
AMENDMENT NO. 4 TO CREDIT AGREEMENT

dated as of May ___, 2009

among

Frontier Airlines, Inc.,
as Borrower

and

WestLB AG, New York Branch,
as Administrative Agent and as Lender

THIS AMENDMENT NO. 4 TO CREDIT AGREEMENT dated as of May ____, 2009 (this “**Amendment**”), amends that certain Credit Agreement dated as of March 21, 2005 (as amended by Amendments Nos. 1, 2 and 3 thereto, and that certain Amendment and Waiver to (A) Spare Parts Mortgage and Security Agreement and (B) Credit Agreement dated as of June 9, 2008, the “**Credit Agreement**”), among Frontier Airlines, Inc. (the “**Borrower**”), the lenders party thereto (the “**Lenders**”) and WestLB AG, New York Branch, as administrative agent for the Lenders as provided therein (the “**Administrative Agent**”).

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

W I T N E S S E T H:

WHEREAS, the Borrower, the Lenders and the Administrative Agent previously entered into the Credit Agreement and the parties hereto now desire to amend the Credit Agreement 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, the 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, the Borrower is seeking authorization to enter into and perform under this Amendment 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 hereto as Exhibit A 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**”); and

WHEREAS, the Borrower desires to amend the Credit Agreement 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. Amendments to the Credit Agreement. Subject to satisfaction of the requirements of Section 5 hereof, this Amendment (except as provided for below in respect of the amendments to Section 5.02 and Article VI of the Credit Agreement) shall be effective as of the date hereof (the “**Effective Date**”). As of the Effective Date, the Credit Agreement shall be amended as follows; provided, however, that the amendments to Section 5.02 and Article VI of the Credit Agreement shall be effective as of the Effective Date (as such term is defined in that certain Amendment No. 1 to Spare Parts Mortgage and Security Agreement dated as of May ____,

2009 (the “**Amendment No. 1 to Spare Parts Mortgage and Security Agreement**”), between the Borrower and the Administrative Agent:

(a) Section 1.01 of the Credit Agreement is hereby amended by deleting the defined term “Availability Period” in its entirety and inserting the following in lieu thereof:

“**Availability Period**” means the period from and including the Effective Date through and including May __, 2009.

(b) Section 1.01 of the Credit Agreement is hereby amended by deleting the defined term “Commitment Termination Date” in its entirety and inserting the following in lieu thereof:

“**Commitment Termination Date**” means July 21, 2009.

(c) Section 1.01 of the Credit Agreement is hereby amended by deleting the defined term “Letter of Credit” in its entirety and inserting the following in lieu thereof:

“**Letter of Credit**” means Letter of Credit A, Letter of Credit B and any Other Letter of Credit.

(d) Section 1.01 of the Credit Agreement is hereby amended by inserting the following defined terms in their corresponding alphabetical order:

“**Letter of Credit A**” means that certain Irrevocable Letter of Credit No. 22703101357WLB issued on October 2, 2006, in favor of ACE American Insurance Company, as the same maybe amended from time to time.

“**Letter of Credit B**” means that certain Letter of Credit No. 22703101279WLB issued on June 6, 2005, in favor of AIG Aviation, Inc., as the same maybe amended from time to time.

“**Other Letter of Credit**” means any letter of credit (other than Letter of Credit A and Letter of Credit B) issued pursuant to this Agreement.

(e) Section 1.01 of the Credit Agreement is hereby amended by deleting the defined term “Maturity Date” in its entirety and inserting the following in lieu thereof:

“**Maturity Date**” means July 21, 2009.

(f) Section 2.05(c) of the Credit Agreement is hereby amended in its entirety to read as follows:

(c) Expiration Date. Letter of Credit A shall expire on July 31, 2010. Letter of Credit B shall expire on September 30, 2009. Each Other Letter of Credit shall expire on or prior to July 25, 2009.

(g) Section 2.08(a) of the Credit Agreement is hereby amended in its entirety to read as follows:

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for account of each Lender the aggregate principal amount of the Loans outstanding on or before the Maturity Date.

(h) Section 5.02 of the Credit Agreement is hereby amended in its entirety to read as follows:

Section 5.02. Appraisals. The Borrower shall cause the Appraiser to conduct the following inspections and appraisals of the Pledged Spare Parts:

(a) effective on the Appraised Value Date falling in each March, a physical inspection and full appraisal of the Pledged Spare Parts (each, “**Physical Appraisal**”), which inspection and appraisal shall be sufficient to generate the computation of the Current Market Value of the Pledged Spare Parts as at such dates; and

(b) effective on the Appraised Value Date falling in each June, September and December, a desktop appraisal in respect of the Pledged Spare Parts (each, a “**Desktop Appraisal**”), which appraisal shall be sufficient to generate the computation of the Current Market Value of the Pledged Spare Parts as at such dates. The Desktop Appraisal shall be based on the most recently available Physical Inspections, as modified by the Eligible Spare Parts Reports delivered since such Physical Inspection.

(i) Article VI of the Credit Agreement is hereby amended to add the following Section 6.11:

Section 6.11. Special Agreement re: Pledged Spare Parts. Notwithstanding anything to the contrary herein or in any other Transaction Document, the Borrower shall cause to be pledged at all times as Pledged Spare Parts under, and pursuant to the Mortgage, Spare Parts which 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 this Agreement, and (z) any unpaid amounts due under Section 10.03 of this Agreement. In addition, the Borrower shall provide the Administrative Agent prompt written notice at any time that the Borrower causes to be pledged additional Spare Parts to maintain the threshold valuation set forth herein and/or the Borrower makes any substitutions and/or replacements of a Pledged Spare Part, which notice shall contain information in respect of such additional Spare Part, substitution and/or replacement as provided for in 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 2. Additional Agreements. The Borrower hereby agrees as follows:

(a) to use commercially reasonable efforts to cause Letter of Credit A to be replaced by a substitute letter of credit on terms no less favorable than Letter of Credit A on or prior to September 30, 2009;

(b) to pay a fee to the Administrative Agent for account of the Lenders on or before July 31, 2009 in an amount equal to four and one-half percent (4.50%) of the aggregate face value amounts of Letter of Credit A and Letter of Credit B; provided that, such fee shall be refunded, on a pro rata basis, by the Administrative Agent to the Borrower in the event that either Letter of Credit A or Letter of Credit B is replaced by a substitute letter of credit prior to the date falling one (1) year from the renewal date of such Letter of Credit;

(c) to pay an upfront fee to the Administrative Agent for account of the Lenders on or before June 8, 2009 in an amount equal to half-of-one percent (.50%) of the aggregate face value amounts of Letter of Credit A and Letter of Credit B; provided that, such upfront fee shall be refunded, on a pro rata basis, by the Administrative Agent to the Borrower in the event that either Letter of Credit A or Letter of Credit B is replaced by a substitute letter of credit prior to the date falling one (1) year from the renewal date of such Letter of Credit; and

(d) to the agreements regarding Proofs of Claim Nos. 1361, 1362, 1363 and 1364 contemplated and effectuated by the Approval Order.

Section 3. Ratification. Except as amended hereby, the Credit Agreement 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 Credit Agreement or any other Transaction Document to “the Credit Agreement”, “this Agreement”, “herein”, “hereof” or similar words and phrases referring to the Credit Agreement, or any word or phrase referring to a section or provision of the Credit Agreement, is deemed for all purposes to be a reference to the Credit Agreement or such section or provision as amended by this Amendment.

Section 4. 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 5. Conditions Precedent. As conditions precedent to the effectiveness of this Amendment, the Administrative Agent and the Borrower shall have received the following:

(a) a fully executed copy of this Amendment and Amendment No. 1 to Spare Parts Mortgage and Security Agreement; and

(b) the Approval Order shall have become an order of the Bankruptcy Court or other court of competent jurisdiction as to which time for appeal, rehearing or other similar proceedings has passed and as to which (i) no such proceedings are pending, or (ii) all such proceedings have concluded without such order being reversed, stayed or modified (except as agreed by the parties) (the “**Final Order**”).

Section 6. 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 7. 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 8. Expenses. The Borrower agrees to pay the reasonable legal fees and related expenses of the Administrative Agent and the Lenders 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 Administrative 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
Administrative Agent and as Lender

By: _____
Name:
Title:

By: _____
Name:
Title: