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Counsel to the Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

)				
In re:)				Chapter 11
)				
HAWKER BEECHCRAFT, INC., <i>et al.</i> , ¹)				Case No. 12-11873 (SMB)
)				
Debtors.)				(Jointly Administered)
)				

**DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING
THE DEBTORS TO (A) ENTER INTO AN EXIT FINANCING
COMMITMENT LETTER AND FEE LETTER, (B) INCUR AND PAY
ASSOCIATED FEES AND EXPENSES, AND (C) PROVIDE RELATED INDEMNITIES**

¹ The Debtors in the chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Hawker Beechcraft, Inc. (2598); Arkansas Aerospace, Inc. (7496); Beech Aircraft Corporation (0487); Beechcraft Aviation Company (3548); Hawker Beechcraft Acquisition Company, LLC (8770); Hawker Beechcraft Corporation (5770); Hawker Beechcraft Defense Company, LLC (5891); Hawker Beechcraft Finance Corporation (8763); Hawker Beechcraft Global Customer Support Corporation (7338); Hawker Beechcraft Holding, Inc. (6044); Hawker Beechcraft International Delivery Corporation (6640); Hawker Beechcraft International Holding LLC (6757); Hawker Beechcraft International Service Company (9173); Hawker Beechcraft Notes Company (0498); Hawker Beechcraft Quality Support Company (7800); Hawker Beechcraft Regional Offices, Inc. (3889); HBC, LLC (N/A); and Rapid Aircraft Parts Inventory and Distribution Company, LLC (N/A). The location of the Debtors' corporate headquarters and the Debtors' service address is: 10511 East Central, Wichita, Kansas 67206.

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) file this motion (this “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit A**, authorizing the Debtors to (a) enter into (i) the exit financing commitment letter, a copy of which is attached hereto as **Exhibit B**, (the “Commitment Letter”) with JPMorgan Chase Bank, N.A. and J.P. Morgan Securities LLC (together, the “Commitment Parties”) and (ii) the related fee letter, a redacted copy of which is attached hereto as **Exhibit C** (the “Fee Letter,” and together with the Commitment Letter, the “Exit Financing Letters”),² (b) incur and pay certain fees and expenses as set forth in the Exit Financing Letters, and (c) provide related indemnities. In support of the Motion, the Debtors submit *the Declaration of Agnes K. Tang*, attached hereto as **Exhibit D** and respectfully state as follows:

Preliminary Statement

1. The Debtors are presently soliciting votes on their Amended Plan (as defined below) and a confirmation hearing has been scheduled for January 31, 2013. In preparation for emergence from bankruptcy, the Debtors have focused their efforts on procuring the exit financing necessary to consummate the Amended Plan and to provide sufficient working capital to the reorganized Debtors for their business operations and other general corporate purposes. Since November 2012, the Debtors, with the assistance of their advisors, have engaged in an extensive process to obtain exit financing proposals from various financial institutions. Following good faith, arm’s-length negotiations with multiple financial institutions, the Debtors

² The Debtors have provided an unredacted copy of the Fee Letter to the Court and the United States Trustee for the Southern District of New York (the “U.S. Trustee”), and on a confidential “professional eyes only” basis to (a) counsel for the official committee of unsecured creditors (the “Creditors’ Committee”), (b) counsel for the committee representing the holders of a majority of the obligations under Debtors’ prepetition senior secured credit facility (the “Ad Hoc Committee of Senior Secured Lenders”), and (c) counsel for the committee representing the holders of a majority of the obligations under the prepetition senior unsecured notes (the “Ad Hoc Committee of Senior Noteholders”) (collectively, the “Fee Letter Notice Parties”).

reached agreement on the Exit Financing Letters with the Commitment Parties. Pursuant and subject to the terms of the Exit Financing Letters, the Commitment Parties have agreed to underwrite, structure, arrange, and syndicate: (a) a \$375 million senior secured term loan facility (the “Term Loan Facility”); and (b) a \$225 million senior secured asset-based revolving credit facility (the “Revolving Facility,” and together with the Term Loan Facility, the “Exit Financing”).

2. Subject to the Court’s approval of the Exit Financing Letters, the Debtors will be obligated to pay certain fees and expenses in connection with the Exit Financing, including reimbursement of reasonable and documented out-of-pocket expenses incurred by the Commitment Parties, as well as to provide indemnities to the Commitment Parties and their representatives and affiliates. Pursuant to the Fee Letter, a portion of the underwriting fees will be deemed earned upon entry into the Exit Financing Letters (subject to Court approval) and the remaining portion of such fees will be deemed earned on the closing date of the Exit Financing Letters. All of the Exit Financing fees payable under the Fee Letter are contemplated to be paid on the effective date of the Amended Plan with the proceeds of the Exit Financing. The Commitment Parties’ commitment is subject to the terms and conditions set forth in the Exit Financing Letters, including Court approval of the Exit Financing Letters and authorization for the Debtors to enter into the Exit Financing Letters and consummate the transactions contemplated thereby.

3. The Debtors and their key creditor constituencies wish to lock in the commitment for the Exit Financing as soon as possible. In addition, in light of the significant efforts that have already been undertaken and will need to be expended before confirmation in connection with

the Exit Financing, the Exit Financing Letters provide for the Debtors to seek immediate approval of the Exit Financing Letters.

4. Consistent with their mandate of maximizing the value of these estates and recoveries for all stakeholders, the Debtors seek authority to enter into the Exit Financing Letters to ensure the availability of exit financing necessary to consummation of the Amended Plan. As explained herein, the Debtors believe that entering into the Exit Financing Letters as contemplated in this Motion represents a sound exercise of the Debtors' business judgment and is in the best interests of the Debtors and their estates.

Jurisdiction and Venue

5. The United States Bankruptcy Court for the Southern District of New York (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

6. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

7. The statutory bases for the relief requested herein are sections 107(b), 363(b), and 503(b) of title 11 of the United States Code (the "Bankruptcy Code").

Background

8. On May 3, 2012 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On May 4, 2012, the Court entered an order [Docket No. 34] authorizing the joint administration and procedural consolidation of the chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in the chapter 11 cases. On May 11, 2012, the U.S. Trustee appointed the Creditors' Committee pursuant to section 1102 of the Bankruptcy Code [Docket No. 83].

9. On December 10, 2012, the Debtors filed their proposed amended joint chapter 11 plan [Docket No. 913] (the “Amended Plan”) and the solicitation version of the amended disclosure statement [Docket No. 914] (the “Amended Disclosure Statement”), which contemplate consummation of a consensual debt-to-equity recapitalization transaction that has been agreed to by the holders of a majority of the obligations under Debtors’ prepetition senior secured credit facility and prepetition senior unsecured notes.

The Exit Financing Letters and the Exit Financing

10. In November 2012, Perella Weinberg Partners (“PWP”), the Debtors’ financial advisor, in consultation with the Ad Hoc Committee of Senior Secured Lenders, launched a request-for-proposal process to solicit exit financing proposals from fifteen potential lenders. Of these fifteen parties, ten executed confidentiality agreements and were granted access to extensive diligence materials through a data-room established by PWP and the Debtors. The data-room provided insight into all relevant aspects of the Debtors’ businesses and financial condition, including (a) the Debtors’ business plan and financial projections, (b) the Debtors’ contracts and leases with key vendors and business partners, (c) the Debtors’ tax attributes and obligations, (d) employee issues, (e) licensing and regulatory issues, and (f) information on ongoing and potential litigation and claims against the Debtors and their insurance coverage with respect to such claims.

11. In addition to the due diligence performed via the data-room, the Debtors and their advisors met with five potential lenders to discuss the terms of potential exit financing facilities. After receiving favorable initial indications of interest from the Commitment Parties and three other lenders (collectively, the “Potential Exit Lenders”), the Debtors and their advisors carefully analyzed the preliminary indications of interest and engaged in further negotiations with each of the Potential Exit Lenders regarding their proposals. Thereafter, the

Debtors received revised formal draft commitment proposals from four of the Potential Exit Lenders. Following additional rounds of extensive, arm's-length, and good faith negotiations with these lenders, the Debtors received further revisions on three of the commitment proposals from the Potential Exit Lenders. Ultimately, after reviewing each of the proposals from the Potential Exit Lenders and after consulting with the advisors to the Creditors' Committee, the Ad Hoc Committee of Senior Secured Lenders, and the Ad Hoc Committee of Senior Noteholders, the Debtors selected the Commitment Parties' proposal as the most favorable and most viable exit financing package. The Exit Financing meets the Debtors' emergence and post-emergence needs and will facilitate consummation of the Amended Plan within the Debtors' anticipated timeline for emergence in the first quarter of this year.

12. As discussed above, the Exit Financing will consist of (a) a \$375 million senior secured term loan facility and (b) a \$225 million senior secured asset-based revolving credit facility. The proceeds from the Term Loan Facility will be used to pay in full all outstanding amounts under the super-priority \$400 million debtor-in-possession facility, pay certain settlement and cure payments, and provide working capital to the reorganized Debtors for their business operations and other general corporate purposes. The Revolving Facility likely will remain undrawn on the effective date of the Amended Plan (except that certain letters of credit will be issued under the Revolving Facility in support, or as a replacement, of existing letters of credit), and will be available thereafter to support the Debtors' operating needs. The key terms of the Exit Financing are set forth in the term sheets attached to the Commitment Letter, which is attached hereto as Exhibit B.

13. As is customary, the Debtors are required to (a) provide indemnification for the Commitment Parties and their affiliates and representatives, (b) reimburse the Commitment

Parties for reasonable and documented out-of-pocket expenses incurred in connection with the Exit Financing, and (c) pay, subject to the terms and conditions of the Fee Letter, the Commitment Parties certain fees, including underwriting fees. Pursuant to the Fee Letter, a portion of the underwriting fees will be deemed earned upon entry into the Exit Financing Letters (subject to Court approval) and the remaining portion of such fees will be deemed earned on the closing date of the Exit Financing. All of the fees in connection with the Exit Financing are contemplated to be paid upon the closing of the Exit Financing at the Debtors' emergence from Chapter 11 from the proceeds of the initial borrowings under the Exit Financing.

14. Because the Fee Letter contains detailed proprietary information that is considered by the Commitment Parties and the Debtors to be highly sensitive, confidential and not generally disclosed to the public or made available to competing financial institutions, the Commitment Parties and the Debtors have agreed that only a redacted version of the Fee Letter be filed on the docket.

