply.

A. For purposes of this Agreement, the following terms and provisions shall have the following meanings:

(i) The "Prohibited Time Period" shall mean the period beginning on the date of execution hereof and ending on the date that is one (1) year after the termination of Participant's employment with the Company.

(ii) "Prohibited Employee" means any employee, independent contractor or consultant of the Company or its subsidiaries who worked for the Company or its subsidiaries at any time within six (6) months prior to the Determination Date.

(iii) "Determination Date" shall mean any date as of which a determination is being made as to who is a Prohibited Employee.

(iv) "Confidential Information" means business information of the Company (including but not limited to, information included within or relating to any Works, the fact that Participant is performing services for the Company, the type of services being performed, network architecture, software, hardware, systems, system requirements and plans, database, automation capabilities and plans, compilations, analyses, reports, forecasts, strategic insights and statistical models about customers or prospective customers and their behavior, know-how, ideas, research and development, programs, methods, techniques, processes, financial information and data, business plans, business strategies, marketing plans and strategies, customer lists, price lists, cost information, information about employees and information and descriptions of new products and new product development) now known by Participant, or in Participant possession, or hereafter learned or acquired by Participant, that derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use. Confidential Information may be written or oral, expressed in electronic media or otherwise disclosed, and may be tangible or intangible. Confidential Information also includes any information made available to the Company by its customers or other third parties and which the Company is obligated to keep confidential. Confidential Information does not include information which at the time of disclosure or thereafter becomes publicly available other than through Participant's fault or negligence.

(v) "Employed" or "Employment" means, for purposes of this Agreement only, to be engaged in the performance of services for or on behalf of the Company or its subsidiaries, whether as an employee, independent contractor or otherwise.

(vi) "Works" means any work, studies, reports or analyses devised, developed, designed, formulated or reduced to writing by Participant at any time while Participant is or has been Employed by the Company, including, without limitation any and all compositions or works of authorship, concepts, compilations, abridgments, or other form in which Participant may directly or indirectly recast, transform or adapt any of the foregoing.

(vii) "Materials" means any product, model, document, instrument, report, plan, proposal, specification, manual, tape, and all reproductions, copies or facsimiles thereof, or any other tangible item which in whole or in part contains, embodies or manifests, whether in printed, handwritten, coded, magnetic, digital or other form, any Confidential Information or Works.

B. Participant agrees that during the Prohibited Time Period, he or she shall not, for any reason, without the prior written consent of the Company, on his or her own behalf or in the service or on behalf of others, hire any Prohibited Employee or request or induce any Prohibited Employee to terminate that person's employment or relationship with the Company or to accept employment with any other person.

7. Ownership of Works and Materials.

A. Participant agrees that all Confidential Information, Works and Materials are the sole and exclusive property of the Company.

B. Participant also specifically acknowledges and agrees that any tangible expression of any Confidential Information, Works or Materials were developed, made or invented exclusively for the benefit of and are the sole and exclusive property of the Company or its successors and assigns as "works for hire" under Section 201 of Title 17 of the United States Code.

C. In the event that any Confidential Information, Works or Materials are deemed not to be a work for hire, Participant agrees to assign, and does hereby irrevocably assign, to the Company all of his right, title and interest in and to such Confidential Information, Works and Materials. Participant further agrees to take any actions, including the execution of documents or instruments, which the Company may reasonably require to effect Participant's assignment of rights pursuant to this Item 7C, and Participant hereby constitutes and appoints, with full power of substitution and resubstitution, the Company as

Participant's attorney-in-fact to execute and deliver any documents or instruments which Participant has agreed to execute and deliver pursuant to this Item 7C.

D. Participant hereby waives and releases in favor of Company all rights in and to the Confidential Information, Works and Materials and agrees that Company shall have the right to revise, condense, abridge, expand, adapt, change, modify, add to, subtract from, re-title or otherwise modify the Confidential Information, Works and Materials without Participant's consent.

8. Confidentiality.

A. Participant agrees to protect the Company's Confidential Information by agreeing that Participant will not, at any time from and after the date hereof until a date that is three (3) years after Participant's Employment with the Company has terminated for any reason, directly or indirectly, disclose, reveal or permit access to all or any portion of the Confidential Information (including any facilities, apparatus or equipment which embody or employ all or any portion of the Confidential Information), to any Person without the written consent of the Company, except to Persons designated or Employed by the Company, or unless compelled to do so by law, provided that Participant will provide the Company with sufficient advance notice so that Company may seek a protective order to avoid disclosure of such Confidential Information.

B. Without the prior written consent of the Company, Participant agrees that Participant will not, directly or indirectly, use or exploit any Confidential Information at any time from and after the date hereof until a date that is three (3) years after Participant's Employment with the Company has terminated for any reason for any purpose other than in connection with Participant's Employment duties and obligations, including without limitation, using Confidential Information to induce or attempt to induce any Person to cease doing business or not to commence doing business with the Company, or to solicit or assist in the solicitation of the business of any customer for any products or services competing with those products and services offered and sold by the Company.

C. Additionally, Participant agrees that, upon the earlier of either the written request of the Company or upon termination of Participant's Employment, Participant will deliver to the Company all Confidential Information that Participant has in Participant's possession or control.

9. Disclosure Requirements.

In order to avoid any ambiguity in connection with the creation of any Work which Participant claims is not covered by this Agreement, Participant agrees to disclose in writing to the Company complete details on any Works that are devised, developed, designed, formulated or reduced to writing by Participant at any time while Participant is or has been Employed by the Company. Such disclosure shall be made promptly upon development, design or formulation with respect to any Works created while Participant is employed by the Company, and shall be disclosed in writing pursuant to such form as the Company may from time to time provide.

10. Business Opportunities.

For so long as Participant is Employed by the Company, Participant will not, without the prior written consent of the Company (which consent may be withheld by the Company in the exercise of its absolute discretion), engage, directly or indirectly, in any business, venture or activity that Participant is aware or reasonably should be aware that the Company or any affiliate of the Company is engaged in, intends at any time to become engaged in, or might become engaged in if offered the opportunity, or in any other business, venture or activity if the Company reasonably determines that such activity would adversely affect the business of the Company or any affiliate thereof or the performance by Participant of any of Participant's duties or obligations to the Company.

11. No Rights as a Shareholder. The Participant shall not have any rights as a shareholder with respect to any SARs granted hereunder. Except as provided in Item 4 of this Agreement or Section 12 of the Plan, no adjustment shall be made to the SARs granted hereunder as a result of any dividends or other rights paid with respect to the stock of the Company.

12. No Employment Rights. This Agreement shall not confer upon Participant any right with respect to the continuance of employment by the Company, nor shall it interfere in any way with the right of the Company to terminate such employment at any time.

13. Enforcement. If any portion of this Agreement shall be determined to be invalid or unenforceable, the remainder shall be valid and enforceable to the extent possible.

14. Clawback Agreement. In accordance with the Company's clawback policy applicable to executive officers of the Company, in the event Participant is an executive officer of the Company, then Participant hereby agrees to reimburse the Company for all or any portion of any bonuses or incentive or equity-based compensation if the Compensation Committee of the Company's Board of Directors in good faith determines: (a) the payment or grant was based on the achievement of certain financial results that were subsequently the subject of a material financial restatement (other than as a result of a change in accounting principles) and a lower payment or award would have occurred based upon the restated financial results; or (b) Participant engaged in fraud or intentional misconduct related to the Company or its business. In each such instance, the Company will, to the extent practicable and allowable under applicable law, require reimbursement of any bonus or incentive or equity based compensation awarded or effect the cancellation of any unvested or deferred stock awards previously granted to Participant in the amount by which Participant's bonus or incentive or equity based compensation for the relevant period exceeded the lower payment that would have been made based on the restated financial results, or such other amount as determined by the Compensation Committee, provided that the Company will not be entitled to recover bonuses or incentive or equity based compensation paid more than three years prior to the date the applicable restatement is disclosed.

15. Notices. Any written notice under this Agreement shall be deemed given on the date that is three business days after it is sent by registered or certified mail, postage prepaid, addressed either to the Participant at his address as indicated in the Company's employment records or to the Company at its principal office. Any notice may be sent using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail or electronic mail) but no such notice shall be deemed to have been duly given unless and until it is actually received by the intended recipient.

16. Amendment. This Agreement may not be amended except by a writing signed by the Company and Participant.

17. Heirs and Successors. Subject to Item 2D above, this Agreement and all terms and conditions hereof shall be binding upon the Company and its successors and assigns, and upon the Participant and his or her heirs, legatees and legal representatives.

18. Interpretation. Any issues of interpretation of any provision of this Agreement shall be resolved by the Compensation Committee of the Board of Directors of the Company.

19. Severability. The provisions of this Agreement, and of each separate section and subsection, are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any unenforceable provisions to the extent enforceable, shall nevertheless be binding and enforceable.

20. Governing Law; Jurisdiction. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by and construed according to the internal law and not the law of conflicts of the State of Nevada. Each of the undersigned further agrees that any action or proceeding brought or initiated in respect of this Agreement may be brought or initiated in the United States District Court for the State of Nevada or in any District Court located in Clark County, Nevada, and each of the undersigned consents to the exercise of personal jurisdiction and the placement of venue in any of such courts, or in any jurisdiction allowed by law, in any such action or proceeding and further consents that service of process may be effected in any such action or proceeding in the manner provided in Section 14.065 of the Nevada Revised Statutes or in such other manner as may be permitted by law. Each of the undersigned further agrees that no such action shall be brought against any party hereunder except in one of the courts above named.

21. Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or any other provision hereof.

22. Deemed Signature; Counterparts. *It is contemplated that the Participant will confirm his/her acceptance of the stock appreciation rights evidenced hereby and the terms of this Agreement by logging onto the Plan administrator's website and electronically indicating his/her acceptance. As the Participant's information on the Plan administrator's website is password protected, such acceptance shall be deemed to be the Participant's acceptance absent Participant's ability to establish that he/she did not accept this Agreement and that whoever indicated such acceptance did so without the Participant's knowledge or acquiescence. Further, the acceptance by Participant of any benefits from the stock appreciation rights granted under this Agreement (whether by exercising such stock appreciation rights or otherwise) shall also be deemed a confirmation by Participant of his/her intent to be bound by the terms of this Agreement.* If this Agreement is physically signed (which is not required), then it may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document, and all counterparts shall be construed together and shall constitute one instrument. If this Agreement is physically signed (which is not required), this Agreement may be executed by any party by

delivery of a facsimile or pdf signature, which signature shall have the same force as an original signature. Any party which delivers a facsimile or pdf signature shall promptly thereafter deliver an originally executed signature to the other parties; provided, however, that the failure to deliver an original signature page shall not affect the validity of any signature delivered by facsimile or pdf. A facsimile, pdf or photocopied signature shall be deemed to be the functional equivalent of an original for all purposes.

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IN WITNESS WHEREOF, this Agreement has been duly executed on the date first above written.

PARTICIPANT: **[Participant Name]**

SIGNATURE: **[Signed Electronically]**

DATE: **[Acceptance Date]**

ALLEGiant TRAVEL COMPANY

By: _____ Its: Chief Executive Officer

Computation of Ratio of Earnings to Fixed Charges
(in thousands, except for ratio)

	Nine Months Ended September 30, 2016
Earnings:	
Income before income taxes	\$ 283,949
Add: Fixed Charges	23,367
Add: Amortization of capitalized interest	95
Less: Interest capitalized	—
Less: Earnings from joint venture, net	142
Less: pre-tax net loss attributable to noncontrolling interest	—
Total earnings	<u>\$ 307,269</u>
Fixed charges:	
Interest expense (1)	\$ 21,567
Interest factor of operating lease expense (2)	1,800
Total fixed charges	<u>\$ 23,367</u>
Ratio of earnings to fixed charges (3)	<u>13.15</u>

- (1) Interest expense includes both expensed and capitalized, including amortization of deferred financing costs and original issue discount on debt.
(2) Interest factor of operating lease expense is based on an estimate which the Company considers to be a reasonable approximation.
(3) The ratio of earnings to fixed charges was computed by dividing earnings by fixed charges.

Certifications

I, Maurice J. Gallagher, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Allegiant Travel Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2016

/s/ Maurice J. Gallagher, Jr.

Title: Principal Executive Officer

Certifications

I, Scott Sheldon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Allegiant Travel Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2016

/s/ Scott Sheldon

Title: Principal Financial Officer

Allegiant Travel Company Certification under Section 906 of the Sarbanes/Oxley Act - filed as an exhibit to Form 10-Q for the Quarter Ended September 30, 2016

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Allegiant Travel Company (the "Company") on Form 10-Q for the period ended September 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Maurice J. Gallagher, Jr., Chief Executive Officer of the Company, and Scott Sheldon, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Maurice J. Gallagher, Jr.

Maurice J. Gallagher, Jr.

Principal Executive Officer

November 1, 2016

/s/ Scott Sheldon

Scott Sheldon

Principal Financial Officer

November 1, 2016

The foregoing Certification shall not be deemed incorporated by reference by any general statement incorporating by reference this report into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such Acts.