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**AMENDMENT NO. 1 TO  
SPARE PARTS MORTGAGE AND SECURITY  
AGREEMENT**

dated as of May \_\_\_, 2009

among

Frontier Airlines, Inc.,  
as Borrower

and

WestLB AG, New York Branch,  
as Security Agent

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**THIS AMENDMENT NO. 1 TO SPARE PARTS MORTGAGE AND SECURITY AGREEMENT** dated as of May \_\_, 2009 (this "**Amendment**"), amends that certain Spare Parts Mortgage and Security Agreement dated as of March 21, 2005 (as amended by that certain Amendment and Waiver to (A) Spare Parts Mortgage and Security Agreement and (B) Credit Agreement dated as of June 9, 2008, the "**Mortgage**"), among Frontier Airlines, Inc. (the "**Borrower**"), and WestLB AG, New York Branch, as security agent (the "**Security Agent**").

Capitalized terms used herein without other definition shall have the respective meanings set forth or incorporated by reference in the Mortgage.

W I T N E S S E T H:

**WHEREAS**, the Borrower and the Security Agent previously entered into the Mortgage and the parties hereto now desire to amend the Mortgage in certain respects all on the terms and conditions set forth in this Amendment and in accordance with Section 363 of Title 11 of the United States Code (as in effect for cases filed on the Petition Date (as hereinafter defined), the "**Bankruptcy Code**") and other applicable provisions of the Bankruptcy Code;

**WHEREAS**, Borrower and certain of its affiliates have filed voluntary bankruptcy petitions which are being jointly administered under Case No. 08-11298 (the "**Bankruptcy Cases**") on April 10, 2008, with the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"; the date of the filing of such petitions and the commencement of such proceedings, the "**Petition Date**");

**WHEREAS**, it is contemplated that the Mortgage will be amended pursuant to that certain Order Authorizing the Debtors to Amend Credit Agreement and Mortgage with WestLB AG to be entered by the Bankruptcy Court in the Bankruptcy Cases, the form of which order shall either be in the form annexed to Amendment No. 4 to Credit Agreement (defined below) as Exhibit A thereto or in such other form as reasonably agreed upon by each of the Borrower and the Administrative Agent (such agreed form of order, the "**Approval Order**");

**WHEREAS**, concurrently herewith the Borrower and the Security Agent are entering into Amendment No. 4 to Credit Agreement ("**Amendment No. 4 to Credit Agreement**"); and

**WHEREAS**, Borrower desires to amend the Mortgage in furtherance of its reorganization efforts.

**NOW, THEREFORE**, in consideration of the promises and of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**Section 1.** Effective Date. Subject to the satisfaction of the requirements of Section 6 hereof, this Amendment shall enter into effect (the "**Effective Date**") on the later of (x) July 31, 2009 and (y) the date that the aggregate principal amount of the Loans outstanding under the Credit Agreement (together with accrued and unpaid interest thereon, if any) and all other Obligations then due and payable (if any) have been paid in full.

**Section 2.** Amendments to the Mortgage. On the Effective Date, the Mortgage shall be amended as follows:

(a) Section 2.01(a) of the Mortgage is hereby amended in its entirety to read as follows:

(a) all Spare Parts currently owned or hereafter acquired by the Borrower including any replacements, substitutions or renewals therefor, and accessions thereto, including but not limited to Spare Parts owned or hereafter acquired by the Borrower and located at or related to the Designated Warehouses described on Schedule 1 attached hereto, which have a valuation as of the most recent Appraised Value Date equal to the sum of (x) One Hundred and Sixty Seven percent (167%) of the face value of Letter of Credit A and Letter of Credit B (to the extent the same remains outstanding either as an undrawn Letter of Credit or as an LC Disbursement not reimbursed by the Borrower), (y) accrued interest in respect of any LC Disbursement, if any, determined in accordance with the terms of the Credit Agreement, and (z) any unpaid amounts due under Section 10.03 of the Credit Agreement (such Spare Parts, the “**Pledged Spare Parts**”, which Pledged Spare Parts as of July 31, 2009 consist of the Spare Parts set forth as Exhibit C to that certain Amendment No. 1 to Spare Parts and Mortgage Security Agreement dated as of May \_\_\_\_, 2009, between the Borrower and the Security Agent);

**Section 3.** Additional Agreements. As of the Effective Date, the Security Agent (a) terminates, releases and discharges the security interest and lien granted under the Mortgage in and on the Spare Parts not constituting Pledged Spare Parts, and (b) will execute and deliver to, as directed in writing by, and at the expense of, the Borrower an appropriate instrument or instruments (in a form provided by the Borrower and approved by the Security Agent) reasonably required to release, without recourse, representation or warranty, the Spare Parts not constituting Pledged Spare Parts from the security interest and lien of the Mortgage.

**Section 4.** Ratification. Except as amended hereby, the Mortgage continues and shall remain in full force and effect in all respects. From and after the Effective Date of this Amendment, each and every reference in the Mortgage or any other Transaction Document to “the Mortgage”, “this Agreement”, “herein”, “hereof” or similar words and phrases referring to the Mortgage, or any word or phrase referring to a section or provision of the Mortgage, is deemed for all purposes to be a reference to the Mortgage or such section or provision as amended by this Amendment.

**Section 5.** Severability. Any provision of this Amendment which is prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**Section 6.** Conditions Precedent. The following are conditions precedent to the effectiveness of this Amendment:

(a) the conditions precedent set forth in Section 5 of Amendment No. 4 to Credit Agreement shall have been satisfied;

(b) the Administrative Agent shall have received the fees payable under Section 2(b) and Section 2(c) of Amendment No. 4 to Credit Agreement;

(c) the Administrative Agent and the Borrower shall have received a fully executed copy of (i) an amendment to Letter of Credit A (as defined in Amendment No. 4 to Credit Agreement) in the form of Exhibit A hereto, (ii) a receipt of such amendment to Letter of Credit A in the form of Exhibit D hereto, (iii) an amendment to Letter of Credit B (as defined in Amendment No. 4 to Credit Agreement) in the form of Exhibit B hereto, and (iv) a receipt of such amendment to Letter of Credit B in the form of Exhibit E hereto;

(d) the Borrower and the Security Agent shall have confirmed in writing that they are satisfied that the Pledged Spare Parts have a valuation as of the most recent Appraised Value Date at least equal to the sum of (x) One Hundred and Sixty Seven percent (167%) of the face value of Letter of Credit A and Letter of Credit B (to the extent the same remains outstanding either as an undrawn Letter of Credit or as an LC Disbursement not reimbursed by the Borrower), (y) accrued interest in respect of any LC Disbursement, if any, determined in accordance with the terms of the Credit Agreement, and (z) any unpaid amounts due under Section 10.03 of the Credit Agreement; and

(e) there shall be no Other Letter of Credit outstanding.

**Section 7.** Governing Law. THIS AMENDMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

**Section 8.** Counterparts. This Amendment may be executed by the parties hereto in separate counterparts (or upon separate signature pages bound together into one or more 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.

**Section 9.** Expenses. The Borrower agrees to pay the reasonable legal fees and related expenses of the Security Agent in connection with the negotiation, execution and documentation of this Amendment and the transactions contemplated hereby upon receipt by the Borrower of an invoice setting forth in reasonable detail such legal fees and related expenses. Nothing herein limits or affects the rights of the Security Agent or any Lender to receive, or the obligations of the Borrower to pay, any reimbursement or indemnification of fees, costs, expenses or other amounts as provided for under the Credit Agreement, any other Transaction Document or under applicable law (including without limitation Section 1110 of the Bankruptcy Code) with respect to any other aspect of the transactions contemplated hereby or by the Transaction Documents.

**[Continued on Next Page.]**

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

FRONTIER AIRLINES, INC.

By: \_\_\_\_\_  
Name:  
Title:

WESTLB AG, NEW YORK BRANCH, as  
Security Agent

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT A**  
**AMENDMENT TO LETTER OF CREDIT A**

**Amendment No. 1**

**Our Letter of Credit No.: 22703101357WLB**

Applicant: Frontier Airlines, Inc.  
Frontier Center One  
7001 Tower Road  
Denver, CO 80249

Beneficiary: ACE American Insurance Company  
436 Walnut Street  
Philadelphia, PA 19106-0000  
Attn: Collateral Manager

Date: May \_\_\_, 2009

Ladies and Gentlemen:

We hereby amend out Irrevocable Letter of Credit 22703101357WLB (the “**Letter of Credit**”) in your favor as follows:

The Letter of Credit shall expire on July 31, 2010, and the Letter of Credit shall not be subject to any extension or renewal the effect of which would be to extend such expiry date.

The following parenthetical is deleted from the Letter of Credit: “This Letter of Credit will be automatically renewed for a one year period upon the expiration date set forth above and upon each anniversary of such date, unless at least sixty (60) days prior to such expiration date, or prior to any anniversary of such date, we notify both of you and your client in writing by registered mail/overnight courier that we elect not to so renew this Letter of Credit.”

All other terms and conditions remain unchanged.

As your agreement is required for this amendment, please sign below and fax it back to us at (212) 597-8388 and overnight the original consent to the attention of the undersigned.

Sincerely,

WestLB AG  
New York Branch

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**We consent** to the amendment:

ACE American Insurance Company

By: \_\_\_\_\_

Name:

Title:

**We do not consent** to the amendment:

ACE American Insurance Company

By: \_\_\_\_\_

Name:

Title:



**EXHIBIT B**  
**AMENDMENT TO LETTER OF CREDIT B**

**Amendment No. 3**

**Our Letter of Credit No.:** 22703101279WLB

Applicant: Frontier Airlines, Inc.  
Frontier Center One  
7001 Tower Road  
Denver, CO 80249

Beneficiary: AIG Aviation, Inc.  
100 Colony Square, Suite 1000  
1175 Peachtree St., N.E.  
Atlanta, GA 30361  
Attn: Jim Miller

Date: May \_\_\_, 2009

Ladies and Gentlemen:

We hereby amend our Irrevocable Letter of Credit 22703101279WLB (as amended through the date hereof, the **“Letter of Credit”**) in your favor as follows:

The Expiration Date of the Letter of Credit shall be September 30, 2009, and the Letter of Credit shall not be subject to any extension or renewal the effect of which would be to extend such Expiration Date.

The following parenthetical is deleted from the Letter of Credit: “It is a condition of this Irrevocable Letter of Credit that it shall be automatically extended for an additional period of twelve (12) months from the present or any future expiration date, unless not less than thirty (30) days prior to such date we shall notify you in writing by registered mail at the address above indicated to the effect that we elect not to renew this Irrevocable Letter of Credit for such additional period.”

All other terms and conditions remain unchanged.

As your agreement is required for this amendment, please sign below and fax it back to us at (212) 597-8388 and overnight the original consent to the attention of the undersigned.

Sincerely,

WestLB AG  
New York Branch

By: \_\_\_\_\_  
Name:

By: \_\_\_\_\_  
Name:

Title:

Title:

**We consent** to the amendment:

**We do not consent** to the amendment:

AIG Aviation, Inc.

AIG Aviation, Inc.

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Name:

Title:

Title: