

## **Exhibit 5**

**EXHIBIT 1.15**

**PROMISSORY NOTE**

Due [May \_\_, 2023]

Atlanta, Georgia

[May \_\_, 2013]

\$45,000,000.00

FOR VALUE RECEIVED, Pinnacle Airlines, Inc., a Georgia corporation the "Borrower"), hereby promises to pay to the order of Delta Air Lines, Inc. (together with its successors and assigns, the "Holder" or "Delta"), or its assignees on the tenth anniversary of the Closing Date (the "Maturity Date") the principal sum of FORTY-FIVE MILLION AND NO/100 DOLLARS (\$45,000,000.00) (or, if less, the then remaining outstanding principal amount) together with interest on the outstanding principal amount hereof at a rate per annum equal to 12.5% calculated on the basis of a year comprised of 365 (or where appropriate 366) days (without compounding), payable in arrears on March 31, June 30, September 30 and December 31 (each, a "Repayment Date") in an amount equal in the case of each such installment to one thirty-second of the original principal amount of this Promissory Note (the "Promissory Note"), commencing June 30, 2015, and at maturity (whether by required prepayment, acceleration, declaration or otherwise) and thereafter on demand. Any portion of the principal amount hereof which is not paid at maturity (as aforesaid) shall thereafter bear interest at a rate per annum until paid equal to the sum of 2% plus the then applicable interest rate hereunder from time to time.

Prior to June 30, 2015, the outstanding principal amount shall accrue interest at a rate per annum equal to 12.5% calculated on the basis of a year comprised of 365 (or where appropriate 366) days (without compounding), payable in arrears on March 31, June 30, September 30 and December 31, commencing June 30, 2013.

On April 1, 2012, the Borrower, Pinnacle Airlines Corp., a Delaware corporation, ("PAC"), Colgan Air, Inc., a Virginia corporation ("Colgan"), Pinnacle East Coast Operations Inc., a New York corporation ("Pinnacle East") and Mesaba Aviation, Inc., a Minnesota corporation ("Mesaba" and, together with the Borrower, PAC, Colgan and Pinnacle East, the "Debtors" and each, individually, a "Debtor"), the Debtors filed cases (the "Cases") for protection under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). In connection with the Cases, the Holder and the Debtors executed that certain Secured Super-Priority Debtor in Possession Credit Agreement (as amended, modified or supplemented, the "DIP Credit Facility") pursuant to which the Holder loaned PAC the initial amount of \$74,285,000 and each other Debtor guaranteed such loans. On or about January 31, 2013, the parties amended the DIP Credit Facility to increase the loan amount to \$126,285,000. On February 1, 2013, the Debtors submitted the Plan, and the Plan was confirmed on \_\_\_\_\_, \_\_, 2013. In order to consummate the Plan, and subject to the terms and conditions contained herein, the Holder is

converting (a) \$45,000,000 of the Obligations (as defined in the DIP Credit Facility) to amounts outstanding under this Promissory Note and (II) the remaining Obligations (as defined in the DIP Credit Facility) shall be converted to issued and outstanding equity interests of PAC as reorganized pursuant to the Plan.<sup>1</sup> Pursuant to Section 6.7 of the Plan, each of PAC, Colgan, Pinnacle East and Mesaba merged with and into the Borrower on or before the Effective Date (as defined therein) of the Plan.

In consideration of the premises and to induce the Holder to enter into this Promissory Note and to convert \$45,000,000 of Obligations (as defined in the DIP Credit Facility) to principal outstanding under this Promissory Note pursuant to the terms of this Promissory Note and the other Note Documents, the Borrower hereby agrees with the Holder as follows:

SECTION 1. Payments. (a) The Borrower shall make payments of the outstanding principal amount hereof and interest thereon in accordance with the provisions set forth in the recitals of this Promissory Note.

(a) In addition, the Borrower may, at any time and from time to time with at least three Business Days' prior written notice to the Holder, prepay without premium or penalty all, or any portion in an integral multiple of \$1,000,000, of the principal amount hereof (each such prepayment to be accompanied by the payment of all interest accrued through the date of such prepayment on the principal amount prepaid and to be applied against all remaining installments in the inverse order of the maturity thereof).

(b) Within three (3) Business Days of receipt, the Borrower shall prepay the amounts outstanding under this Promissory Note in an amount equal to the Net Cash Proceeds received from the Disposition of any Collateral (each such prepayment to be accompanied by the payment of all interest accrued through the date of such prepayment on the principal amount prepaid and to be applied pro rata against all remaining installments thereof).

(c) [Within one (1) Business Day of receipt, the Borrower shall prepay the amounts outstanding under this Promissory Note in an amount equal to the Lease Deposits.]

(d) Within one Business Day of making the Aircraft Rent Election, the Borrower shall prepay the amounts outstanding under this Promissory Note in an amount equal to the Rental Payments (each such prepayment to be accompanied by the payment of all interest accrued through the date of such prepayment on the principal amount prepaid and to be applied pro rata against all remaining installments thereof).

SECTION 2. Payments etc. Both principal and interest are payable in lawful money of the United States of America in immediately available funds to such account of the Holder as the Holder may notify to the Borrower from time to time, free and clear of, and without deduction for or on account of, any and all present and future taxes, levies,

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<sup>1</sup> To be completed with correct dates as of the Closing Date.

imposts, deductions, charges, withholdings and all liabilities with respect thereto. Whenever any payment to be made hereunder shall otherwise be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest in connection with such payment. Unless the Holder otherwise elects upon at least three Business Days' prior written notice to the Borrower, (so long as Delta or its affiliates are the sole Holders), payments of principal hereof and interest hereon in each case due and payable shall be made on the applicable Repayment Date by deductions from amounts due and payable to the Borrower under the ASA Connection Agreement in the manner set forth therein; provided, however, in addition to any rights of the Holder under the Connection Carrier Agreements, if an Event of Default shall have occurred and is continuing, the Holder shall have the right to deduct such amount from amounts due and payable to the Borrower under any Connection Carrier Agreement.

SECTION 3. Representations and Warranties. The Borrower represents and warrants as of the date hereof, after giving effect to consummation of the Plan, as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia and is duly qualified to do business and in good standing as a foreign corporation in each jurisdiction where the nature of its business requires such qualification, except for such failures to be qualified and in good standing, if any, that when taken together with all other such failures could not be reasonably expected to have a Material Adverse Effect.

(b) The Borrower's execution, delivery and performance of this Note and each other document or instrument to which it is a party delivered in connection herewith (including the Security Agreement and each other Note Document) are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene

(i) the Borrower's charter or by-laws;

(ii) any law, rule or regulation applicable to the Borrower (including without limitation, Regulation G, T, U or X of the Board of Governors of the Federal Reserve System); or

(iii) any contractual restriction binding on or the Borrower;

except, with respect to clauses (ii) and (iii) above, to the extent such contravention could not be reasonably expected to result in a Material Adverse Effect.

(c) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance of this Note and each other Note Document by the Borrower, other than the filing of any applicable Uniform Commercial Code financing statements, if applicable, and those listed on Schedule 3(c) hereof.

(d) Each of this Note and each other Note Document is the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws (whether statutory, regulatory or decisional), now or hereafter in effect, affecting the enforcement of creditors' rights generally and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(e) PAC's audited consolidated balance sheet as at [most recent date prior to effective date of the Plan], and PAC's related audited consolidated statements of income and stockholders' equity for the fiscal year then ended, copies of which have been furnished to the Holder, fairly present in all material respects PAC's consolidated financial condition as at such date and the results of its consolidated operations for the period ended on such date, all in accordance with generally accepted accounting principles consistently applied.

(f) There is no action, suit or proceeding pending against, or, to the Borrower's knowledge, threatened against or affecting, the Borrower before any court or arbitrator or any governmental body, agency or official which has had or could be reasonably expected to have a Material Adverse Effect.

(g) The Borrower is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

(h) The Borrower is not in default under any of its obligations to banks or other financial institutions or with respect to any Federal or state agency which default has had or could be reasonably expected to have a Material Adverse Effect.

(i) The Borrower has no subsidiaries.

(j) The Borrower is a citizen of the United States (as defined in Section 40102(a)(15) of Title 49 of the United States Code) holding a carrier operating certificate issued by the Secretary of Transportation pursuant to Chapter 447 of Title 49 of the United States Code (or any successor provision) for aircraft capable of carrying ten or more individuals or 6,000 pounds or more of cargo.

(k) Each employee benefit plan (as defined in the Employment Retirement Income Security Act of 1974, as amended ("ERISA")) of the Borrower is in full compliance with all applicable requirements of ERISA and the Internal Revenue Code of 1986, as amended, no steps have been taken to terminate any such plan and no contribution failure has occurred with respect to any such plan sufficient to give rise to a lien under ERISA, except in each case as could not be reasonably expected to result in a Material Adverse Effect. No condition exists or event or transaction has occurred with respect to any such plan which might result in the incurrence by the Borrower of any material liability, fine or penalty.

(l) All factual information heretofore or contemporaneously furnished by or on behalf of the Borrower in writing to the Holder for purposes of or in connection with this Note or any transaction contemplated hereby is, and all other such factual information hereafter furnished by or on behalf of the Borrower in writing to the Holder will be, taken as a whole, true and accurate in every material respect on the date as of which such information is dated or certified, and such information is not, or shall not be, as the case may be, incomplete by omitting to state any material fact necessary to make such information not materially misleading.

(m) (i) The fair value of the assets of the Borrower, at a fair valuation, will exceed the debts and liabilities of the Borrower. (ii) The present fair salable value of the property of the Borrower is not less than the amount that will be required to pay the probable liability on the existing debts and other liabilities (including contingent liabilities) of the Borrower, as they become absolute and mature. (iii) The Borrower will not have unreasonably small capital for the Borrower to carry out its business as now conducted and as proposed to be conducted following the date of this Note. (iv) The Borrower does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be received by the Borrower, and of timing and amounts of cash to be payable on or in respect of debt of the Borrower).

SECTION 4. Affirmative Covenants. So long as any amount under this Note remains unpaid, the Borrower will:

(a) Maintain Property. Keep all material tangible property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted; maintain, with financially sound and reputable insurance companies, insurance on all of its material property (subject to customary deductibles), in at least such amounts and against at least such risks, as are usually insured against in the same general area by companies of established repute engaged in the same or a similar business, and furnish to the Holder all information as to the insurance carried upon reasonable request.

(b) Business Activities. Continue to engage solely in the business in which it is engaged on the date hereof and activities incidental and related thereto after giving effect to the Restructuring Transactions permitted pursuant to Section 6.7 of the Plan.

(c) Books and Records. Keep proper books of record and account in conformity with generally accepted accounting principles, and permit the Holder representatives to visit and inspect any of its properties, to examine and make abstracts from any of its books and records and to discuss its affairs, finances and accounts with its officers, employees and independent public accountants, all with reasonable advance written notice, at their own expenses, during normal business hours for no more than one time each year as long as no Event of Default has occurred and is continuing and subject to customary confidentiality obligations.

(d) Compliance with Laws etc. Comply in all material aspects with all applicable laws, rules, regulations and orders, such compliance to include paying before

the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon any of its properties except to the extent contested in good faith and by appropriate proceedings promptly instituted and diligently pursued.

(e) Reporting Requirements. Furnish to the Holder (it being agreed that the filing of any publicly available reports and registration statements with the Securities and Exchange Commission or any national securities exchange shall satisfy the relevant reporting requirement under this clause (e)):

(i) as soon as available and in any event within 45 days after the end of each of the Borrower's first three quarters of each of its fiscal years, the Borrower's balance sheets as of the end of such quarter and statements of income and stockholders' equity for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, and the calculation, in reasonable detail, demonstrating compliance with Section 5(i), in each case certified by the Borrower's chief executive officer or chief financial officer;

(ii)

(iii) as soon as possible and in any event within five days after any senior officer of the Borrower has actual knowledge of any Default or Event of Default continuing on the date of such statement, a statement of the Borrower's chief executive officer or chief financial officer setting forth details of such Default or Event of Default or event and the action which the Borrower has taken and propose to take with respect thereto;

(iv) promptly after the filing or receiving thereof, copies of all material reports and notices which the Borrower files under ERISA with the Internal Revenue Service or the Pension Benefit Guaranty Corporation or the U.S. Department of Labor or which the Borrower receives from such corporation or any other government agency, in each case other than in the ordinary course of business; and

(v) upon written request from the Holder on the basis of its reasonable belief that a Material Adverse Effect has occurred or is reasonably likely to occur, such other information respecting the condition or operations, financial or otherwise, of the Borrower, in each case subject to applicable confidentiality obligations.

All financial statements furnished pursuant to this clause (e) shall be prepared in accordance with generally accepted accounting principles applied on a basis consistent with those used in the preparation of financial statements described in clause (e) of Section 3.

(f) Air Carrier Status. Remain a certificated air carrier in accordance with the provisions of clause (j) of Section 3 (except as permitted by clause (b) of this Section 4).

(g) Payment of Obligations. Pay, discharge or otherwise satisfy as the same shall become due and payable in the normal conduct of its business, all its obligations, except, in each case, to the extent any such obligation is being contested in good faith and by appropriate proceedings for which appropriate reserves have been established in accordance with GAAP or the failure to pay or discharge the same would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(h) Further Assurances. Promptly upon request by the Holder (i) correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Note Document or other document or instrument relating to any Collateral, and (ii) execute and deliver any and all further documents, agreements and instruments, and take all further actions, (x) that may be required or advisable under applicable law or that the Holder may request, in order to effectuate the transactions contemplated by the Note Documents, (y) in order to create, grant, establish, preserve, protect and perfect the validity, perfection and priority of the liens and security interests created or intended to be created by the Note Documents and (z) to better assure, convey, grant, assign, transfer, preserve, protect and confirm to the Holder the rights granted now or hereafter intended to be granted by the Borrower to the Holder under any Note Document.

(i) Compliance with Comparable Agreements. Promptly upon request, make available to the Holder all information reasonably requested by the Holder to confirm compliance by the Borrower with the provisions of Section 5(i).

SECTION 5. Negative Covenants. So long as any amount under this Note remains unpaid, the Borrower will not:

(a) Debt. Create or suffer to exist any Debt other than (i) Debt under this Note, (ii) Debt outstanding on the date hereof and indentified in Schedule I hereto, (iii) Debt created with the prior written consent of the Holder, (iv) Debt secured by a Permitted Lien, and (v) other unsecured Debt.

(b) Liens, etc. Create or suffer to exist any lien, security interest or other charge or encumbrance, or any other type of preferential arrangement, upon or with respect to any of its properties, whether now owned or hereafter acquired, or assign any right to receive income, other than (i) the Note Documents and (ii) Permitted Liens.

