

**Term Sheet for Proposed Amendment
to
Code Share and Revenue Sharing Agreement
between
US Airways, Inc. and Mesa Airlines, Inc.**

Parties:	US Airways, Inc. (“ <u>US Airways</u> ”) and Mesa Airlines, Inc. (“ <u>Mesa</u> ”). US Airways and Mesa are sometimes collectively referred to herein as the “parties”.
Purpose:	This Term Sheet outlines the basic terms of a proposed Amendment (the “ <u>Amendment</u> ”) to the Code Share and Revenue Sharing Agreement, dated February 1, 2001, and as thereafter amended (the “ <u>Agreement</u> ”).
Non-Binding Effect:	With the exception of the provisions specifically identified in the last section hereof as creating legally binding obligations, this Term Sheet is not binding, but is intended as guideline for the parties’ good faith negotiation of a definitive and binding Amendment.
Extension of Term for CRJ-900s:	<p>The term of the Agreement, as it relates to the CRJ-900 aircraft, will be extended based on a schedule established by US Airways, which amounts to 39 months on average per aircraft, from June 30, 2012 to September 30, 2015 (the “<u>Term</u>”). US Airways will have three options (to be exercised in writing and in US Airways’ sole discretion) to extend the Term with respect to all or none of the CRJ-900 aircraft each for an additional one year. Each option (the “<u>Term Extension Option</u>”) shall be exercisable upon 12 months’ written notice, on the terms and conditions of the Agreement as amended by the Amendment.</p> <p>The term of the Agreement as it relates to aircraft other than CRJ-900s shall remain June 30, 2012 and be unaffected by the Amendment and any Term Extension Option.</p>
Return of Aircraft:	<p>Unless extended by written exercise of the Term Extension Option described above, the expiration of the Term and the redelivery of the CRJ-900 aircraft will be phased according to a schedule established by US Airways, such that each aircraft will be redelivered on a date not earlier than April 1, 2015 and not later than March 31, 2016 (the “<u>Initial Term Redelivery Dates</u>”). If the Term is extended by written exercise of the Term Extension Option described above, the expiration of the Term and the redelivery of the CRJ-900 aircraft will be phased according to a schedule established by US Airways and consistent with the Initial Term Redelivery Dates described above but extended to reflect the duration of the extended Term.</p> <p>In addition to the Term Extension Option, US Airways will have the option to extend each CRJ-900 aircraft on an individual aircraft basis for up to 6 additional months upon 6 months notice on the terms and conditions of the Agreement as amended by the Amendment.</p>

Elimination of Right to Reduce CRJ-900 Fleet:	Notwithstanding the terms of Section 2.2.4 of the Agreement (as amended by the 4 th Amendment), US Airways may not initiate fleet reductions in the CRJ-900 subfleet.
Rates:	<p>With effect from July 1, 2010, the [*] for each aircraft type used in providing the Flight Services will be reduced as follows:</p> <ul style="list-style-type: none"> • CRJ-900: reduce the amounts specified in Exhibit C of the Agreement (as amended by the 7th Amendment) by [*] per month per aircraft • CRJ-200: reduce the amounts specified in Exhibit C of the Agreement (as amended by the 6th Amendment) by [*] per month per aircraft (as further adjusted downward as provided in the attached Revised Exhibit C – page 2) • Dash-8: reduce the amounts specified in Exhibit C of the Agreement by [*] reduction per month per aircraft <p>With effect from July 1, 2010, the [*] for each type of aircraft as set forth in Section 7.6 of the Agreement will be changed from a percentage to the [*] as follows:</p> <ul style="list-style-type: none"> • CRJ-900: [*]%, not to exceed [*] per month per aircraft • CRJ-200: [*]%, not to exceed [*] per month per aircraft • Dash-8: [*]%, not to exceed [*] per month per aircraft <p>The revenue share percentage for each aircraft type will be adjusted proportionally upward to the extent actual utilization (total block hours divided by aircraft in fleet divided by days in month) for that aircraft type falls below [*] hours for the CRJ-900, [*] hrs for the CRJ-200, or [*] hrs for the Dash-8.</p> <p>Although the payment rates set forth in this section shall be in effect beginning on July 1, 2010, US Airways shall continue making the payments calculated under the Agreement until the Approval Order Date (as defined below). From and after the Approval Order Date, US Airways shall pay Mesa at the payment rates set forth in this section (the “<u>New Payment Rates</u>”). Promptly following the Approval Order Date, Mesa shall pay to US Airways the amount by which the payments made under the Agreement for the period from July 1, 2010 until the Approval Order Date exceed the payments due under the Amendment for such period (the “<u>Retroactive Payments</u>”). The Retroactive Payments shall be retained indefeasibly by US Airways and US Airways shall have no obligation to refund or otherwise credit Mesa with the Retroactive Payments under any circumstances.</p> <p>Any credits resulting from the reduction in rates for [*] and [*] for the period of July 1, 2010 until the Approval Order Date will be applied to</p>

	<p>payments US Airways would otherwise be obligated to make under the Agreement as amended.</p> <p>In addition, in accordance with Exhibit C of the Agreement (as amended by Exhibit 6 and as set forth in Revised Exhibit C – Page 2), to the extent Mesa’s actual costs for the [*] aircraft are or have been at any point less than the amounts paid by US Airways for such aircraft, the difference will be credited promptly to US Airways.</p>
[*]:	<p>[*]</p> <p>[*]</p>
<p>Definitive Documentation; Court Approval of Amendment</p>	<p>The parties agree to use their best commercial efforts to complete and execute the definitive documentation of the Amendment as promptly as practicable, but in any event in time for Mesa to file the Approval Motion (as defined below) so that the hearing date to approve the Amendment can occur on regular notice on or before the Approval Order Date (as defined below) (the “<u>Documentation Deadline</u>”)</p> <p>Promptly after execution of the documented Amendment, Mesa will file a motion (the “<u>Approval Motion</u>”) with the Bankruptcy Court for authorization to assume the Agreement as amended by the Amendment and, in accordance with the Amendment, to (i) settle the Disputed Amounts (defined below), and (ii) sell the ground service equipment, and seek a hearing for approval on or before the Approval Order Date. Such date may be extended by written agreement of the parties, such agreement to be granted or withheld in each party’s respective sole discretion.</p> <p>The Approval Motion and the order approving such motion (the “<u>Approval Order</u>”) shall be in form and substance consistent with the Term Sheet or, to the extent not addressed by this Term Sheet, reasonably acceptable to US Airways. Once Mesa and US Airways agree to the form and substance of the Approval Order, any material modifications thereto must be acceptable to US Airways in US Airways’ sole discretion.</p> <p>US Airways shall advise Mesa no later than October 22, 2010 (the “<u>Mesa Plan Approval Date</u>”) whether the Mesa Plan of Reorganization (as may be amended from time to time consistent with the terms of the Term Sheet and Amendment) the “<u>Mesa Plan</u>”) is in a form and substance consistent with this Term Sheet or otherwise acceptable to US Airways (in US Airways’ sole discretion). Following the Mesa Plan Approval Date, any material modifications to the Mesa Plan must be acceptable to US Airways in its sole discretion. The order confirming the Mesa Plan (the “<u>Confirmation Order</u>”) shall be in form and substance reasonably acceptable to US Airways. Once Mesa and US Airways agree to the form and substance of the Confirmation Order, any material modifications thereto must be acceptable to US Airways in US Airways’ sole discretion.</p>

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<p>Releases and Settlement of Disputed Amounts:</p>	<p>Upon the Approval Order Date or as soon as practicable thereafter and subject to the occurrence of a Vacatur Declaration (as hereafter defined):</p> <p>(i) US Airways will</p> <p>(a) pay \$4.0 million to Mesa (the “<u>Effective Date Payment</u>”) to settle the claims listed on Exhibit B, payable in installments as further described below in the section entitled “CRJ-900 Aircraft Modifications”;</p> <p>(b) release Mesa and any of Mesa’s current or former subsidiaries, affiliates, officers, directors, stockholders, employees, professionals or agents (collectively, the “<u>US Airways Released Parties</u>”) from any and all claims that US Airways has or had against the US Airways Released Parties, whether legal or equitable, known or unknown, liquidated or contingent, matured or inchoate, which arose or accrued in whole prior to the date that is two years before the execution date of the Amendment (such execution date, the “<u>Amendment Execution Date</u>”), including without limitation the disputed payment claims between the parties listed in Exhibit B to this Term Sheet (collectively, the “<u>US Airways Released Claims</u>”). The US Airways Released Claims shall not include, and US Airways shall not be deemed to release, any claims US Airways has against any of the Mesa Released Parties that arose or accrued, in whole or in part, within two years before the Amendment Execution Date. Any US Airways claims that are not specifically identified as US Airways Released Claims shall be obligations of Mesa assumed under the Amendment and shall not be discharged or modified by any Mesa Plan.</p> <p>(ii) Mesa will release US Airways and any of US Airways’ current or former subsidiaries, affiliates, officers, directors, stockholders, employees, professionals or agents (collectively, the “<u>Mesa Released Parties</u>”) from any and all claims that Mesa has or had against the Mesa Released Parties, whether legal or equitable, known or unknown, liquidated or contingent, matured or inchoate, which arose or accrued on or before the Amendment Execution Date, including without limitation the disputed payment claims between the parties listed in Exhibit B to this Term Sheet and any right of set-off or offset against US Airways (collectively, the “<u>Mesa Released Claims</u>”).</p> <p>(iii) US Airways will audit Mesa property taxes for tax years 2008 and 2009 on a mutually agreed to timetable and Mesa will provide all information (including, without limitation, access to Mesa accountants, lawyers, professionals, the relevant executives in charge of property taxes for Mesa and other Mesa employees and executives) reasonably requested by US Airways in connection with such audit. Any pre-payments made by US Airways related to such taxes will be reconciled in accordance with the procedures established in the Agreement.</p> <p>(iv) In addition, US Airways will have the right to audit property taxes for tax years prior to 2008 and Mesa will provide all information</p>
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	<p>(including, without limitation, access to Mesa accountants, lawyers, professionals, the relevant executives in charge of property taxes for Mesa and other Mesa employees and executives) reasonably requested by US Airways in connection with such audit. If such audit reveals that US Airways overpaid for such years (including the portions of the \$4.0 million payment allocated to property taxes as set forth in Exhibit B), Mesa will credit the difference to US Airways (“<u>Tax Credits</u>”). Notwithstanding the definition of US Airways Released Claims, any claims that US Airways has or may have related to overpayment of property taxes shall not be included in the US Airways Released Claims.</p> <p>For the avoidance if doubt, if US Airways elects to audit years prior to 2008 and such audit reveals an underpayment by US Airways, US Airways shall not be obligated to make any additional payment to Mesa in respect of such underpayment.</p> <p>Mesa and US Airways will use their best commercial efforts to develop, and include in the Amendment, new mutually acceptable Property Tax true-up procedures for tax years from and after 2010.</p> <p>(v) In addition to the Tax Credits, Mesa shall be obligated to pay US Airways for (a) any properly claimed amounts arising after July 1, 2008 not specified in Exhibit B (the “<u>Post-July 2008 Claims</u>”), and (b) all available Fuel Sales Tax refunds for North Carolina beginning from 2006 collectible by Mesa (the “<u>Fuel Sales Tax Refunds</u>”) within 10 business days of receipt. Mesa will use its best commercial efforts to collect the Fuel Sales Tax Refunds in a timely manner at Mesa’s sole expense as soon as practicable after the date hereof (and not commencing as of the Effective Date). Mesa will reasonably cooperate with US Airways in connection with the collection of the Fuel Sales Tax Refunds (including, without limitation, access to Mesa accountants, lawyers, professionals, the relevant executives in charge of the Fuel Sales Tax Refunds for Mesa and other Mesa employees and executives) reasonably requested by US Airways. Mesa will not settle or compromise any Fuel Sales Tax Refunds without the prior written consent of US Airways. Any claims related to the Post-July 2008 Claims or the Fuel Sales Tax Refunds shall not be included in the definition of US Airways Released Claims.</p>
<p>CRJ-900 Aircraft Modifications:</p>	<p>Mesa will, at its sole cost, install ACARS (without printers) on all CRJ-900 aircraft and such systems will be fully functioning on all such aircraft (in accordance with mutually agreed to specifications) no later than April 29, 2011.</p> <p>Mesa will, at its sole cost complete internal upgrades for each CRJ-900 aircraft incorporating each item in Exhibit A to this Term Sheet. The items in Exhibit A that are to be completed at RON are defined as “<u>RON Upgrades</u>” and the items in Exhibit A that are to be completed at C-checks are defined as “<u>C-check Upgrades</u>”. Together the RON Upgrades and C-check Upgrades are defined as “<u>Upgrades</u>.” Mesa will complete</p>

	<p>the Upgrades on the mutually agreed timetable set forth in Exhibit A. US Airways will provide the standard for reasonable approval of the Upgrades.</p> <p>Mesa will commence work on the Upgrades as soon as practicable after the date hereof. US Airways will pay the Effective Date Payment, plus an additional [*] as a contribution towards Mesa’s cost for the Upgrades (collectively with the Effective Date Payment, the “<u>Upgrade Contribution</u>”), in 38 equal installments, payable upon satisfactory completion of the RON Upgrades for each CRJ-900 aircraft. In the event Mesa completes one or more RON Upgrades (in a manner satisfactory to US Airways in US Airways’ sole discretion) during the Pre-Effective Date Period, US Airways will pay the pro rata portion of the Upgrade Contribution for each such RON Upgrade at the time such RON Upgrade has been approved by US Airways (each such payment, a “<u>Pre-Effective Date Upgrade Payment</u>”). In the event US Airways makes one or more Pre-Effective Date Upgrade Payments and the Mesa Plan is not filed or confirmed or does not become effective by the respective deadlines set forth herein, US Airways shall be entitled to credit such Pre-Effective Date Upgrade Payments against amounts US Airways otherwise owes Mesa.</p>
Operational Performance:	<p>The Amendment will include applicable [*], [*] (controllable [*] within [*] minutes of [*]) and other operational service commitments set forth on Exhibit C and the corresponding incentives, liquidated damages, default levels and remedies (including termination of the Agreement) related to Mesa’s operational performance that are satisfactory to both parties in the sole discretion of each. The performance criteria will take effect [*] 1, 2011.</p>
Aircraft Cleaning:	<p>Immediately following execution of the definitive documents for the Amendment on terms consistent with this Term Sheet and as may be mutually agreed to by the parties, but effective as of July 1, 2010, and for the remainder of the term of the Agreement, Mesa will provide at its expense (either directly or through a third-party vendor) RON cleaning for all Mesa aircraft. In cases where US Airways provides the RON cleaning, whether directly or through its vendor, Mesa will reimburse US Airways for the actual costs, without markup, of that cleaning service. Mesa shall have the option to select all vendors in connection with its RON cleaning. The aircraft will be cleaned in accordance with US Airways’ RON cleaning standards and procedures, consistent with Section 2.8.2 of the Agreement. Any amounts owed by Mesa to US Airways pursuant to this Section as of and after July 1, 2010 will be paid by Mesa within 10 days after the Approval Order Date.</p>
Notes:	<p>The Mesa Plan shall provide for not more than \$61 million in non-ordinary course indebtedness (the “Notes”) as follows:</p> <ul style="list-style-type: none"> • \$50 million to Mesa’s unsecured creditors; • \$5.5 million to Mesa’s senior management; and • \$5.5 million to US Airways.

	<p>The following provisions shall apply to the Notes:</p> <ul style="list-style-type: none"> • The Notes shall be issued in a single class (except to the extent US Airways consents, such consent to be granted or withheld in US Airways' sole discretion) and be unsecured obligations of Mesa; • The Notes shall provide for the accrual or payment of interest in-kind at an annual all-in rate not to exceed 10% but may not provide for the payment of cash interest until maturity or permitted pre-payment (see below); • The Notes shall not amortize, and shall not have a maturity date prior to December 31, 2015, absent an event of default; • The Notes shall be structured in a tax efficient manner for both Mesa and US Airways; • The Notes may not be prepaid, except only that the Notes, together with accrued interest, may be pre-paid on a pro-rata basis from the proceeds received by Mesa from the sale of its debt and equity investment in Spirit Airlines, Inc. (the "<u>Spirit Proceeds</u>"), and from casualty events and sales of material assets; • The Notes will contain representations and warranties, covenants and other provisions, including provisions protecting the rights of Noteholders, customary for unsecured debt obligations of this kind (including, without limitation, covenants (affirmative, negative and financial), defaults, debt baskets etc.). The terms of the Notes will not be modified or amended without the written approval of US Airways, which approval may be given in US Airways' sole discretion. Mesa shall not enter into any agreement with any Noteholder (in respect of that Noteholder's Notes) unless US Airways is a party to that agreement and consents to its terms (such consent to be granted or withheld in US Airways' sole discretion); and • The Notes shall be guaranteed by each of Mesa's corporate subsidiaries and affiliates. <p>Notwithstanding the foregoing, Mesa may issue up to an additional \$21 million in Notes (the "<u>Bondholder Notes</u>") to holders of the 2012 Notes on terms identical to the Notes, provided that (i) the total principal of the Notes shall not exceed the sum of \$76.5 million and the amount of Notes issued to US Airways and (ii) the principal amount of Notes issued to US Airways shall remain 55/610ths of the aggregate principal amount of Notes. The Bondholder Notes may continue to be guaranteed by Nilchii (the entity that owns Mesa's interest in Spirit Airlines described above) or obtain some other structural payment and collection preference related to Nilchii, provided that if any of the Spirit Proceeds are used to pay off any of the Bondholder Notes, Mesa shall use any Spirit Proceeds in excess of the amounts necessary to pay off the Bondholder Notes to pay down the Notes held by US Airways. Once the Notes held by US Airways have been paid in full, Mesa may use any remaining Spirit Proceeds to pay down the Notes held by Mesa's general unsecured creditors, and then to pay down the Notes held by management.</p>
Capital Stock:	The Mesa Plan shall provide for the issuance of a single class of common stock as follows:

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	<ul style="list-style-type: none"> • 80% to Mesa’s unsecured creditors; • 10% to Mesa’s management; and • 10% to US Airways. <p>Upon the Plan Effective Date, Mesa and US Airways shall enter into an investor rights agreement containing at a minimum provisions consistent with those described in Exhibit D. The terms of such agreement shall be reasonably satisfactory to US Airways and shall be negotiated and finalized prior to the Disclosure Statement Approval Date. Once US Airways provides its approval of such agreement, its terms may not be modified or amended prior to or after confirmation of the Mesa Plan without the approval of US Airways, which approval may be given or withheld in US Airway’s sole discretion.</p>
<p>Conditions Precedent:</p>	<p>US Airways’ and Mesa’s agreement to enter into the Amendment and the effectiveness of the Amendment is subject to the following conditions precedent:</p> <ul style="list-style-type: none"> • Approval by US Airways, by no later than the Mesa Plan Approval Date, in its sole discretion, of (i) the Mesa Plan and related disclosure statement (the “<u>Disclosure Statement</u>”), and (ii) Mesa’s business plan, capital and ownership structure, board of directors, management structure, cash flow projections and other information reasonably required by US Airways (collectively, the “<u>Reorganization Information</u>”). The Reorganization Information has already or will be provided to US Airways as soon as possible; • Negotiation and execution of the definitive documents for the Amendment on terms consistent with this Term Sheet and as may be mutually agreed to by the parties (the “<u>Definitive Documentation</u>”); • Approval of the Amendment by the parties’ respective Boards of Directors; • The filing by Mesa’s Creditors’ Committee (the “<u>Committee</u>”) of a statement of support for the Mesa Plan and Amendment (the “<u>Committee Support Statement</u>”) within seven days of the date Mesa files the Approval Motion (the “<u>Committee Support Date</u>”); and • The Bankruptcy Court shall have entered a final order approving the Approval Motion on or before November 20, 2010 (the “<u>Approval Order Date</u>”), and either the time for appeal has expired and no appeal has been taken or, if an appeal has been taken, the order has not been stayed (the “<u>Approval Order</u>”). However, the Approval Order Date shall be extended to December 20, 2010 if (a) the Bankruptcy Court moves the Approval Order Date beyond November 20, 2010 following notice and a hearing pursuant to a motion or request by the Committee or other third party and (b) such motion or request has been opposed in good faith by Mesa. <p>The continued effectiveness of the Amendment and US Airways’ obligation to make the Plan Effective Date Payment is further subject to the conditions subsequently set forth in the following bullet points (the “<u>Conditions to Continued Effectiveness</u>”):</p>

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	<ul style="list-style-type: none"> • The Disclosure Statement is approved by the Bankruptcy Court by order entered on or before November 20, 2010 (the “<u>Disclosure Statement Approval Date</u>”). • The Mesa Plan is confirmed by the Bankruptcy Court (by order entered on or before January 17, 2011 the “<u>Confirmation Date</u>”), in a form that provides no consideration to Mesa’s unsecured creditors other than (i) the Notes and common stock (as described above), (ii) cash payments to holders of <i>de minimis</i> general unsecured claims as provided in the Plan, and (iii) waiver of certain avoidance actions, and that does not contain any material change to the capital and ownership structure included in the Plan previously approved by US Airways, and is otherwise in a form that is consistent with Mesa’s obligations under the Agreement and the Amendment. Such date (the “<u>Confirmation Date</u>”) may be extended by the parties in writing in each party’s sole discretion. If the Confirmation Date does not occur on or before January 17, 2011 despite Mesa’s best efforts to obtain confirmation of the Mesa Plan by such date, the Confirmation Date may be extended to March 18, 2011. • The Plan has become effective on or before February 17, 2011 (the “<u>Plan Effective Date</u>”). If the Plan Effective Date does not occur on or before February 17, 2011 despite Mesa’s best efforts to achieve the effective date of the Mesa Plan by such date, the Plan Effective Date may be extended to April 15, 2011. • No occurrence, development or change shall have occurred after the Amendment Execution Date that, in the commercially reasonable judgment of US Airways had or could be reasonably expected to have a material adverse effect upon the business, operations, performance, properties, business prospects or financial condition of Mesa and its direct and indirect subsidiaries, taken as a whole. • US Airways not becoming aware after the Amendment Execution Date of any new or inconsistent information or other matter not previously disclosed to US Airways in writing relating to Mesa or its direct or indirect subsidiaries or the transactions contemplated by the Amendment which US Airways, in its commercially reasonable judgment, deems material and adverse relative to the information or other matters disclosed to US Airways in writing by Mesa prior to the Amendment Execution Date. • The accuracy in all material respects of all representations and warranties in the Amendment and the Mesa Plan. • No default or event of default under the Amendment. <p>The Approval Order shall be expressly conditioned on the satisfaction of the Conditions to Continued Effectiveness.</p>
Withdrawal or	If (a) the Definitive Documentation is not executed and delivered by US

<p>Extension</p>	<p>Airways and Mesa on or before the Documentation Deadline, (b) the Committee Support Statement is not filed on before the Committee Support Date or (c) the Amendment is not approved by the Bankruptcy Court by the Approval Date (the “<u>Pre-Approval Date Conditions</u>”), then US Airways shall have the option (in its sole discretion) to withdraw its agreement with respect to this Term Sheet and/or the Amendment (the “<u>Withdrawal</u>”). Upon the Withdrawal, US Airways and Mesa shall have all of their respective rights under the existing agreements (including Mesa’s right to assume the agreements and US Airways’ right to contest such assumption).</p> <p>If (a) the Mesa Plan is not confirmed by the Confirmation Date in a form approved by US Airways as described above or (b) the Mesa Plan has not become effective on or before the Plan Effective Date (collectively, the “Mesa Plan Conditions”) or (c) the Amendment is approved by the Bankruptcy Court and at is thereafter modified, vacated, stayed or amended without US Airways’ consent (such consent to be granted or withheld in US Airways’ sole discretion) (the “<u>Bankruptcy Court Approval Condition</u>”), US Airways shall have the right to declare the Approval Order vacated and of no further effect (a “<u>Vacatur Declaration</u>”). Commencing on a date 30 days after the occurrence of the Mesa Plan Conditions, if US Airways has not made a Vacatur Declaration, Mesa shall have the right to make a Vacatur Declaration. Upon a Vacatur Declaration by either US Airways or Mesa, (x) US Airways shall retain all amounts under the Amendment that would have otherwise been due to Mesa had the Approval Order not been entered and such amounts shall not be subject to disgorgement, set-off, offset, recovery or return, (y) US Airways and Mesa shall have all of their respective rights under the existing agreements (including Mesa’s right to assume the agreements and US Airways’ right to contest such assumption) and (z) the New Payment Rates shall survive any assumption of the existing agreement and remain in effect without modification.</p> <p>Upon a Vacatur Declaration by US Airways:</p> <p>(a) US Airways will have the option (to be exercised in US Airways’ sole discretion) to extend (ratably and on a schedule to be agreed upon in the definitive documentation for the Amendment) the redelivery date of 38 CRJ-900 aircraft over 18 months beyond June 30, 2012 at the New Payment Rates (the “18 Month Redelivery Period”). In the event US Airways exercises the option set forth in this section (a) and Mesa has not exercised its option under section (b) below, then US Airways will pay Mesa the rates and other amounts due as if there had been no Amendment for the period from July 1, 2011 through June 30, 2012.</p> <p>(b) Mesa shall have the right to extend the Agreement by one year under the Agreement (e.g., the 18 Month Redelivery Period will commence in July 2013 instead of July 2012) but (i) the New Payment Rates will continue without modification through the 18 Month Redelivery Period</p>
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	<p>instead of ending on June 30, 2011 and (ii) all other terms and conditions under the Amendment shall remain in full force and effect through the 18 Month Redelivery Period. Mesa shall have the right to exercise the foregoing extension only until the date that is 30 days following the date US Airways makes a Vacatur Declaration.</p>
<p>Third Party Negotiations</p>	<p>Upon execution of this term sheet, US Airways shall not meet with, enter into discussions with or negotiate with any third party over the terms of a plan of reorganization for Mesa or the acquisition of all or substantially all of Mesa's assets (including, without limitation, relating to the assumption and/or assignment of the Agreement) unless:</p> <ul style="list-style-type: none"> (a) the Documentation Deadline is missed; or (b) the Committee Support Date is missed; or (c) the Approval Order Date is missed; or (d) the Confirmation Date does not occur by the dates set forth above; or (e) the Plan Effective Date does not occur by the dates set forth above; or (f) at any time Mesa no longer has the exclusive or co-exclusive (with the Creditors' Committee) right to propose or solicit votes on a plan of reorganization or liquidation (unless the Creditors' Committee agrees to only propose or solicit votes with respect to a plan that has the support of Mesa and US Airways). <p>In the event that any of the above described deadlines are missed or dates do not occur, then Mesa hereby irrevocably consents to any such meeting, discussion and/or negotiation by US Airways with any such third party.</p>

Binding Provisions:	<ul style="list-style-type: none"> • <i>Confidentiality and Public Disclosure.</i> Pending execution of the Amendment, except as required by law, neither party will disclose to any third party (including by making a public announcement) the terms of this Term Sheet or the existence of the proposed transaction without the other's written approval. Notwithstanding the foregoing, Mesa and US Airways may disclose this Term Sheet to the Creditors' Committee and to their respective professionals, officers, directors and executives. This Term Sheet, all attachments and exhibits hereto, and all information received by either party from or related to the other shall be treated as Confidential Information subject to the confidentiality provisions of the Agreement. Except as required and following reasonable notice (and the opportunity to review and comment) to US Airways, any public disclosure or press release related to the Agreement (whether before or after the date the parties execute the Amendment) shall be subject to US Airways' reasonable approval. • <i>No Assumption.</i> Mesa agrees that it will take no action with respect to the Agreement, including without limitation, any action intended to assume the Agreement or seek Bankruptcy Court approval for that assumption, prior to October 25, 2010. In the event Mesa takes action to assume the Agreement or seek Bankruptcy Court approval for that assumption without the consent of US Airways (to be granted or withheld at US Airways' sole discretion), Mesa will reasonably cooperate with US Airways in developing a discovery and trial schedule with respect to such assumption (e.g., not less than the stipulated timetable for Delta discovery/litigation). • <i>Good Faith.</i> Each party will negotiate in good faith with a view to executing the definitive documentation for the Amendment in a timely manner, and each party will use its best commercial efforts to satisfy the conditions precedent set forth herein and in the Amendment. Each party will negotiate in good faith with a view to obtain support from the creditors' committee for the Amendment and the Mesa Plan by the Committee Support Date. • <i>Costs.</i> Each party is responsible for all of its own costs and expenses incurred in connection with the proposed transaction. • No third party shall be a beneficiary of, or be entitled to rely upon, this Term Sheet. • <i>Governing Law.</i> This Term Sheet is governed by the laws of Arizona, without regard to its choice of law rules.
Date:	This Term Sheet is dated as of October 18, 2010 and will expire by its terms if Mesa does not execute and deliver this Term Sheet by October 19, 2010 at 5:00 p.m. prevailing Eastern Time.

US Airways, Inc.

Mesa Airlines, Inc.

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT A
(Interior Refurbish Requirements)

RON UPGRADES

Timing: Pacing item - Leather/Cushion
Mesa to place order no later than Approval of Codeshare - or when spec is provided if later
Estimated 5 months for cert approval plus 10 weeks to install.

<u>Area</u>	<u>Description</u>
Seats	Install US spec leather seat covers
Seats	Replace seat cushions and backs w/ US spec
Seats	Repaint seat arm plastics rows 1, 15, 16
Seat belts	Replace 16G covers, IRAN ^{1/} all others
Interior lights	Replace lights covers
Lavs	Replace shrouds and lids as required

SPECIAL VISIT / C CHECK UPGRADES

Timing: Pacing Item - Laminate for windscreen
Mesa to place order no later than Approval of Codeshare - or when spec is provided if later
Estimate to complete based on special visit availability to be provided by US Air

<u>Area</u>	<u>Description</u>
Windows	Replace as needed
Windows	Repair/replace aft window shades
Windscreens	Replace forward laminates with US spec
Interior lights	Replace lights
Dado carpet	Replace
Bag bins	Replace warped door units, paint as needed

C CHECK UPGRADE

Timing: Pacing Item - Aft Laminate
Mesa to place order no later then Approval of Codeshare - or when spec is provided if later
Estimate to complete based on C Check schedule for the 38 a/c once material is received

Seats	IRAN seats at heavy checks
Windows	Replace all as needed
Carpet replace	Replace including under seats
Windscreens	Replace aft laminates with US spec

US Airways will be given full audit rights to inspect completed work to ensure conditions meet specifications of a reconditioned interior

^{1/} **IRAN - Inspect and Replace as Needed**

EXHIBIT B
(Disputed Claims Amounts)

	<u>Claimed Amount</u>	<u>Settlement Amount</u>	<u>Percent</u>
<i>Items Claimed by Mesa</i>			
Property Tax [*]	\$ [*]	-	-
Property Tax [*]	\$ [*]	\$ [*]	[*]
Property Tax [*]	\$ [*]	\$ [*]	[*]
[*] True-up Amounts Claimed by Mesa	\$ [*]	\$ [*]	[*]
2005 - 2006 [*] True Up & [*]	\$ [*]	\$ [*]	[*]
Government Mandated Charges	\$ [*]	-	-
Dash 8 [*] Removal	\$ [*]	-	-
Other (Rent, Security, Landing Fees, etc.)	\$ [*]	\$ [*]	[*]
[*] payment 2007	\$ [*]	\$ [*]	[*]
[*] 2004 - 2006	\$ [*]	\$ [*]	[*]
Total Receivables	\$ [*]	\$ [*]	
 <i>Items Claimed by US Airways</i>			
[*] cleans 2003 - June 2010	\$ [*]	\$ [*]	[*]
[*] 2007 - 2009	\$ [*]	\$ [*]	[*]
Total Payables	\$ [*]	\$ [*]	
 Total Due to/(from) Mesa	 \$ [*]	 \$ [*]	 [*]

EXHIBIT C
(Operational Performance Levels – Page 1)

Default Levels

- 1 - Applies to entire [*] not [*] only
- 2 – [*] changed to [*] with a cure level of [*]
- 3 – [*] replaces [*]; default set at [*] with a cure of [*]

Penalties and Incentives

- 1 - Applies to entire [*] not [*] only.
- 2 - Measured Quarterly
- 3 - Amounts are multiplied by number of [*] that are over/under target levels:
- 4 - Level 2 penalty amounts are additive to Level 1 penalty amounts

	[*]	[*]
Penalty Level 1	[*]	[*]
Penalty Amt/Flt	[*]	[*]
Penalty Level 2	[*]	[*]
Penalty Amt/Flt	[*]	[*]
Incentive Level	[*]	[*]
Incentive Amt/Flt	[*]	[*]

Conditions:

[*] spare a/c for each hub ([*] or [*]).

Right for Mesa to use [*] or [*] as support spare at Mesa's sole expense on a limited basis.

Valid for current hubs - PHX and CLT and linear flying only and provided schedules are reasonably consistent with past practice US scheduling parameters for Utilization, RON Mtc time, Turn Times, Recovery Time.

EXHIBIT D

(Investor Rights Agreement Provisions)

Mesa and US Airways will enter into an Investor Rights Agreement in customary form and reasonably satisfactory to US Airways, including the following key terms:

US Airways will be provided with the following rights under the Investor Rights Agreement:

- Customary registration rights, including the following:
 - Piggyback registration rights on all registrations by Mesa (except S-4 and S-8), pro rata based on shares owned, subject to standard underwriter cut-back;
 - S-3 registration rights subject to the shares being registered having an anticipated aggregate price to the public of at least \$500,000; and
 - Standard expense provisions, with Mesa paying the expenses of registrations other than underwriting discounts and commissions.
 - The registration rights are in addition to the exemption provided by Section 1145, and do not constitute as admission that US Airways will be an affiliate of Mesa.
- Financial information, including the following:
 - Annual and quarterly financial statements and any of other financial statements provided to any stockholder;
 - Annual and quarterly financial statement obligation may be satisfied by timely SEC filings of 10-K and 10-Q;
 - US Airways may at any time at its elect to terminate its receipt of material non-public information under this provision.
- Approval right over the following transactions:
 - related party transactions, other than normal compensation transactions approved by a majority of the independent directors;
 - dividends or other distributions to stockholders, or repurchases of shares; provided, however, that US Airways shall be deemed to approve dividends or other distributions to stockholders only from the Spirit Proceeds if and to the extent the Spirit Proceeds (inclusive of any amounts used to repay the Notes) exceeds \$125 million
 - non pro rata payment with respect to or retirement of any of the notes issued under the Mesa Plan (this provision may be satisfied by including it in the indenture relating to the notes);
 - amendment to Mesa's charter documents that adversely affects US Airways relative to the other stockholders (including any issuance of preferred stock); and
 - expansion of shares eligible for grant under equity based compensation programs.

The registration rights will remain effective unless and until such time as (a) Mesa common stock is traded on the NYSE or Nasdaq, and (b) all shares of Mesa common stock held by US Airways have had all restrictive legends removed, and may be resold by US Airways into the public market without volume, manner of sale or other contractual or legal restriction.

The other rights above will terminate if (a) Mesa common stock is traded on the NYSE or Nasdaq, and (b) US Airways and/or its affiliates no longer continues to hold the greater of (x)

62.5 percent of the shares issued to it under the Mesa Plan or (y) 4.9 percent of the shares of common stock then outstanding.

If any other protective provisions are established through negotiation with other stockholders, US Airways will be entitled to be included in that covenant and vote its shares on any matter covered by the protective provisions. If there are none, Mesa will so confirm in the definitive documents.

In addition, if any other party receiving a number of shares of common stock equal to or less than that being issued to US Airways is granted the right to approve the following, such action will also benefit, or require the approval of, US Airways, as the case may be:

- Appoint a director or board observer
- Approve the exercise of drag along rights
- Approve:
 - a public offering or similar transaction;
 - the issuance of material indebtedness;
 - the issuance of preferred stock;
 - the amendment to the certificate of incorporation or bylaws;
 - adoption or amendment to the business plan in place at the time of emergence from bankruptcy;
 - approval of the annual budget;
 - acquisition or other significant corporate transaction;
 - commitment to material capital expenditures;
 - sale of the Company or any similar transaction; or
 - hiring of a CEO or CFO.