(c) Dividends. Declare or make any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any shares of any of its classes of capital stock, or purchase, redeem or otherwise acquire for value any shares of any of its classes of capital stock or any warrants, rights, or options to acquire any such shares, now or hereafter outstanding.

(d) Loans and Advances. Make any loan or advance to any Person, except for (i) travel and other ordinary course of business advances to officers and employees and (ii) without limiting clause (i), other loans or advances to Persons who are not directors,



officers, employees or affiliates of the Borrower in an aggregate outstanding principal amount with respect to all such other loans and advances not in excess of \$5,000,000.

(e) Transactions with Affiliates. Enter into any transaction or series of related transactions with any of its Affiliates, other than on terms and conditions substantially as favorable to it as would reasonably be obtained by it at that time in a comparable arms-length transaction with a Person other than an Affiliate.

(f) Comparable Agreements. Enter into a Comparable Agreement that provides for estimated payments to the Borrower or any Affiliate of any the Borrower in the aggregate net of any offsetting payments between the parties to the Comparable Agreement, calculated on a per block hour basis, during the term of such Comparable Agreement or, with respect to any modification or amendment of a Comparable Agreement, during the period commencing on the effective date of such amendment or modification and continuing for the remainder of the term of such agreement (in the case of either term or time period, the "Relevant Period") that are less than the Borrower's and its Affiliates' total estimated costs calculated on a per block hour basis (including a full allocation of overhead) reasonably expected to be incurred during the Relevant Period in connection with (i) the Borrower's and its Affiliates' operations related to the services provided under the Comparable Agreement and (ii) the Borrower's and its Affiliates' operations related to any aircraft of similar gauge as the aircraft to be operated pursuant to such Comparable Agreement (whether such aircraft is operated under an agreement with the Administrative Agent or another airline or by the Borrower or its Affiliates for its or their own account).

SECTION 6. Events of Default. If any of the following events ("Events of Default") occurs and is continuing:

- (a) The Borrower fails to pay
  - (i) any principal of this Note when due;
  - (ii) any interest on this Note within five (5) Business Days after the date when due; or
  - (iii) any other amounts payable under this Note within ten (10) Business Days after the date when due;
- (b) any representation or warranty made by the Borrower in or in connection with this Note proves to have been incorrect in any material respect when made;
- (c) the Borrower fails to perform or observe any covenant or agreement contained in Section 5 and, if such failure can be remedied, such failure remains unremedied for seven (7) days after the earlier of (i) the Borrower's obtaining knowledge of such failure and (ii) written notice thereof is given to the Borrower by Holder;
- (d) the Borrower fails to perform or observe any other term, covenant or agreement contained in this Note or the Security Agreement on its part to be performed

or observed and any such failure remains unremedied for thirty (30) days after the earlier of (i) the Borrower's obtaining knowledge of such failure and (ii) written notice thereof is given to the Borrower by Holder;

(e) any event or condition occurs which results in the acceleration of the maturity of any indebtedness for borrowed money of the Borrower exceeding \$1,000,000 in aggregate principal amount at the time outstanding or which permits (or, with the giving of notice or lapse of time or both, would enable) the holder of such indebtedness for borrowed money or any Person acting on such holder's behalf to accelerate the maturity thereof;

(f) any default occurs under any lease or leases by the Borrower as lessee of any real or personal property under which the aggregate rentals payable under such lease or all such leases in the aggregate exceed \$1,000,000;

(g) (i) the Borrower admits in writing its inability to pay debts, or makes a general assignment for the benefit of creditors; (ii) any proceeding is instituted by or against the Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking appointment of a receiver, trustee or other similar official for the Borrower or for any substantial part of its property and such proceeding (if instituted against the Borrower) is not dismissed or stayed within 60 days of the commencement thereof; or (iii) the Borrower takes any corporate action to authorize any of the actions set forth in this clause (g);

(h) one or more final judgments or orders for the payment of money in excess of \$1,000,000 in the aggregate (exclusive of any judgment or order the amounts of which are fully covered by insurance less any applicable deductible and as to which the insurer has been notified of such judgment or order and has not denied coverage) shall be rendered against the Borrower and such judgment or order shall continue unsatisfied and unstayed for a period of 60 days;

(i) the Borrower fails to perform or observe any term, covenant or agreement contained in any other agreement with Holder or any of its affiliates on its part to be performed or observed which failure has resulted in an "event of default" (or similar term) thereunder;

(j) any of the following events shall occur with respect to any employee benefit plans of the Borrower, except in each case as could not be reasonably expected to result in a Material Adverse Effect: (i) the institution by the Borrower of any steps to terminate any such plan; (ii) or a contribution failure occurs with respect to any such plan sufficient to give rise to a lien under ERISA;

(k) Holder terminates any Connection Carrier Agreement;

(l) any material provision of any Note Document shall, for any reason (other than as specifically set forth therein), cease to be valid and binding on the Borrower, or

the Borrower shall so assert in any pleading filed in any court or any material portion of any lien on the Collateral (as reasonably determined by the Holder) intended to be created by the Loan Documents shall cease to be or shall not be a valid and perfected lien having the priorities contemplated hereby or thereby; or

(m) Any Note Document after delivery thereof shall for any reason cease to create a valid and perfected lien, with the priority required by the Note Documents on and security interest in any material portion of the Collateral (as reasonably determined by the Holder) purported to be covered thereby,

then, if any Event of Default described in the preceding clause (g) shall occur, the outstanding principal amount of this Note and other obligations hereunder and under each other Note Document shall automatically be and become immediately due and payable, without notice or demand. If any Event of Default (other than any Event of Default described in the preceding clause (g)) shall occur for any reason, whether voluntary or involuntary, and be continuing, (i) the Holder may by notice to the Borrower declare all or any portion of the outstanding principal amount of this Note and other obligations hereunder and under each other Note Document to be due and payable, whereupon the full unpaid amount of this Note and other obligations which shall be so declared due and payable shall be and become immediately due and payable, without further notice, demand or presentment and (ii) exercise any and all remedies under and in accordance with the Note Documents and under applicable law available to the Holder. During the continuance of an Event of Default, at the election of the Holder, the principal amount outstanding hereunder shall accrue interest at a rate per annum equal to the sum of 2.0% plus the then applicable rate hereunder.

SECTION 7. Amendments, etc. No amendment to or waiver of any provision of this Note or any other document or instrument delivered in connection herewith, nor consent to any departure by the Borrower therefrom, will in any event be effective unless the same is in writing and signed by the Holder and the Borrower and then such amendment, waiver or consent will be effective only in the specified instance and for the specific purpose for which given.

SECTION 8. Notices, etc. All notices and other communications provided for hereunder must be in writing (including facsimile communication) and mailed or facsimiled or delivered, if to Borrower, at Pinnacle Airlines, Inc., 7500 Airline Drive, Minneapolis, MN 55450, Attention: Chief Executive Officer; and if to the Holder, at 1030 Delta Boulevard, Department 856, Atlanta, GA 30354, Fax No: 404-773-7345, Attention: Vice President and Treasurer; or, as to Borrower and the Holder, at such other address as designated by any party in a written notice to the other parties. All such notices and communications will, when mailed or facsimiled, be effective when received in the mails or sent by facsimile (receipt confirmed), respectively, addressed as aforesaid.

SECTION 9. Accounting and Certain Other Terms. (a) All accounting terms not specifically defined herein shall be construed and consistently applied in accordance with those generally accepted accounting principles applied in the preparation of the

financial statements referred to in clause (e) of Section 3, except as otherwise stated herein.

(a) In addition, for purposes of this Note, the following terms will have the following meanings:

“Affiliate” shall mean, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, a Person (a “Controlled Person”) shall be deemed to be “controlled by” another Person (a “Controlling Person”) if the Controlling Person possesses, directly or indirectly, power to direct or cause the direction of the management and policies of the Controlled Person whether by contract or otherwise; provided, that in no event shall the Holder constitute an Affiliate of the Borrower.

“Aircraft Rent Election” shall mean the written notice of the Borrower to the Lenders in accordance with the terms of that certain letter agreement, dated as of May 13, 2012, by and among the Lender and the Borrower pursuant to which the Borrower elects to terminate, under certain conditions, direct rental payments from the Borrower to the Lenders under the Existing Aircraft Subleases, in each case as more fully described therein.

“Bankruptcy Court” means United States Bankruptcy Court for the Southern District of New York.

“Bankruptcy Code” has the meaning set forth in the recitals.

“Business Day” means a day on which banks are not required or authorized to close in Atlanta, Georgia or Minneapolis, Minnesota.

“Closing Date” means [May \_\_, 2013]<sup>2</sup>.

“Code” has the meaning set forth in the recitals.

“Collateral” means the “Collateral” as defined in the Security Agreement and any other assets pledged or in which a lien is granted pursuant to any Note Document, including, without limitation, any mortgaged property.<sup>3</sup>

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<sup>2</sup> Date of conversion of a portion of the Obligations (as defined in the DIP Credit Facility) pursuant to the terms of the Plan.

<sup>3</sup> Collateral shall, at Delta’s option, be assets that the DIP Credit Facility has a lien on at emergence, which exclude (i) assets that are subject to the Existing Credit Agreement (as defined in the DIP Credit Facility), (ii) any assets to the extent that, and for so long as, such grant of a security interest therein would violate applicable law or regulation or, in the case of assets acquired after the Closing Date, such grant of a security interest therein would violate an enforceable contractual obligation binding on such assets that existed at the time of the acquisition thereof and was not created or made binding on such assets in contemplation or in connection with the acquisition of such assets in each case after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code (other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the

“Comparable Agreement” shall have the meaning set forth in the ASA Connection Agreement.

“Connection Carrier Agreement” means (i) the Delta Connection Agreement, dated as of April 27, 2007, by and among PAC, the Borrower and Delta (as amended, modified or supplemented, the “2007 Connection Agreement”), (ii) the Fourth Amended and Restated Airline Services Agreement, dated as of May 13, 2012 by and among PAC, the Borrower and Delta (as amended, modified or supplemented, “ASA Connection Agreement”) and (iii) the Amended and Restated 2010 Delta Connection Agreement dated as of April 1, 2012 by and among PAC, the Borrower, Mesaba and Delta (as amended, modified or supplemented, the “2010 Connection Agreement”).

“Debt” means, when used with reference to any Person:

- (i) indebtedness of such Person for borrowed money,
- (ii) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments,
- (iii) obligations of such Person to pay the deferred purchase price of property or services (other than trade debt on customary terms incurred in the ordinary course of business),
- (iv) obligations of such Person as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, consistently applied, recorded as capital leases,
- (v) obligations of such Person under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (i) through (iv) above and clause (vi) below and
- (vi) liabilities of such Person in respect of unfunded vested benefits under plans covered by Title IV of ERISA, together with the regulations thereunder, in each case as in effect from time to time.

“Default” shall mean any event or condition which, upon the giving of notice or expiration of any cure period or both would, unless cured or waived, constitute an Event of Default.

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Uniform Commercial Code notwithstanding such prohibition), (iii) the stock of any Borrower and (iv) other assets identified by Delta.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith and any casualty or condemnation.

“DIP Credit Facility” shall have the meaning set forth in the recitals to this Promissory Note.

“Existing Aircraft Subleases” means the “Leases” (as defined in the CRJ-200 Agreement) with respect to each “Aircraft” (as defined in the CRJ-200 Agreement).

“Lease Deposits” means those lease deposits set forth in the Aircraft Sublease Agreements (collectively, the “Aircraft Subleases”) currently in effect between Delta, as sublessor, and the Borrower, as sublessee, covering the 140 CRJ200 aircraft currently operated by the Borrower pursuant to ASA Connection Agreement.

“Material Adverse Effect” means a material adverse effect on (a) the business, operations or financial condition of the Borrower (b) the validity or enforceability of this Note, the Security Agreement or the rights and remedies of the Holder hereunder or thereunder, (c) the ability of the Borrower to pay its obligations under this Note or any other Note Document or (d) a material adverse effect on the Collateral, the liens in favor of the Holder on the Collateral or the priority of such liens.

“Net Cash Proceeds” means proceeds received by the Borrower after the Closing Date in cash or cash equivalents from any Disposition of Collateral in each case, net of (i) the reasonable cash costs of sale, assignment or other disposition, (ii) taxes paid or reasonably estimated to be payable as a result thereof, (iii) reserves provided, to the extent required by GAAP, against any liabilities that are directly attributed to such Disposition and (iv) any amount payable to a Person that is not an Affiliate of the Borrower which is secured by the assets subject to such solely to the extent the such Person’s security is senior in right of payment to the Holder; *provided*, that, if (i) the Borrower shall deliver an Officer’s Certificate to the Holder promptly following receipt of any such proceeds setting forth the Borrower’s intention to use any portion of such proceeds, to acquire, maintain, develop, construct, improve, upgrade or repair assets useful in the business of the Borrower which shall be subject to a first priority Lien under the Note Documents within 6 months of such receipt and (ii) no Default or Event of Default exists at the time of delivery of such notice or at the time of reinvestment of such Net Cash Proceeds, such portion of such proceeds shall not constitute Net Cash Proceeds except to the extent not, within 6 months of such receipt, so used; *provided*, further, that no Net Cash Proceeds calculated in accordance with the foregoing realized in any fiscal year shall constitute Net Cash Proceeds in such fiscal year until the aggregate amount of all such net cash proceeds in such fiscal year shall exceed \$1,000,000.

“Note Documents” means, collectively, (i) this Promissory Note, (ii) the Security Agreement, (iii) each aircraft mortgage, real estate mortgages, security agreement, pledge agreement, deposit account control agreement, securities account control agreement, intellectual property security agreement and each other agreement to which the Borrower is a party and that creates or purports to create a lien in any Collateral in favor of the Holder and (iv) any amendment, modification or supplement to any of the foregoing.

“Permitted Liens” means: (i) liens securing Debt under this Note; (ii) liens existing on the date of this Note and listed in Schedule II hereto; (iii) liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted; (iv) landlords’, carriers’, workmen’s, warehousemen’s, mechanic’s, materialmen’s, repairmen’s, employees’ or other like liens arising in the ordinary course of business with respect to amounts which are not yet delinquent or that are being contested in good faith by appropriate proceedings; (v) pledges or deposits made in the ordinary course of business in connection with (a) leases, performance bonds or similar obligations, (b) workers’ compensation, unemployment insurance and other social security legislation or (c) securing the performance of surety bonds and appeal bonds required (I) in the ordinary course of business or in connection with the enforcement of rights or claims of the Borrower or (II) in connection with judgments that do not give rise to an Event of a Default; (vi) with respect to real property or interests therein, easements, licenses, rights-of-way, restrictions, minor defects or irregularities in title and other similar encumbrances which, in the aggregate, do not materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or liens disclosed in title reports; and (vii) liens on any property other than the Collateral (as such term is defined in the Security Agreement).

“Person” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

“Plan” means the Debtors’ Joint Plan Of Reorganization Under Chapter 11 Of The Bankruptcy Code, as amended, modified or otherwise supplemented from time to time, which shall be in form and substance reasonably acceptable to the Holder.

“Relevant Period” has the meaning set forth in Section 5(i).

“Rental Payments” means the aggregate amount of base rate rental payments that would have been due from the Borrower to the Lender pursuant to the terms of the Existing Aircraft Subleases during the calendar month in which the Aircraft Election is made, as determined by the Lender.

“Repayment Date” has the meaning set forth in the recitals.

“Security Agreement” means any Security and Pledge Agreement, dated as of the date hereof, by and among the Borrower and Holder.

“Transactions” means, collectively, (i) the transactions in connection with and as contemplated by the Note Documents, (ii) the consummation of the Plan and (iii) all other related transactions, including the payment of fees and expenses in connection therewith

(b) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented, extended, amended and restated or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) any references to any law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law (including by succession of comparable successor laws), (iii) any reference herein to any Person shall be construed to include such Person’s successors and permitted assigns (subject to any restriction on assignment set forth herein) and, in the case of any governmental authority, any other governmental authority that shall have succeeded to any or all of the functions thereof, (iv) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Promissory Note in its entirety and not to any particular provision hereof, (v) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Promissory Note and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 10. Conditions Precedent. The Borrower shall have no rights under this Note and the Holder shall not be obligated to advance any funds to the Borrowers= hereunder, or to take, fulfill, or perform any other action hereunder, until the following conditions have been fulfilled or waived to the reasonable satisfaction of the Holder:

(a) Note Documents. This Promissory Note, the Security Agreement and each other Note Document required hereunder shall have been executed and delivered, in form, scope and substance reasonably satisfactory to the Holder, to the Holder, and the Holder shall have a first priority perfected security interest (subject to Permitted Liens) in all Collateral.

(b) The Plan. The Plan shall be reasonably acceptable to the Holder and shall have been approved by all necessary parties and confirmed by the Bankruptcy Court in the Cases. Additionally, there shall be no pending avoidance actions in respect of any claims of Holder against the Borrower.



(c) Governmental Approvals. All necessary governmental (domestic and foreign), Bankruptcy Court and third party orders, approvals and consents in connection with the Plan and otherwise referred to therein shall have been obtained and remain in effect, and all applicable waiting periods shall have expired without any action being taken by any competent authority which, in the judgment of the Holder, restrains, prevents, or imposes materially adverse conditions upon, the consummation of the Plan or otherwise referred to therein. Additionally, there shall not exist any judgment, order, injunction or other restraint prohibiting or imposing materially adverse conditions upon the Plan, this Promissory Note or the other Note Documents.

(d) Officer's Certificate. The Holder shall have received an Officer's Certificate from the Borrower certifying (i) as to the truth of the representations and warranties contained in the Note Documents as though made on and as of the Closing Date and (ii) compliance with the conditions precedent set forth in this Section 10.

(e) Representations and Warranties. All representations and warranties shall be true and correct on and as of the Closing Date (although any representations and warranties which expressly relate to a given date or period shall be required to be true and correct as of the respective date or for the respective period, as the case may be), after giving effect to the Transactions, as though made on and as of such date.

(f) Absence of Defaults. No Default or Event of Default shall have occurred and be continuing, or would result from consummation of the Transactions. No Default (as defined in the DIP Credit Facility) or Event of Default (as defined in the DIP Credit Facility) shall have occurred and be continuing.

(g) Corporate Documents. The Holder shall have received copies of (i) resolutions of the Borrower authorizing the transactions contained herein, (ii) a secretary's certificate of the Borrower, (iii) a good standing certificate of the Borrower certified by the Secretary of State of the State of the jurisdiction of incorporation or organization of the Borrower, as applicable, and (iv) incumbency certificates of the Borrower, each in form and substance reasonably satisfactory to the Holder.

(h) Notice. The Holder's shall have received a written notice from the Borrower electing to convert amounts outstanding under the DIP Credit Facility to amounts outstanding under this Promissory Note at least ten (10) business days prior to the Closing Date.

(i) Payment of Fees and Expenses. The Borrower shall have paid to the Holder the then unpaid balance of all accrued and unpaid costs and expenses then due, owing and payable to the Holder under and pursuant to Note Documents (including the fees and out-of-pocket expenses of counsel to the Holder) as to which invoices have been issued and presented on or before the Closing Date.

(j) Insurance. The Holder shall have received certificates of insurance with respect to insurance maintained by the Borrower, as the case may be, which certificates evidence compliance by the Borrower with the insurance requirements set forth herein

and in the Note Documents as of the Closing Date and the Holder shall have been named as loss payee with respect to all Collateral and an additional insured (as its interests may appear), on such policies of insurance of the Borrower as the Holders as specified in the Note Documents.

SECTION 11. Costs and Expenses. The Borrower agrees to pay on demand all (a) all costs and expenses of the Holder associated with the preparation, execution, delivery and administration of the Note Documents and any amendment or waiver with respect thereto (including the fees, disbursements and other charges of counsel (including local, conflicts and special counsel as necessary) and, to the extent in “work out” or restructuring, financial advisors for the Holder), (b) all expenses of the Holder (including the fees, disbursements and other charges of counsel (including local, conflicts and special counsel) for the Holder) and financial advisors in connection with the enforcement of the Note Documents and (c) all expenses associated with collateral monitoring, collateral reviews and appraisals, environmental reviews and fees and expenses of other advisors and professionals engaged by the Holder.

SECTION 12. Right of Set-off. Upon the occurrence and during the continuance of any Event of Default, the Holder hereof is hereby authorized at any time and from time to time, without notice to the Borrower (any such notice being expressly waived), to set off and apply any and all obligations at any time owing by such holder to or for the Borrower’s credit or account against any and all of the Borrower’s obligations now or hereafter existing under this Note or any other document or instrument delivered in connection herewith, irrespective of whether or not such holder has made any demand under this Note or any other document or instrument delivered in connection herewith, and although such obligations may be unmaturing. The Holder’s rights under this Section 12 are in addition to other rights and remedies (including other rights of set-off) which it may have and, so long as Delta or any of its affiliates are the sole Holders, are in addition to Holder’s right to cause payments of principal hereof and interest hereon to be made by deductions from amounts payable to the Borrower under the Connection Carrier Agreements in the manner set forth therein.

SECTION 13. Indemnification and Survival. The Borrower hereby indemnifies, exonerates and holds the Holder (including Delta) and each of its affiliates, officers, directors, employees and agents (collectively, the “Indemnified Parties”) free and harmless from and against any and all actions, causes of action, suits, losses, costs, liabilities, damages and expenses incurred in connection therewith (irrespective of whether any such Indemnified Party is a party to the action for which indemnification hereunder is sought), including attorneys’ fees and disbursements (collectively, the “Indemnified Liabilities”), incurred by the Indemnified Parties or any of them as a result of, or arising out of, or relating to

(a) any investigation, litigation or proceeding related to any environmental cleanup, audit, compliance or other matter relating to the protection of the environment and the Borrower; or

(b) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or releases from, any real property owned or operated by the Borrower of any hazardous material (including any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any environmental law), regardless of whether caused by, or within the control of, the Borrower,

except for any such Indemnified Liabilities arising for the account of a particular Indemnified Party by reason of the relevant Indemnified Party's gross negligence or willful misconduct as determined by a non-appealable order of a court of competent jurisdiction, and if and to the extent that the foregoing undertaking may be unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. The Borrower's obligations under this Section 13 and under Section 11 shall in each case survive the payment in full of all obligations hereunder.

SECTION 14. Assignment. The rights and obligations of the Borrower may not be assigned by the Borrower without the prior written consent of the Holder, which consent may be granted or withheld in the Holder's sole discretion. The Holder may assign at any time this Note to any other Person with, so long as no Event of Default has occurred and is continuing, the consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned), in which event, the assignee shall have, to the extent of such assignment, the same rights and benefits as it would have if it were the Holder, except as otherwise provided by the terms of such assignment or participation. Upon a valid assignment of a party's rights and obligations under this Note, this Note shall inure to the benefit of and be binding upon the successors and permitted assigns and transferees of the Borrower and the Holder.

SECTION 15. Governing Law. THIS NOTE AND EACH OTHER DOCUMENT OR INSTRUMENT DELIVERED IN CONNECTION HEREWITH SHALL EACH BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA.

SECTION 16. Forum Selection and Consent to Jurisdiction. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(a) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS NOTE AND THE OTHER RELATED DOCUMENTS TO WHICH IT IS A PARTY, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NON-EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF;

(b) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND WAIVES ANY OBJECTION THAT IT MAY

NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(c) AGREES THAT SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO IT AT ITS ADDRESS SET FORTH IN SECTION 8 OR AT SUCH OTHER ADDRESS OF WHICH THE OTHER PARTIES SHALL HAVE BEEN NOTIFIED PURSUANT THERETO; AND

(d) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION.

SECTION 17. Waiver of Jury Trial. EACH OF THE BORROWER AND HOLDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS NOTE OR THE SECURITY AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF IT.

*(Signature page follows)*

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered on the date set forth above the by the duly authorized representative of the Borrower.

PINNACLE AIRLINES, INC.

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

Name:

Title:

Acknowledged and Agreed:

DELTA AIR LINES, INC.

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

Name:

Title:

**SCHEDULE I**  
**to Promissory Note**

**DEBT**

**SCHEDULE II**  
**to Promissory Note**

**LIENS**



**SCHEDULE 3(c)  
to Promissory Note**

**FILINGS**