Relief Requested

15. By this Motion, the Debtors respectfully request the Court enter an order, substantially in the form attached hereto as **Exhibit A**, (a)(i) authorizing the Debtors pursuant to sections 363 and 503(b) of the Bankruptcy Code to enter into the Exit Financing Letters, (ii) incur and pay associated fees and expenses in connection with the Exit Financing Letters, and (iii) provide related indemnities and (b) grant such other relief as is just and proper.

Basis for Relief

A. The Debtors' Entry into the Exit Financing Letters and Incurrence and Payment of the Associated Fees and Obligations are Within the Debtors' Sound Business Judgment.

16. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of

business, property of the estate” 11 U.S.C. § 363(b)(1). The use, sale, or lease of property of the estate, other than in the ordinary course of business, is authorized in this jurisdiction when a “sound business purpose” justifies such action. *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983); *see also In re Gucci*, 126 F.3d 380, 387 (2d Cir. 1997); *In re Global Crossing Ltd.*, 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003); *In re Ionosphere clubs, Inc.*, 184 B.R. 648, 653 (S.D.N.Y. 1995); *Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1992), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993) (noting that in reviewing a debtor’s decision to use estate property pursuant to section 363(b) “the business judgment of the Debtor is the standard applied under the law in this District”).

17. When a valid business justification exists, the law vests the debtor’s decision to use property out of the ordinary course of business with a strong presumption that “in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company.” *Integrated Res.*, 147 B.R. at 656 (S.D.N.Y. 1992) (citations and internal quotations omitted), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993). The business judgment rule therefore shields a debtor’s management from judicial second-guessing, and mandates that a court approve a debtor’s business decision unless that decision is a product of bad faith or gross abuse of discretion. *See Lubrizol Enters., Inc. v. Richmond Metal Finishers, Inc.*, 756 F.2d 1043, 1047 (4th Cir. 1985), *cert. denied*, 475 U.S. 1057 (1986).

18. Courts in this district and others have authorized a debtor’s entry into commitment letters and the incurrence of obligations in connection with exit financing on the basis of a debtor’s reasonable business judgment. *See, e.g., In re Eastman Kodak Co., et al.*,

Case No. 12-10202 (ALG) (Bankr. S.D.N.Y. Dec. 14, 2012); *In re The Great Atlantic & Pacific Tea Co., Inc.*, Case No. 10-24549 (RDD) (Bankr. S.D.N.Y. Jan. 27, 2012) (authorizing the debtors to enter into financing commitment and fee letters and provide related indemnities); *In re Tronox Inc.*, Case No. 09-10156(ALG) (Bankr. S.D.N.Y. Oct. 27, 2010) (same); *In re Smurfit-Stone Container Corp.*, Case No. 09-10235 (BLS) (Bankr. D. Del. Jan. 14, 2010) (approving and authorizing motion for exit term loan facility engagement and arrangement letter and fee letter); *In re Calpine Corp.*, Case No. 05-60200 (BRL) (Bankr. S.D.N.Y. Dec. 17, 2007) (approving entry into exit facility commitment papers); *In re Mirant Corp.*, Case No. 03-46590 (DML) (Bankr. N.D. Tex. May 13, 2005) (“entry into the Commitment Letter is in the best interest of the Debtors’ estates and creditors and represents a sound exercise of the Debtors’ business judgment.”); *see also In re Chemtura Corp.*, Case No. 09-11233 (REG) (Bankr. S.D.N.Y. Aug. 9, 2012) (authorizing the debtors to enter into certain agreements relating to exit financing); *In re Lyondell Chemical Corp.*, Case No. 09-10023 (REG) (Bankr. S.D.N.Y. Mar. 24, 2010) (authorizing entry into certain agreements relating to exit financing); *In re Smurfit-Stone Container Corp., et al.*, Case No. 09-10235 (BLS) (Bankr. D. Del. Feb. 16, 2010) (approving and authorizing motion for a term loan facility in connection with exit financing under a plan of reorganization).

19. Entry into and performance under the Exit Financing Letters are in the best interests of the Debtors’ estates and represents a sound exercise of the Debtors’ business judgment. The Exit Financing Letters are the product of extensive, good faith, and arm’s-length negotiations among the Debtors and the Commitment Parties, and their terms are fair and reasonable in light of the type of transaction and the size of the proposed financings and reflect market terms and conditions. The agreement to provide indemnities, reimburse reasonable and

documented out-of-pocket expenses in connection with the Exit Financing, and pay the financing fees are integral terms of the proposed Exit Financing. The Exit Financing is a prerequisite to the Debtors' emergence from chapter 11. In addition, immediately upon the Debtors' entry into the Exit Financing Letters, the Commitment Parties have agreed to structure, prepare, and negotiate definitive documentation with respect to the Exit Financing, which financing is necessary for the Debtors to emerge from chapter 11 as contemplated under the Amended Plan.

20. For these reasons, the Debtors respectfully submit that entering into the Exit Financing Letters is well within their business judgment and is in the best interests of the Debtors' estates and creditors.

B. Limited Disclosure of the Fee Letter is Warranted.

21. Section 107(b) of the Bankruptcy Code authorizes courts to issue orders that will protect entities from potential harm that may result from the disclosure of confidential commercial information. This section provides, in relevant part:

On request of a party in interest, the bankruptcy court shall, and on the bankruptcy court's own motion, the bankruptcy court may:
(1) protect an entity with respect to a trade secret or confidential research, development, or commercial information

11 U.S.C. § 107(b). Bankruptcy Rule 9018 defines the procedure by which a party may move for relief under section 107(b) of the Bankruptcy Code, and provides, in part:

On motion or on its own initiative, with or without notice, the court may make any order which justice requires (1) to protect the estate or any entity in respect of a trade secret or other confidential research, development, or commercial ...

Fed. R. Bankr. P. 9018.

22. Once the Court determines that a party in interest is seeking protection from the disclosure of the type of information enumerated in section 107(b) of the Bankruptcy Code, "the

court is required to protect a requesting interested party and has no discretion to deny the application.” *Video Software Dealers Ass’n v. Orion Pictures Corp.*, 21 F.3d 24, 27 (2d Cir. 1994). Commercial information need not rise to the level of a trade secret to be protected under section 107(b) of the Bankruptcy Code. *Id.* at 28.

23. As described above, the Debtors are seeking authority to incur and pay fees pursuant to the Fee Letter, a redacted copy of which is attached as Exhibit C. The Debtors submit that good cause exists to authorize the Debtors to file the Fee Letter in redacted form and provide an unredacted copy of the Fee Letter to the Court, the U.S. Trustee, and the Fee Letter Notice Parties. The Fee Letter contains detailed proprietary commercial information regarding the fees for the Exit Financing and syndication matters, which are considered by the Commitment Parties (as well as the lending industry generally) to be highly sensitive and confidential information not disclosed in a public manner or made available to other competing financial institutions. In light of the highly competitive nature of the lending industry and to protect the Debtors’ financial interests during syndication, the Debtors and the Commitment Parties have agreed that the fees and other sensitive information set forth in the Fee Letter be kept confidential.

24. The Debtors further submit that providing an unredacted copy of the Fee Letter only to the Court, the U.S. Trustee, and the Fee Letter Notice Parties in accordance with the terms of the Fee Letter is appropriate and required to protect confidential commercial information in the Fee Letter. Indeed, these parties have the greatest interest in the Fee Letter. Therefore, providing an unredacted copy of the Fee Letter only to these parties will subject the Fee Letter to sufficient scrutiny on its merits while minimizing any impact on the Debtors’ efforts to obtain the Exit Financing.

C. Waiver of Stay Period Under Bankruptcy Rule 6004(h) Is Appropriate.

25. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of property . . . is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” A court may reduce or waive the stay period, however, when “there is a sufficient business need to close the transaction.” *In re Borders Group, Inc.*, 453 B.R. 477, 486 (Bankr. S.D.N.Y. 2011) (citations omitted). In this case, the Debtors request that the Order authorizing the Debtors to enter into the Exit Financing Letters be effective immediately upon entry to lock in the commitment for the Exit Financing and complete the related work necessary for the Debtors to emerge from bankruptcy when contemplated. Accordingly, waiver of the 14-day stay period under Bankruptcy Rule 6004(h) is appropriate.

Notice

26. The Debtors have provided notice of this Motion to the following parties: (a) the U.S. Trustee; (b) counsel for the Creditors’ Committee; (c) counsel to the administrative agents under the Debtors’ prepetition Credit Agreement, dated as of March 26, 2007 and the Debtor in Possession Credit Agreement, dated as of May 7, 2012; (d) counsel to the Ad Hoc Committee of Senior Secured Lenders; (e) counsel to Deutsche Bank National Trust Company in its capacity as the indenture trustee for the Senior Notes; (f) counsel to Wilmington Trust, N.A. in its capacity as the indenture trustee for the Subordinated Notes; (g) counsel to the Ad Hoc Committee of Senior Noteholders, (h) Brown Rudnick LLP, as counsel to certain lenders under the Credit Agreement; (i) the United States Securities and Exchange Commission; (j) the Internal Revenue Service; (k) counsel to the Commitment Parties; and (l) all entities that have filed a request for service of filings in the above captioned chapter 11 cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtors respectfully submit that no further notice is necessary.

No Prior Request

27. No prior request for the relief sought in this Motion has been made to this or any other court.

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WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting such other relief as is just and proper.

Dated: January 11, 2013
New York, New York

/s/ Ross M. Kwasteniet

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Paul M. Basta
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Counsel to the Debtors and Debtors in
Possession

EXHIBIT A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
HAWKER BEECHCRAFT, INC., <i>et al.</i> , ¹)	Case No. 12-11873 (SMB)
)	
Debtors.)	(Jointly Administered)

**ORDER AUTHORIZING THE DEBTORS TO (A) ENTER INTO AN EXIT
FINANCING COMMITMENT LETTER AND FEE LETTER, (B) INCUR AND PAY
ASSOCIATED FEES AND EXPENSES, AND (C) PROVIDE RELATED INDEMNITIES**

Upon the motion (the “Motion”)² of the Debtors for the entry of an order authorizing the Debtors, pursuant to sections 107(b), 363, and 503(b) of the Bankruptcy Code, to (a) enter into the Exit Financing Letters, (b) incur and pay the fees and expenses as set forth in the Exit Financing Letters, and (c) provide related indemnities, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the

¹ The Debtors in the chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Hawker Beechcraft, Inc. (2598); Arkansas Aerospace, Inc. (7496); Beech Aircraft Corporation (0487); Beechcraft Aviation Company (3548); Hawker Beechcraft Acquisition Company, LLC (8770); Hawker Beechcraft Corporation (5770); Hawker Beechcraft Defense Company, LLC (5891); Hawker Beechcraft Finance Corporation (8763); Hawker Beechcraft Global Customer Support Corporation (7338); Hawker Beechcraft Holding, Inc. (6044); Hawker Beechcraft International Delivery Corporation (6640); Hawker Beechcraft International Holding LLC (6757); Hawker Beechcraft International Service Company (9173); Hawker Beechcraft Notes Company (0498); Hawker Beechcraft Quality Support Company (7800); Hawker Beechcraft Regional Offices, Inc. (3889); HBC, LLC (N/A); and Rapid Aircraft Parts Inventory and Distribution Company, LLC (N/A). The location of the Debtors’ corporate headquarters and the Debtors’ service address is: 10511 East Central, Wichita, Kansas 67206.

² Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Motion.

Motion having been provided and being adequate and appropriate under the particular circumstances; and a hearing having been held to consider the relief requested in the Motion (the “Hearing”); and upon consideration of the record of the Hearing and all proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest, and that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and any objections to the relief requested herein having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. Pursuant to section 363 of the Bankruptcy Code, the Debtors are authorized to enter into, and perform under, the Exit Financing Letters and consummate the transactions contemplated thereby.
3. The Debtors are authorized to negotiate, prepare, execute, and deliver all documents, and take such other action as may be necessary or appropriate to implement, effectuate and fully perform their obligations as and when they are incurred and become due under the Exit Financing Letters, including reimbursing the Commitment Parties for their reasonable and documented out-of-pocket fees and expenses, indemnifying the Commitment Parties and their representatives and affiliates, and incurring and paying the fees required to be paid under the Exit Financing Letters, in each case on the terms and subject to the conditions set forth in the Exit Financing Letters.
4. The Debtors are authorized to attach a redacted version of the Fee Letter to the Motion. Service of the Motion without transmittal of the unredacted Fee Letter is permitted and

deemed sufficient under the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules. The unredacted Fee Letter will remain strictly confidential and, with the exception of the Court, the U.S. Trustee, and the Fee Letter Notice Parties, will not be made available to anyone without the written consent of the Debtors and the Commitment Parties. The Fee Letter Notice Parties will be bound by this Order and will at all times keep the unredacted Fee Letter strictly confidential and will not disclose its contents to any party whatsoever, except as otherwise agreed in writing by the Commitment Parties.

5. All amounts and obligations due and owing to the Commitment Parties and their representatives and affiliates in accordance with the terms and conditions of the Exit Financing Letters, including the fees and any indemnity obligations payable thereunder, and the reimbursement of reasonable and documented out-of-pocket expenses, are allowed administrative expense claims under sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code, whether or not the Exit Financing is entered into or funded.

6. The automatic stay of section 362 of the Bankruptcy Code is hereby modified to the extent necessary to enable the Commitment Parties to perform under the Exit Financing Letters and to exercise any and all of their contractual rights thereunder.

7. The 14-day stay period under Bankruptcy Rule 6004(h) is waived, and the terms and conditions of this Order will be immediately effective and enforceable upon entry of this Order.

8. The Court will retain jurisdiction with respect to all matters arising from or related to the Exit Financing Letters and implementation of this Order.

Dated: _____, 2013
New York, New York

Stuart M. Bernstein
United States Bankruptcy Judge

EXHIBIT B

Commitment Letter

EXECUTION VERSION

J.P. MORGAN SECURITIES LLC
383 Madison Avenue
New York, New York 10179

JPMORGAN CHASE BANK, N.A.
270 Park Avenue
New York, New York 10017

January 9, 2013

Hawker Beechcraft Acquisition Company, LLC
10511 East Central
Wichita, Kansas 67206
B091-S03

Attention: K.J. Tjon
Chief Financial Officer and Treasurer

Commitment Letter

Ladies and Gentlemen:

You have advised JPMorgan Chase Bank, N.A. ("JPMorgan Chase Bank") and J.P. Morgan Securities LLC ("JPMorgan" and, together with JPMorgan Chase Bank, the "Commitment Parties", "us" or "we") that Hawker Beechcraft, Inc., Hawker Beechcraft Acquisition Company, LLC and certain of their subsidiaries (collectively, the "Company" or "you") (i) have commenced voluntary cases (the "Cases") under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), (ii) expect the Company and its subsidiaries to be reorganized pursuant to the Chapter 11 plan of reorganization filed by the Company on December 10, 2012 (as amended, waived or supplemented from time to time prior to the date hereof and, to the extent amended, waived or supplemented on or after the date hereof, such amendments, waivers or supplements that are not materially adverse to the Lenders or the Commitment Parties, the "Plan"), (iii) intend to obtain a \$225,000,000 senior secured revolving credit facility (the "Revolving Facility") and (iv) intend to obtain a \$375,000,000 senior secured term loan facility (the "Term Loan Facility", and together with the Revolving Facility, the "Facilities"), with the proceeds of the Facilities to be used to, among other things, refinance the DIP Credit Agreement and to finance the Company's emergence from Chapter 11 of the Bankruptcy Code. In connection therewith, the Company has requested that we agree to structure, arrange and syndicate the Facilities.

Capitalized terms used but not defined herein are used with the meanings assigned to them on Exhibit A and Exhibit B attached hereto (the "Term Sheets" and, together with this letter and Exhibit C and Exhibit D, collectively, the "Commitment Letter"). As used herein, the term "Transactions" means, collectively, the entering into and funding of the Facilities, the refinancing of the DIP Credit Agreement, the consummation of the Plan, the payment of fees and expenses in connection therewith and any other transactions ancillary to the foregoing. The date on which the initial funding under the Facilities occurs is referred to as the "Closing Date".

1. Commitments

In connection with the Transactions, JPMorgan Chase Bank is pleased to advise you of its commitment, and hereby commits to provide 100% of the aggregate amount of the Facilities upon the terms and conditions set forth in this Commitment Letter (including the exhibits hereto).

2. Titles and Roles

It is agreed that (i) JPMorgan will act as sole lead arranger and sole bookrunner for the Facilities (acting in such capacities, the "Lead Arranger") and (ii) JPMorgan Chase Bank will act as sole administrative agent and collateral agent for each of the Term Loan Facility and the Revolving Facility.

You agree that no other agents, co-agents, arrangers, co-arrangers, bookrunners, co-bookrunners, managers or co-managers will be appointed, no other titles will be awarded and no compensation (other than that expressly contemplated by the Term Sheets and Fee Letter referred to below) will be paid to such persons in connection with the Facilities unless you and we shall so reasonably agree (it being understood and agreed that no other agent, co-agent, arranger, co-arranger, bookrunner, co-bookrunner, manager or co-manager shall be entitled to greater economics in respect of the Facilities than the Commitment Parties).

3. Syndication

We intend to syndicate the Facilities to a group of lenders identified by us in consultation with you (together with JPMorgan Chase Bank, the "Lenders"); provided that (i) JPMorgan Chase Bank shall retain exclusive control over all rights and obligations with respect to its commitments, including all rights with respect to consents, modifications and amendments of the definitive loan documents, until the Closing Date has occurred and the Loans to be funded on such date shall have been funded, and (ii) any assignment of any commitment prior to the Closing Date shall not reduce JPMorgan Chase Bank's obligation to make available the Facilities and Loans thereunder pursuant to its commitments as set forth in this Commitment Letter on the Closing Date. The Commitment Parties intend to commence syndication efforts promptly following the date hereof, and you agree to reasonably assist the Commitment Parties in completing a syndication reasonably satisfactory to the Commitment Parties until the earlier of (x) the date that is 45 days following the Closing Date and (y) the completion of a Successful Syndication (as defined in the Fee Letter). Such efforts to assist shall include (A) your using commercially reasonable efforts to ensure that the syndication efforts benefit from your and your subsidiaries' existing banking relationships, (B) your using commercially reasonable efforts to cause direct contact between your senior management and advisors and the proposed Lenders at mutually agreed times, (C) your preparing and providing to the Commitment Parties all customary information with respect to you and your subsidiaries, including all financial information and Projections (as defined below), as the Commitment Parties may reasonably request in connection with the arrangement and syndication of the Term Loan Facility and your assistance in the preparation of one or more customary confidential information memoranda (each, a "Confidential Information Memorandum") and other marketing materials to be used in connection with the syndication (all such information, memoranda and material, "Information Materials"), (D) the hosting, with the Commitment Parties, of one or more meetings of prospective Lenders at reasonable times and locations to be mutually agreed (which meetings shall be in New York, New York) and (E) your using your commercially reasonable efforts, with our reasonable assistance, to obtain (x) a corporate credit and/or corporate family rating for the Company (the "Corporate Rating") and (y) ratings for the Term Loan Facility (the "Facility Rating", with the lower of the Corporate Rating and the Facility Rating being the "Rating"), in each case, from each of Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Financial Services LLC ("S&P") as soon as practicable after the date hereof.

Subject to the foregoing, the Commitment Parties will manage, in consultation with you but subject to the terms hereof, all aspects of the syndication, including decisions as to the selection of institutions to be approached and when they will be approached, when commitments will be accepted, which institutions will participate, the allocation of the commitments among the Lenders and the amount (subject to the maximum amount of the fees set forth in the Fee Letter) and distribution of fees among the Lenders; *provided* that we agree not to syndicate any Facility to any person set forth on a list that the Company has identified to JPMorgan Chase Bank in writing prior to the date hereof, provided that the Company shall be able to supplement such list from time to time upon JPMorgan Chase Bank's consent. You hereby acknowledge and agree that the Commitment Parties will not be subject to any fiduciary or other implied duties other than as expressly set forth herein in connection with the transactions contemplated hereby.

At the request of the Commitment Parties, you agree to use commercially reasonable efforts to assist in the preparation of a version of each Confidential Information Memorandum or other Information Material (a "Public Version") consisting exclusively of information with respect to you and your affiliates that to your knowledge is either publicly available or does not contain material non-public information (within the meaning of United States federal securities laws) with respect to you and your subsidiaries, or any of your or their respective securities for purposes of United States federal and state securities laws (such information, "Non-MNPI"). Such Public Versions, together with any other information prepared by you or your subsidiaries or your representatives and conspicuously marked "Public" (collectively, the "Public Information"), which at a minimum means that the word "Public" will appear prominently on the first page of any such information, may be distributed by us to prospective Lenders who have advised us that they wish to receive only Non-MNPI ("Public Side Lenders"), and you shall be deemed to have authorized the Public Side Lenders to treat such Public Versions and such marked information as containing Non-MNPI. You acknowledge and agree that, in addition to Public Information and unless you promptly notify us otherwise after being provided a reasonable amount of time to review such documentation provided by us, (a) drafts and final definitive documentation with respect to the Facilities, (b) administrative materials prepared by the Commitment Parties for prospective Lenders (such as a lender meeting invitation, allocations and funding and closing memoranda) and (c) notifications of changes in the terms of the Facilities may be distributed to Public Side Lenders.

In connection with our distribution to prospective Lenders of any Confidential Information Memorandum, you will execute and deliver to us any authorization letters requested by us in the form of the appropriate letter set forth on Exhibit D hereto.

4. Information

You hereby represent and warrant that (a) all information ("Information") concerning or affecting you or any of your subsidiaries (including all Information Materials) (other than (i) projections, (ii) forward looking information and (iii) information of a general economic or industry specific nature (collectively, the "Projections")), that has been or will be made available to us by you or any of your representatives in connection with the Transactions contemplated hereby, when taken as a whole, does not or will not, when furnished to us, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (after giving effect to all supplements and updates thereto) and (b) the Projections that have been or will be made available to us by you or any of your representatives in connection with the financing transactions contemplated hereby have been or will be prepared in good faith based upon assumptions believed by you to be reasonable at the time prepared (it being recognized by the Commitment Parties that such (i) Projections are subject to significant uncertainties and contingencies, many of which are beyond your control and that no assurances are given that any particular Projections will be realized, (ii) the Projections are not to be

viewed as facts and that actual results during the period or periods covered by any such Projections may differ from the projected results, and such differences may be material and (iii) any market analysis or Projections furnished by the Company represent the subjective views of the management of the Company and include management's current estimates in good faith of future performance based on assumptions that management believes are reasonable, but which may or may not prove to be correct). You agree that if, at any time prior to the Closing Date, and thereafter until the earlier of (i) the date which occurs 45 days after the Closing Date or (ii) the date upon which a Successful Syndication occurs, you become aware that any of the representations in the preceding sentence are incorrect in any material respect then you will promptly supplement the Information and the Projections so that such representations are correct in all material respects under those circumstances. You understand that in arranging and syndicating the Facilities we may use and rely on the Information and Projections without independent verification thereof, it being understood that Projections by their nature are inherently uncertain and no assurances are being given that the results in the Projections will be achieved.

Notwithstanding anything herein to the contrary, you shall not be required to provide the Commitment Parties or any prospective Lenders or any of their advisors or consultants with access to, or details concerning, any facility, document or information to the extent that such provision would, in your reasonable opinion, result in a violation of applicable law or regulation including, without limitation, International Traffic Arms Regulations.

5. Fees

As consideration for the commitments and agreements of the Commitment Parties hereunder, you agree to pay or cause to be paid the nonrefundable fees described in the Fee Letter dated the date hereof and delivered herewith (the "Fee Letter") on the terms and subject to the conditions set forth therein.

6. Conditions

Each Commitment Party's commitments and agreements hereunder are subject solely to the conditions expressly set forth in this Section 6 and (a) in the case of the Term Loan Facility, Exhibit A under the heading "Certain Conditions - Initial Conditions" and Exhibit C and (b) in the case of the Revolving Facility, Exhibit B under the heading "Certain Conditions - Initial Conditions" and Exhibit C, and there shall be no conditions to closing and funding other than those expressly referred to in this Section 6.

Each Commitment Party's commitments and agreements hereunder are further subject to (a) since December 31, 2011 and after taking into account the Transactions and after giving effect to the consummation of the Plan, there not having been any change, development or event that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the business, properties, assets, financial condition or results of operations of the Company and its subsidiaries, taken as a whole, other than as a result of (i) events leading up to, resulting from and following the commencement of their proceedings under chapter 11 of the Bankruptcy Code or the continuation and prosecution thereof (including the announcement of the filing or commencement of the Cases), (ii) any circumstances disclosed in that certain Disclosure Statement dated as of December 10, 2012 (as supplemented or otherwise modified as of the date hereof), (iii) changes in general economic conditions or changes affecting the industries and markets in which the Company and/or its subsidiaries operate (except to the extent that such changes would have a disproportionately adverse effect on the Company and its subsidiaries taken as a whole), (iv) macroeconomic factors, general financial conditions, acts of God, war, terrorism or hostilities; provided that such factors have not have a disproportionate on the Company and its subsidiaries and (v) the matter set forth on Schedule I hereto, (b) until the earlier of (i) the date that is 45 days after the Closing Date or (ii) the date a Successful Syndication is achieved, that

there is no competing offering, placement, arrangement or syndication of any debt securities or bank financing (other than (i) the Facilities, (ii) the conversion of debt to equity in accordance with the Plan, (iii) the reinstatement of the industrial revenue bond claims in accordance with the Plan and (iv) ordinary course capital leases, purchase money indebtedness, equipment financings, letters of credit and intercompany indebtedness permitted under the Loan Documents) without the prior written consent of the Commitment Parties if such financing would have, in the reasonable judgment of the Commitment Parties, a material, detrimental effect upon the primary syndication of the Facilities, (c) your material performance of (i) all your obligations hereunder to provide information and otherwise use your commercially reasonable efforts to assist in the efforts to syndicate the Facilities, and (ii) all your obligations hereunder and under the Fee Letter to pay fees and expenses, (d) the Company's satisfaction of conditions to closing expressly set forth herein and the funding of the Facilities on or before March 31, 2013, (e) the Commitment Parties shall be reasonably satisfied that the ratio of total funded debt (with no cash netting) for borrowed money of Parent and its consolidated subsidiaries on the Closing Date (after giving effect to the Transactions and the proposed uses of the Facilities on the Closing Date) to the Company's consolidated EBITDA for the fiscal year ended December 31, 2012 (as set forth in the pro forma EBITDA schedule delivered by the Company to the Commitment Parties on January 7, 2013) shall be less than 3.90:1.0 and (f) on or prior to January 31, 2013, the Bankruptcy Court has entered an order (in form and substance reasonably satisfactory to the Commitment Parties) approving and authorizing the Company to (x) enter into this Commitment Letter and the Fee Letter and (y) consummate the transactions contemplated in connection therewith (including the payment of fees). For the avoidance of doubt, without limiting your obligations to assist with syndication efforts as set forth in this Commitment Letter, the Commitment Parties agree that neither completion of such syndication nor achievement of a Successful Syndication is a condition to their commitments under this Commitment Letter or to any funding under the Facilities and each Commitment Party further agrees that (except for purposes of determining whether a "Successful Syndication" has been achieved under the market flex provisions of the Fee Letter) such Commitment Party shall not be released from its commitment hereunder in connection with such syndication to any lender until such lender shall have entered into definitive documentation for the Facilities and funded the portion of the Facilities required to be funded by it on the Closing Date, and each of the Commitment Parties hereby agrees that upon the terms and subject to the satisfaction or waiver of the conditions set forth in this Commitment Letter and the other conditions set forth in the Term Sheets, they will execute definitive documentation and close and fund the Facilities prior to the completion of the syndication of the Facilities.

7. Indemnification and Expenses

You agree (a) to indemnify and hold harmless the Commitment Parties, their affiliates and their respective directors, officers, employees, advisors, agents and other representatives (each, an "indemnified person") from and against any and all actual losses, claims, damages and liabilities to which any such indemnified person may become subject arising out of or in connection with this Commitment Letter, the Fee Letter, the Facilities, the use of the proceeds thereof or the Transactions or any claim, litigation, investigation or proceeding (a "Proceeding") relating to any of the foregoing, regardless of whether any indemnified person is a party thereto, whether or not such Proceedings are brought by you, your equity holders, affiliates, creditors or any other person, and to reimburse each indemnified person promptly following written demand for any reasonable and documented legal or other out-of-pocket expenses incurred in connection with investigating or defending any of the foregoing (in the case of legal fees and expenses, limited to the reasonable fees, charges and disbursements of one primary counsel for all indemnified persons (and (i) appropriate local counsel in applicable jurisdictions, to the extent necessary, but limited to one local counsel in each such jurisdiction and (ii) solely in the case of a conflict of interest, one additional counsel in each relevant jurisdiction for each affected indemnified persons similarly situated), provided that the foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities or related expenses (x) to the extent they (i) are found by a final

nonappealable judgment of a court of competent jurisdiction to arise from the willful misconduct, bad faith or gross negligence of any indemnified person or its affiliates, directors, officers, employees, advisors, agents or other representatives (collectively, the “Related Parties”) or (ii) result from a material breach of the obligations of such indemnified person under this Commitment Letter (as determined by a court of competent jurisdiction in a final and non-appealable decision) or (y) to the extent arising from any dispute solely among indemnified persons other than any claims against any Commitment Party or its affiliate in its capacity as administrative agent, lead arranger or any similar role under the Facilities and (b) regardless of whether the Closing Date occurs, to reimburse promptly following written demand (together with reasonably detailed supporting documentation) each Commitment Party and its affiliates for all reasonable and documented out-of-pocket expenses (including reasonable fees and reasonable documented out-of-pocket due diligence expenses, syndication expenses, travel expenses, reasonable fees and reasonable documented out-of-pocket expenses of professionals engaged in field examinations, collateral reviews, appraisals and environmental reviews, and reasonable fees, charges and disbursements of one primary counsel and one special counsel with respect to aircraft (and appropriate local counsel in applicable foreign and local jurisdictions, but limited to one local counsel in each such jurisdiction, and solely in the case of a conflict of interest, one additional counsel in each relevant jurisdiction to the affected indemnified persons similarly situated)) incurred in connection with the Facilities and any related documentation (including this Commitment Letter and the definitive financing documentation) or the administration, amendment, modification or waiver thereof. It is further agreed that each Commitment Party shall only have liability to you (as opposed to any other person) and that each Commitment Party shall be liable solely in respect of its own commitment to the Facilities on a several, and not joint, basis with any other Commitment Party. No indemnified person shall be liable for any damages arising primarily from the use by others of Information or other materials obtained through electronic, telecommunications or other information transmission systems, except to the extent any such damages are found by a final judgment of a court of competent jurisdiction to arise from the gross negligence, bad faith or willful misconduct of such indemnified person (or any of its Related Parties). None of the indemnified persons or you, or any of your affiliates or the respective directors, officers, employees, advisors, and agents of the foregoing shall be liable for any indirect, special, punitive or consequential damages in connection with this Commitment Letter, the Fee Letter, the Facilities or the transactions contemplated hereby, provided that nothing contained in this sentence shall limit your indemnity obligations to the extent set forth in this Section 7.

8. Sharing of Information, Absence of Fiduciary Relationship, Affiliate Activities

You acknowledge that each Commitment Party (or an affiliate) is a full service securities firm and such person may from time to time effect transactions, for its own or its affiliates’ account or the account of customers, and hold positions in loans, securities or options on loans or securities of you, or your affiliates. In addition, each Commitment Party and its affiliates will not use confidential information obtained from you or your affiliates or on your or their behalf by virtue of the transactions contemplated hereby in connection with the performance by such Commitment Party and its affiliates of services for other companies or persons and the Commitment Party and its affiliates will not furnish any such information to any of their other customers. You also acknowledge that the Commitment Parties and their respective affiliates have no obligation to use in connection with the transactions contemplated hereby, or to furnish to you, confidential information obtained from other companies or persons.

You further acknowledge and agree that (a) no fiduciary, advisory or agency relationship between you and the Commitment Parties is intended to be or has been created in respect of any of the transactions contemplated by this Commitment Letter, irrespective of whether the Commitment Parties have advised or are advising you on other matters, (b) the Commitment Parties, on the one hand, and you, on the other hand, have an arm’s length business relationship that does not directly or indirectly give rise to, nor do you rely on, any fiduciary duty to you or your affiliates on the part of the Commitment Parties, (c) you are

capable of evaluating and understanding, and you understand and accept, the terms, risks and conditions of the transactions contemplated by this Commitment Letter, (d) you have been advised that the Commitment Parties are engaged in a broad range of transactions that may involve interests that differ from your interests and that the Commitment Parties have no obligation to disclose such interests and transactions to you, (e) you have consulted your own legal, accounting, regulatory and tax advisors to the extent you have deemed appropriate, (f) each Commitment Party has been, is, and will be acting solely as a principal and, except as otherwise expressly agreed in writing by it and the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for you, any of your affiliates or any other person or entity and (g) none of the Commitment Parties has any obligation to you or your affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein or in any other express writing executed and delivered by such Commitment Party and you or any such affiliate.

9. Confidentiality

This Commitment Letter is delivered to you on the understanding that neither this Commitment Letter nor the Fee Letter nor any of their terms or substance shall be disclosed by you, directly or indirectly, to any other person except any of the Company and its subsidiaries (i) may provide a copy of the Commitment Letter (including any exhibits and annexes thereto) to the Bankruptcy Court to obtain its approval for any of the Company and its subsidiaries to execute, deliver and perform its obligations hereunder, so long as any pleadings or filings with respect to this Commitment Letter shall be reasonably acceptable to the Commitment Parties, (ii) may disclose this Commitment Letter (a) to the official advisors to the committee of unsecured creditors appointed in the Chapter 11 Cases (the “Creditors’ Committee”), so long as the disclosure to the advisors to the Creditors’ Committee is on a confidential “professionals only” basis and (b) after execution and delivery by the Company and us, to the Creditors’ Committee, (iii) may file a copy of this Commitment Letter (including the Term Sheets) in any public record in which it is required by law to be filed (in which case you agree to inform us promptly thereof to the extent not prohibited by law), (iv) may disclose this Commitment Letter (including the Term Sheets) if required pursuant to a subpoena, applicable law or order issued by a court of competent jurisdiction or by a judicial, administrative or legislative body or committee in connection with any litigation or other adversary proceeding involving any of them (in which case you agree to inform us promptly thereof to the extent not prohibited by law), (v) may disclose this Commitment Letter (including the Term Sheets) to any governmental or regulatory authority or agency (including, without limitation, the United States Air Force) in connection with the Light Air Support (LAS) program and/or in connection with the manufacture or sale of military aircraft and parts, (vi) may disclose the Fee Letter in a Bankruptcy Court filing in order to implement the Transactions, provided that the Fee Letter may only be disclosed to the Bankruptcy Court, the US Trustee and, on a confidential and “professional eyes only” basis, to (x) any statutorily appointed committee in connection with the Cases and (y) the Ad Hoc Committee of Senior Noteholders (as defined in the Plan) (provided that the Fee Letter shall only be filed with the Bankruptcy Court (x) under seal pursuant to an order reasonably acceptable to the Commitment Parties or (y) in a redacted form acceptable to the Commitment Parties), (vii) upon notice to the Commitment Parties, this Commitment Letter and the existence and contents hereof (but not the Fee Letter or the contents thereof) may be disclosed in any syndication or other marketing material in connection with the Facilities or in connection with any public filing requirement and (viii) the Term Sheets may be disclosed to potential Lenders and to any rating agency in connection with the Facilities. Notwithstanding anything to the contrary herein, we agree and acknowledge that the Company may provide a copy of all Facilities Documentation (including the Commitment Letter and unredacted Fee Letter) to Angelo, Gordon & Co., L.P., Capital Research and Management Company, Centerbridge Partners, L.P. and Sankaty Advisors, LLC and to each of their professional advisors and other agents; provided that in each case, such recipient shall have been informed of the confidential nature of such information and shall execute a confidentiality

agreement that includes the terms of this paragraph (or language substantially similar to this paragraph which is reasonably acceptable to the Commitment Parties) on or before January 25, 2013.

The Commitment Parties shall use all nonpublic information received by them in connection with the Transactions and the related transactions solely for the purposes of providing the services that are the subject of this Commitment Letter and shall treat confidentially all such information; provided, however, that nothing herein shall prevent any Commitment Party from disclosing any such information (a) to rating agencies, (b) to any Lenders or participants or prospective Lenders or participants that agree in writing for the benefit of the Company, to keep such information confidential on terms reasonably acceptable to the Company (including pursuant to customary “click through” or similar electronic agreements), (c) in any legal, judicial, administrative proceeding or other compulsory process or as required by applicable law or regulations (in which case such Commitment Party shall promptly notify you, in advance, to the extent permitted by law), (d) upon the request or demand of any regulatory authority having jurisdiction over such Commitment Party or its affiliates (in which case such Commitment Party shall promptly notify you, in advance, to the extent permitted by law), (e) to the employees, legal counsel, independent auditors, professionals and other experts or agents of such Commitment Party (collectively, “Representatives”) who are informed of the confidential nature of such information and are or have been advised of their obligation to keep information of this type confidential, (f) to any of its respective affiliates (provided that any such affiliate is advised of its obligation to retain such information as confidential, and such Commitment Party shall be responsible for its affiliates’ compliance with this paragraph) solely in connection with the Transactions, (g) to the extent any such information becomes publicly available other than by reason of disclosure by such Commitment Party’s affiliates or Representatives in breach of this Commitment Letter and (h) for purposes of (x) establishing a “due diligence” defense or other similar defense or (y) enforcing any rights or remedies in connection with the Transactions. The obligations of the Commitment Parties under this paragraph shall remain in effect until the earlier of (i) one year from the date hereof and (ii) the date the Facilities Documentation is entered into, at which point any confidentiality undertaking in the Facilities Documentation shall supersede the provisions of this paragraph.

10. Miscellaneous

This Commitment Letter shall not be assignable by you without the prior written consent of each Commitment Party (and any purported assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto and the indemnified persons and is not intended to and does not confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and the indemnified persons to the extent expressly set forth herein; provided, that any assignment by any Commitment Party shall not release such assigning Commitment Party from its obligations under the Commitment Letter and Term Sheets until the funding of the Facilities. The Commitment Parties reserve the right to employ the services of their affiliates in providing services contemplated hereby and to allocate, in whole or in part, to their affiliates certain fees payable to the Commitment Parties in such manner as the Commitment Parties and their affiliates may agree in their sole discretion. This Commitment Letter may not be amended or waived except by an instrument in writing signed by you and each Commitment Party. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter by facsimile or electronic transmission (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter and the Fee Letter are the only agreements that have been entered into among us and you with respect to the Facilities and set forth the entire understanding of the parties with respect thereto.

This Commitment Letter shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York. The parties hereto consent to the exclusive jurisdiction and venue of

the state or federal courts located in the City of New York. You and we agree that service of any process, summons, notice or document by registered mail addressed to you or us shall be effective service of process for any suit, action or proceeding brought in any such court. You and we hereby irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding has been brought in any inconvenient forum. You and we hereby irrevocably agree to waive trial by jury in any suit, action, proceeding, claim or counterclaim brought by or on behalf of any party related to or arising out of the Transactions, this Commitment Letter or the Fee Letter or the performance of services hereunder or thereunder.

Each of the Commitment Parties hereby notifies you that, pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law on October 26, 2001) (the "PATRIOT Act"), it is required to obtain, verify and record information that identifies each Borrower and each Guarantor, which information includes names, addresses, tax identification numbers and other information that will allow such Lender to identify each Borrower and each Guarantor in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act and is effective for the Commitment Parties and each Lender.

The indemnification, fee, expense, jurisdiction and confidentiality provisions contained herein and in the Fee Letter shall remain in full force and effect regardless of whether definitive financing documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or the commitments hereunder; provided that your obligations under this Commitment Letter (other than your obligations with respect to (a) assistance to be provided in connection with the syndication thereof and (b) confidentiality of the Fee Letter and the contents thereof) shall automatically terminate and be superseded by the provisions of the Facilities Documentation upon the initial funding thereunder, and you shall automatically be released from all liability in connection therewith at such time.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms of this Commitment Letter and the Fee Letter by returning to us executed counterparts of this Commitment Letter and the Fee Letter not later than 11:59 p.m., New York City time, on January 25, 2013. This offer will automatically expire at such time if we have not received such executed counterparts in accordance with the terms and conditions of the preceding sentence. In the event that the initial borrowing under the Facilities does not occur on or before March 31, 2013, then this Commitment Letter and the commitments hereunder (including in respect of the Revolving Facility) shall automatically terminate unless we shall, in our discretion, agree to an extension.

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We are pleased to have been given the opportunity to assist you in connection with this important financing.

Very truly yours,

JPMORGAN CHASE BANK, N.A.

By: _____
Name:
Title:

J.P. MORGAN SECURITIES LLC

By: _____
Name:
Title:

Accepted and agreed to as of the date first written above:

HAWKER BEECHCRAFT ACQUISITION
COMPANY, LLC

BY: HAWKER BEECHCRAFT, INC., its Sole
Member

By: _____
Name: K.J. Tjon
Title: Chief Financial Officer and Treasurer

Schedule I

Any adverse effect, change, development or event arising from or related to (including, without limitation, appeals thereof or litigation, investigations, protests or similar proceedings related thereto), (i) the failure of the Company or its subsidiaries to be awarded the contract arising from the United States Air Force Light Air Support competition, (ii) the award of such contracts to the Company or its subsidiaries, (iii) the award of such contract to a party other than the Company or its subsidiaries, (iv) termination, extension, revision or modification of the competition or (v) the exclusion of the Company from the competition.

Exhibit A

\$375,000,000 SENIOR SECURED TERM LOAN FACILITY

Term Sheet
January 9, 2013

This Term Sheet is delivered with a commitment letter of even date herewith (the "Commitment Letter") from JPMorgan Chase Bank, N.A. and J.P. Morgan Securities LLC to the Company in connection with the Term Loan Facility described below. Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to such terms in the Commitment Letter, Exhibit B and Exhibit C, as applicable.

I. Parties

- Parent: A newly formed entity anticipated to be named Beechcraft Enterprises Holding, LLC ("Parent") which entity shall be the indirect parent of the Borrower.
- Borrower: Beechcraft Holdings, LLC, an indirect, wholly-owned subsidiary of Parent (the "Borrower" or the "Company").
- DIP Credit Agreement: The credit agreement dated as of May 4, 2012 (as amended, supplemented or otherwise modified as of the date hereof, the "DIP Credit Agreement" and the facilities thereunder, the "DIP Credit Facilities") among the Company, the guarantors party thereto, the lenders party thereto, Credit Suisse AG, Cayman Islands Branch (in such capacity, the "Existing Agent"), as administrative agent and collateral agent and the other parties thereto.
- Sole Lead Arranger and Sole Bookrunner: J.P. Morgan Securities LLC ("JPMorgan" and in such capacity, the "Lead Arranger").
- Administrative Agent and Collateral Agent: JPMorgan Chase Bank, N.A. ("JPMorgan Chase Bank" and in such capacities, the "Administrative Agent").
- Lenders: A syndicate of banks, financial institutions and other entities (including JPMorgan Chase Bank) arranged by the Lead Arranger in consultation with the Company (collectively, the "Lenders").

II. Term Loan Facility

- Type and Amount: Senior secured term loan facility (the "Term Loan Facility") in the amount of \$375,000,000 (the "Term Loan Commitment" and the loans thereunder, the "Term Loans").
- Term Loan Availability: The Term Loans shall be made available to the Company in a single drawing on the Closing Date (as defined below).

Maturity and Amortization: The Term Loans will mature on the date that is 7 years after the Closing Date (the "Term Maturity Date"). The Term Loan Documentation shall contain provisions pursuant to which individual Lenders may agree to extend the maturity date of their outstanding Term Loans upon the request of the Borrower and without the consent of any other Lender (it being understood that (i) no existing Lender will have any obligation to commit to any such extension and (ii) each Lender under the class being extended shall have the opportunity to participate in such extension on the same terms and conditions as each other Lender under such class).

Commencing as of June 30 2014, the Term Loans shall be repayable in equal quarterly installments in an aggregate annual amount equal to 1% of the original amount of the Term Loan Facility; provided that, for the avoidance of doubt, the aggregate amount repayable in 2014 shall be 0.75% of the original amount of the Term Loan Facility. The balance of the Term Loans will be repayable on the Term Maturity Date.

Incremental Facility: The Term Loan Documentation will permit the Borrower to add one or more incremental term loan facilities to the Term Loan Facility (each, an "Incremental Facility") in an aggregate principal amount of up to \$100,000,000 (the "Incremental Basket"); provided that (i) no Lender will be required to participate in any such Incremental Facility, (ii) no event of default or default exists or would exist after giving effect thereto, (iii) on a pro forma basis after giving effect to the incurrence of any such Incremental Facility, (x) the Borrower is in compliance with the financial covenants in the Term Loan Documentation recomputed as of the last day of the most recently ended fiscal quarter of the Borrower for which financial statements are available and (y) the Senior Secured Leverage Ratio (to be defined in a manner to be mutually agreed and provide for cash netting of unrestricted cash in an amount not to exceed \$75,000,000) of the Borrower shall be no greater than 3.5:1.0 (the "Incremental Leverage Ratio"), (iv) the representations and warranties in the Term Loan Documentation shall be true and correct in all material respects immediately prior to, and immediately after giving effect to, the incurrence of such Incremental Facility (provided that any representations and warranties which expressly relate to a given date or period shall be required only to be true and correct in all material respects as of the respective date or for the respective period, as the case may be), (v) the maturity date and weighted average life to maturity of any such Incremental Facility shall be no earlier than the maturity date and weighted average life to maturity, respectively, of the Term Loan Facility, (vi) each such Incremental Facility Increase shall be in a minimum amount equal to \$10,000,000 and there shall be no more than five (5) such increases, (vii) the interest rates and amortization schedule applicable to any Incremental Facility shall be the same as provided in the Term Loan Documentation, subject to modifications mutually agreeable to the Borrower and the lenders thereunder; provided that the all-in yield (whether in the form of interest rate

margins, original issue discount, upfront fees or LIBOR/ABR floors) applicable to any Incremental Facility will not be more than 0.50% higher than the corresponding all-in yield (giving effect to interest rate margins, original issue discount, upfront fees and LIBOR/ABR floors) for the existing Term Loan Facility, unless the interest rate margins with respect to the existing Term Loan Facility is increased by an amount equal to the difference between the all-in yield with respect to the Incremental Facility and the corresponding all-in yield on the existing Term Loan Facility minus 0.50%, (viii) any Incremental Facility may rank pari passu with the Term Loans in respect of Collateral or, at the Borrower's request, junior to the Term Loans in lien priority, or in any combination thereof, subject to customary intercreditor arrangements to be agreed and (ix) any Incremental Facility shall be on terms and pursuant to documentation to be determined, provided that, to the extent such terms and documentation are not consistent with the Term Loan Facility (except to the extent permitted by clause (v) or (vi) above), they shall be reasonably satisfactory to the Administrative Agent.

Refinancing Facilities:

The Term Loan Documentation will permit the Borrower to refinance Term Loans from time to time, in whole or in part, with (a) one or more senior unsecured term loans, (b) one or more series of senior unsecured notes, (c) one or more secured term loans or (d) one or more series of senior secured notes, in the case of clauses (c) or (d) that will be secured by the Collateral (as defined below) on a pari passu basis or on a junior basis with the Term Loan Facility (any such notes or loans, a "Refinancing Facility"); provided that (i) any Refinancing Facility does not mature prior to the maturity date of, or have a shorter weighted average life to maturity than the weighted average life to maturity of, or, with respect to notes, have mandatory prepayment provisions (other than related to customary asset sale and change of control offers) that could result in prepayments of such Refinancing Facility prior to, the loans under the Term Loan Facility being refinanced, (ii) there shall be no borrowers or guarantors in respect of any Refinancing Facility that are not the Borrower or a Guarantor, (iii) the other terms and conditions, taken as a whole, of any such Refinancing Facility (excluding (x) pricing (as to which no "most favored nation" clause shall apply), (y) optional prepayment or redemption terms and (z) covenants or other provisions applicable only to periods after the latest final maturity date of the Term Loan Facility existing at the time of such refinancing) are not materially more favorable in the aggregate to the investors providing such Refinancing Facility than the terms and conditions, taken as a whole, applicable to the Term Loan Facility being refinanced or replaced, (iv) with respect to any Refinancing Facility, such agreements or liens will be subject to a customary intercreditor agreement reasonably acceptable to the Administrative Agent and (v) the aggregate principal amount of any Refinancing Facility shall not be greater than the aggregate principal amount of the Term Loan Facility being refinanced or replaced plus any fees, premiums, original

issue discount and accrued interest associated therewith, and costs and expenses related thereto, and the Term Loan Facility being refinanced or replaced will be permanently reduced substantially simultaneously with the issuance thereof with the proceeds of such Refinancing Facility.

III. Purpose; Certain Payment Provisions

Purpose: The proceeds of the Term Loan Facility shall be used (i) to pay the fees, costs and expenses incurred by the Parent and its subsidiaries in connection with the Cases or the Transactions, (ii) to refinance indebtedness outstanding under the DIP Credit Facility and (iii) to finance the ongoing working capital, capital expenditure and general corporate needs of the Loan Parties and their subsidiaries.

Fees and Interest Rates: As set forth on Annex I.

Mandatory Prepayments: Mandatory prepayments of Term Loans shall be required from:

(a) 100% of the net cash proceeds from any non-ordinary course sale or other disposition of assets in excess of \$5,000,000 in any fiscal year (excluding any ABL Priority Collateral) or as a result of casualty or condemnation by Parent and its subsidiaries (subject to (i) exceptions to be agreed and (ii) limitations set forth in the Revolving Loan Documentation), excluding, for the avoidance of doubt, (x) the Jet Sale (as defined below), (y) dispositions of obsolete, worn out or surplus inventory and (z) net cash proceeds that are reinvested (or committed to be reinvested) in other Term Priority Collateral useful in the business of the Parent and its subsidiaries within 12 months of receipt thereof (or, if so committed to be reinvested, actually reinvested within 6 months thereafter);

(b) 100% of the net cash proceeds from issuances or incurrences of debt by Parent and its subsidiaries (other than indebtedness expressly permitted by the Term Loan Facility (other than refinancing indebtedness)); and

(c) commencing for fiscal year 2014, 50% of annual Excess Cash Flow (to be defined in a manner to be agreed) of Parent and its subsidiaries.

Prepayments under clause (a) or (c) otherwise required to be made shall not be required to be made if and to the extent that both (i) the applicable sale, other disposition or Excess Cash Flow has been received or generated, as the case may be, from a subsidiary not formed in the United States and (ii) any such prepayment would result in material adverse tax consequences or material legal consequences; provided that, the Borrower and its subsidiaries will use commercially reasonable efforts under local law to avoid such consequences and, to the extent such consequences cease to exist or

apply, the Borrower shall make such payment in the amount otherwise required.

All mandatory prepayments of Term Loans will be applied on a pro rata basis to the Term Loan Facility and the Incremental Facility, if any, as directed by the Borrower. Mandatory prepayments of the Term Loans may not be reborrowed.

Voluntary Prepayments:

Permitted in whole or in part, with prior written notice to the Administrative Agent but without premium or penalty (except as provided below), subject to customary limitations as to minimum amounts of prepayments and customary indemnification for breakage costs in the case of prepayment of Eurodollar Loans other than on the last day of an interest period.

Any (a) voluntary prepayment of the Term Loans using proceeds of indebtedness incurred by Parent or its subsidiaries from a substantially concurrent incurrence of new loans or other indebtedness (other than capital lease obligations) and (b) repricing of the Term Loans pursuant to an amendment to the Term Loan Documentation resulting in the interest rate payable thereon on the date of such amendment being lower than the Adjusted LIBO Rate on the date immediately prior to such amendment plus the Applicable Margin with respect to the Term Loans on the date immediately prior to such amendment shall be accompanied by a prepayment fee equal to 1.0% of the aggregate principal amount of such prepayment (or, in the case of clause (b) above, of the aggregate amount of Term Loans outstanding immediately prior to such amendment) if made on or prior to the first anniversary of the Closing Date.

IV. Collateral and Other Credit Support

Guaranties:

A newly formed entity anticipated to be named Beechcraft Enterprises, LLC, a direct, wholly-owned subsidiary of Parent and direct parent company of the Company, and each existing and subsequently acquired or organized direct or indirect domestic subsidiary of the Company other than a domestic subsidiary that holds no material assets except for interests in foreign subsidiaries (collectively, the "Guarantors") and together with the Company, the "Loan Parties") shall unconditionally guarantee all of the indebtedness, obligations and liabilities of the Borrower arising under or in connection with the Term Loan Documentation; provided that (a) any subsidiary of the Company, to the extent the provision of a guarantee by such subsidiary would result in material adverse tax consequences to the Company and its subsidiaries as determined by the Company and the Administrative Agent, (b) Immaterial Subsidiaries (to be defined in a manner to be mutually agreed), (c) captive insurance companies, (d) certain special purpose entities and (e) any subsidiary that is prohibited by applicable law, rule or regulation from guaranteeing the Term Loan Facility on the Closing Date or which would require governmental (including regulatory)

consent, approval, license or authorization to provide a guarantee unless such consent, approval, license or authorization has been received or is received after commercially reasonable efforts to obtain the same, which efforts may be requested by the Administrative Agent, shall, in each case, not be required to become a Guarantor or enter into a guarantee. The Lead Arranger and the Lenders acknowledge and agree that the legal form legal form of Parent and each of its direct and/or indirect subsidiaries may be changed, and the legal names thereof may be changed, on or before the Closing Date at the Company's sole discretion, provided that such changes would not be adverse to the Commitment Parties or the Lenders.

Notwithstanding the foregoing, subsidiaries of the Company may be excluded from the guarantee requirements in circumstances where the Borrower and the Administrative Agent reasonably agree that the cost of providing such guarantee or of providing collateral security to secure such guarantee is excessive in relation to the value afforded thereby.

The definitive loan documentation also shall permit the Company, in its sole discretion, to change the names of one or more of the Loan Parties or the legal form of such entities; provided that such changes would not be materially adverse to the Lenders or the Agents.

Collateral and Priority:

The Term Loan Facility (and all guarantees of (i) the Term Loan Facility by the Guarantors and (ii) at the sole option of the Borrower, any swap agreements entered into with Lenders under the Term Facility or their affiliates) shall be secured by (i) a perfected first priority lien (subject to liens permitted under the Term Loan Documentation to be senior to the liens securing the obligations under the Term Loan Facility) on substantially all property of the Loan Parties (other than ABL Priority Collateral (as defined in Exhibit B)) (including, without limitation, general intangibles, chattel paper, owned real estate, real property leaseholds, fixtures and machinery and equipment, patents, copyrights, trademarks, tradenames, rights under license agreements, and other intellectual property and capital stock of subsidiaries), subject to the following paragraph (the "Term Priority Collateral") and (ii) a perfected second priority lien (subject to liens permitted under the Term Loan Documentation to be senior to the liens securing the obligations under the Term Loan Facility) on the ABL Priority Collateral (collectively, the "Collateral").

Notwithstanding anything to the contrary herein, the Collateral shall exclude the following: (i) any fee-owned real property with a fair market value of less than an amount to be agreed or that is located in a jurisdiction other than the United States and all leasehold interests in real property (with a requirement only to use commercially reasonable efforts to obtain landlord waivers, estoppels or collateral access letters from material leased locations), (ii) pledges and security interests prohibited by applicable law, rule or regulation after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code or other applicable law, (iii) any lease, license or other agreement or any property subject to a purchase money security

interest, capital lease obligation or similar arrangements, in each case to the extent that a grant of a security interest therein would violate or invalidate such lease, license or agreement, purchase money, capital lease or a similar arrangement or create a right of termination in favor of any other party thereto (other than a Loan Party), in each case, after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code or other applicable law, other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under applicable law notwithstanding such prohibition, (iv) any assets to the extent a security interest in such assets would result in material adverse tax consequences as determined by the Borrower, and the Administrative Agent, including but not limited to the pledge in excess of 66% of the capital stock of the Company's foreign subsidiaries or any of the capital stock or interests of indirect foreign subsidiaries, (v) those assets as to which the Administrative Agent and the Borrower reasonably agree in writing that the cost of obtaining such a security interest or perfection thereof are excessive in relation to the benefit to the Lenders of the security to be afforded thereby, (vi) any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable federal law, (vii) property encumbered by liens created under any industrial revenue or similar bonds in effect on the Closing Date in an amount not to exceed an amount to be agreed to the extent a lien thereon is prohibited by such bond or governmental obligation (or, if not prohibited, then granted with the priority permitted under the agreements governing such bonds or obligation), (viii) any deposit account or accounts which in the aggregate have average daily balances not in excess of \$5,000,000, and deposit accounts used solely for payroll, employee benefits or tax, a zero balance account or any segregated account containing deposits given by customers in connection with *bona fide* contracts to purchase aircraft and (ix) other exceptions to be mutually agreed upon.

In addition, no perfection actions shall be required with respect to (i) motor vehicles and other assets subject to certificates of title to the extent a lien thereon cannot be perfected by the filing of a UCC financing statement (other than with respect to aircraft or aviation equipment that requires a filing with the FAA (as defined below) and/or has received N-registration), letter of credit rights, and commercial tort claims having a value less than an amount to be agreed; provided that nothing in this clause (i) shall limit the obligations of the Loan Parties as set forth under "Aircraft Registration Covenants" below and (ii) a disbursement account containing amounts on deposit not greater than expected for disbursements in accordance with past practice.

Aircraft Registration Covenants: With respect to aircraft registered ("N-Registered Aircraft") with the United States Federal Aviation Administration (the "FAA"), an aircraft security agreement must be filed with the FAA and the

international interests evidencing the rights and interests created pursuant to such aircraft security agreement registered with the International Registry within 15 days of initial registration or acquisition of the aircraft. The Loan Parties shall not apply for N-registration until the aircraft is substantially complete, except (i) to the extent required by applicable law, (ii) in order to receive Borrowing Base credit for work in process aircraft, (iii) as may be required by a customer or (iv) as determined by a Loan Party to be reasonably necessary or desirable in the operation of its business.

Notwithstanding the foregoing, no such filing with the FAA or registration with the International Registry shall be required for propellers or for any such aircraft or aircraft engine that is controlled under the International Traffic in Arms Regulations or Export Administration Regulations or which is otherwise not subject to filing with the FAA or registration with the International Registry.

In connection with the sale and delivery of any N-Registered Aircraft or any aircraft engine by the Loan Parties not prohibited by the Term Loan Documentation, Administrative Agent shall promptly upon notice from the Loan Parties deliver to the FAA a release in a form suitable for recordation with the FAA which releases Administrative Agent's right, title and interest in and to such aircraft or aircraft engine and will discharge its related international interest registrations, and any interest related thereto, with the International Registry no later than 3 business days prior to the proposed date on which such sale is reasonably and in good faith expected to be consummated (the "Scheduled Delivery Date") or such lesser period agreed to by the Borrower in its sole discretion. If any such delivery shall fail to be consummated within 10 days of the Scheduled Delivery Date (or such longer period as Administrative Agent may agree), the Loan Parties shall re-file such security documents with the FAA and International Registry to perfect the security interest of the Lenders therein.

As an alternative to the foregoing provisions, or in combination therewith, the Loan Parties may request up to 10 business days before any Scheduled Delivery Date that the Administrative Agent deliver the required releases into escrow (subject to documentation to be mutually agreed), with such releases being released from escrow at the Loan Parties' direction on the Scheduled Delivery Date.

In addition to the foregoing, on terms and conditions to be agreed, the Loan Parties may request that the Administrative Agent deliver the required releases or consents in connection with the Loan Parties' de-registration of any N-Registered Aircraft to the extent that such de-registration is in connection with the transfer of N-Registered Aircraft to jurisdictions outside of the United States and Canada for bona fide business purposes and consistent with the Loan Parties' past practices; provided that (i) if the N-Registered Aircraft is transferred to a jurisdiction where such N-Registered Aircraft may be subject to a perfected security interest in favor of the Administrative Agent on terms and conditions satisfactory to the Administrative Agent then the Loan

Parties shall take all actions necessary for the Administrative Agent to have such perfected security interest or (ii) if the N-Registered Aircraft is transferred to a jurisdiction where such N-Registered Aircraft may not be subject to a perfected security interest in favor of the Administrative Agent (or the provisions of clause (i) above cannot be satisfied) then such transfer shall be subject to a basket to be agreed.

Intercreditor Agreement:

The relative rights and priorities in the Collateral for the secured parties in the Term Loan Facility and the Revolving Facility will be set forth in a customary intercreditor agreement as between the administrative agent for the Term Loan Facility, on the one hand, and the administrative agent for the Revolving Facility, on the other hand (the "Intercreditor Agreement"), which shall be in form and substance reasonably satisfactory to each party thereto.

V. Certain Conditions

Initial Conditions:

The availability of the Term Loan Facility on the Closing Date will be subject only to (a) the delivery of a customary borrowing notice, (b) the conditions precedent set forth in Section 6 of the Commitment Letter and in Exhibit C, (c) the accuracy in all material respects (and in all respects if qualified by materiality) of the representations and warranties in the Term Loan Documentation (provided that any representations and warranties which expressly relate to a given date or period shall be required only to be true and correct in all material respects as of the respective date or for the respective period, as the case may be) and (d) there being no default or event of default under the Term Loan Documentation in existence at the time of, or after giving effect to, the extension of credit on the Closing Date.

VI. Certain Documentation Matters

The Term Loan Documentation shall contain the following representations, warranties, covenants and events of default customary for financings of this type (which shall be, in each case, subject to materiality qualifiers, exceptions, thresholds and limitations to be mutually agreed upon):

Representations and
Warranties:

Limited to the following: material accuracy of historical pro formas and historical financial statements; on the Closing Date, a representation in the form of clause (a) of the second paragraph of Section 6 of the Commitment Letter; after the Closing Date, no material adverse change (such term to be defined in a mutually acceptable manner) since December 31, 2011 (subject to qualifications to be agreed, including, without limitation, with respect to the Cases); existence and good standing, authorization and validity; compliance with law; corporate power and authority; enforceability of the Term Loan Documentation; with respect to the Facilities Documentation, no conflict with law or post-petition contractual obligations; no material unstayed litigation (subject to

qualifications to be agreed); no default; ownership of property; creation and perfection of liens; intellectual property; taxes; insurance; Federal Reserve regulations; ERISA; Investment Company Act; subsidiaries; environmental matters; labor matters; Patriot Act; OFAC; FCPA; and accuracy of disclosure.

Affirmative Covenants:

Limited to the following: delivery of quarterly unaudited and annual audited financial statements, projections and reports of independent financial firms; periodic conference calls with Lenders (subject to a limited frequency so long as there is no ongoing event of default); delivery of other information reasonably requested by the Administrative Agent; payment of obligations; continuation of business and maintenance of existence; compliance with laws (unless it would result in a material adverse effect); maintenance of material property (subject to current condition, casualty, condemnation and normal wear and tear) and insurance consistent with customary industry practice; maintenance of books and records; right of the Administrative Agent to inspect property and books and records on-site (subject to limited frequency, so long as there is no ongoing event of default); notices of defaults, material litigation and other material events; compliance with environmental laws; casualty and condemnation; use of proceeds; further assurances with respect to Collateral obtained after the Closing Date; certain post-closing collateral matters to be agreed; and use of commercially reasonable efforts to maintain ratings.

Financial Covenants:

Limited to the following financial covenants:

- (a) A maximum Total Leverage Ratio (to be defined in a manner to be mutually agreed and provide for cash netting of unrestricted cash in an amount not to exceed \$75,000,000), at levels to be agreed based on a 30% cushion to projections provided by the Company prior to the date hereof, such Total Leverage Ratio to be first tested as of the last day of the first full fiscal quarter following the first anniversary of the Closing Date (i.e., June 30, 2014 (assuming the Closing Date occurs on or before March 31, 2013)) and to be subsequently tested as of the last day of each subsequent fiscal quarter; and
- (b) A maximum amount of Capital Expenditures (to be defined in a manner to be mutually agreed) of (i) \$75,000,000 in the fiscal year ending December 31, 2013, (ii) \$55,00,000 in the fiscal year ending December 31, 2014 and (iii) 40,000,000 in each fiscal year thereafter, subject in each case to a one year carryforward.

For purposes of determining compliance with the financial maintenance covenant, any cash equity contribution (which shall be common equity or otherwise in a form reasonably acceptable to the Administrative Agent) made directly or indirectly to the Borrower after the last day of any fiscal quarter and on or prior to the day that is ten days after the day on which financial statements are required

to be delivered for such fiscal quarter will, at the request of the Borrower, be included in the calculation of EBITDA (to be mutually defined) solely for the purposes of determining compliance with the financial maintenance covenant at the end of such fiscal quarter and applicable subsequent periods which include such fiscal quarter (any such equity contribution so included in the calculation of EBITDA, a “Specified Equity Contribution”), subject to the following terms and conditions: (a) in each four fiscal quarter period, there shall be at least two fiscal quarters in respect of which no Specified Equity Contribution is made, (b) there shall be no more than 5 total Specified Equity Contributions, (c) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause the Borrower to be in compliance with the financial maintenance covenant, (d) there shall be no pro forma reduction in indebtedness with the proceeds of any Specified Equity Contribution for determining compliance with the financial maintenance covenant for the fiscal quarter for which such Specified Equity Contribution is deemed applied and (e) all Specified Equity Contributions shall be disregarded for all other purposes, including determining pricing, financial ratio-based conditions or any baskets with respect to the covenants contained in the Term Loan Documentation.

Negative Covenants:

Limited to the following: indebtedness (including guarantee obligations and preferred stock of subsidiaries); liens; mergers, consolidations, liquidations and dissolutions (which shall allow, on terms and conditions to be agreed, the Company to cause to be dissolved one or more of its subsidiaries, including a Loan Party, on or after the Closing Date if and to the extent any such entity to be dissolved does not have any assets at the time of dissolution (other than de minimus assets)); sales of assets (except the sale (the “Jet Sale”) of the “Hawker jet aircraft” business (including, without limitation, associated equipment, work-in-progress aircraft, finished aircraft, tooling and facilities, intellectual property, and the customer support business)); payment of restricted payments (including dividends and other payments in respect of capital stock of the Company), except for redemptions or repurchases of capital stock received by the Pension Benefit Guaranty Corporation pursuant to the Stipulation of Settlement and Agreed Order Pursuant to Sections 105 and 363 of the United States Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure By and Among the Debtors and the Pension Benefit Guaranty Corporation in an amount and on the terms set forth in that certain Motion for Entry of an Order Approving the Global Settlement with the Pension Benefit Guaranty Corporation and the International Association of Machinist and Aerospace Workers and Granting Certain Related Relief filed with the Bankruptcy Court on December 21, 2012 and except for repurchase or redemptions of capital stock of the Loan Parties owned by employees of the Loan Parties; investments (including acquisitions), loans and advances (subject to the right to make investments in foreign subsidiaries in an amount to be agreed); sale and leaseback transactions; optional payments and material modifications of junior debt instruments, the

Revolving Loan Documentation and amendment of organizational documents, to the extent material and adverse to the Lenders; transactions with affiliates; changes to fiscal year; and negative pledge clauses.

The negative covenants shall include an annual basket for investments (net of returns) in foreign subsidiaries.

The negative covenants also will be subject, in the case of each of the foregoing covenants to exceptions, qualifications and “baskets” to be set forth in the Facilities Documentation, including an available basket amount increasing based on certain criteria (including unapplied Excess Cash Flow and equity contributions not increasing EBITDA) to be mutually agreed, that may be used for investments, restricted payments and the prepayment or redemption of debt, subject to terms and conditions to be agreed.

Events of Default:

Limited to the following: nonpayment of principal when due; nonpayment of interest, fees or other amounts after three business days after the due date thereof; representations and warranties are incorrect in any material respect, provided that any representations and warranties which expressly relate to a given date or period shall be required only to be true and correct in all material respects as of the respective date or for the respective period, as the case may be; violation of covenants (subject, in the case of certain affirmative covenants, to a grace period to be agreed upon); cross-default to occurrence of a default (whether or not resulting in acceleration) under any other agreement governing indebtedness of the Company or any of its subsidiaries, in excess of an amount to be agreed; certain ERISA events; any of the Term Loan Documentation shall cease to be in full force and effect or any Loan Party thereto shall so assert; actual or asserted invalidity of any guarantee, security document or subordination provisions or non-perfection of any security interest; change of control (the definition of which is to be mutually agreed (including pre-IPO and post-IPO provisions), but to permit changes of ownership percentages among the owners as of the Closing Date subject to limitations to be agreed); and judgments in excess of an amount to be agreed.

Voting:

Amendments, waivers and consents with respect to the Term Loan Documentation shall require the approval of the Company and Lenders holding not less than a majority of the commitments and loans under the Term Loan Facility, except that (a) the consent of each Lender directly and adversely affected thereby shall be required with respect to (i) reductions in the amount or extensions of the scheduled date of maturity of any loan or reduce the amount or extend the payment date for any required mandatory payments and (ii) reductions in the rate of interest or any fee or extensions of any due date thereof (provided that waivers of defaults or events of defaults or waivers of default interest shall not be deemed to be a reduction in the rate of interest or any fee under the loan documents), (iii) modification of the pro rata sharing requirements of the Term Loan Documentation and (b) the consent of each Lender

shall be required to (i) modify any of the voting percentages, (ii) release all or substantially all of the Collateral or (iii) release all or substantially all of the value of the Guarantees.

Assignments and Participations: The Lenders shall be permitted to assign all or a portion of their Term Loans with the consent, not to be unreasonably withheld, of the Administrative Agent and the Borrower, unless to a Lender, an affiliate of a Lender or an approved fund; provided that (i) the consent of the Borrower shall not be required after the occurrence and during the continuance of a default or event of default and (ii) the consent of the Borrower shall be deemed to have been given if the Borrower does not respond to a consent request within 10 business days of receipt thereof. In the case of partial assignments (other than to another Lender, to an affiliate of a Lender or an approved fund), the minimum assignment amount shall be \$1,000,000 unless otherwise agreed by the Company and the Administrative Agent. The Lenders shall also be permitted to sell participations in their Term Loans. Participants shall have the same benefits as the Lenders from which they acquired their participations with respect to yield protection and increased cost provisions. Voting rights of participants shall be limited to those matters with respect to which the affirmative vote of all Lenders, all affected Lenders (if applicable) or all Lenders under the applicable Facility would be required. Pledges of Term Loans in accordance with applicable law shall be permitted without restriction. Subject to entry into customary confidentiality undertakings, each Lender may disclose information to prospective participants and assignees.

The Term Loan Documentation shall also provide that Term Loans (i) may be purchased by and assigned to the Borrower or any of its subsidiaries on a non-*pro rata* basis through Dutch auction procedures open to all Lenders holding Term Loans on a *pro rata* basis and (ii) up to 25% of the Term Loans may be assigned to the equity owners of the Company and their affiliates, in each case subject to customary procedures (including limited voting rights) to be mutually agreed (including provisions with respect to affiliated debt funds) (collectively, the “Debt Buyback Provisions”).

Yield Protection: The Term Loan Documentation shall contain customary provisions (a) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, tax, capital adequacy and other requirements of law and from the imposition of or changes in withholding or other taxes (including customary protection for increased costs imposed as a results of rules enacted or promulgated under the Dodd-Frank Act or the adoption of Basel III) and (b) indemnifying the Lenders for “breakage costs” incurred in connection with, among other things, any prepayment of a Eurodollar Loan (as defined in Annex I) on a day other than the last day of an interest period with respect thereto. The Term Loan Facility will provide that all payments are to be made free and clear of any taxes (other than franchise taxes and taxes on overall net income), imposts, assessments, withholdings or other deductions whatsoever.

Expenses and
Indemnification:

The Company shall pay (a) all reasonable documented out-of-pocket expenses of the Administrative Agent and the Lead Arranger associated with the syndication of the Term Loan Facility and the preparation, execution, delivery and administration of the Term Loan Documentation and any amendment or waiver with respect thereto (including the reasonable and documented fees, disbursements and other charges of one primary counsel and one aircraft counsel designated by the Administrative Agent (and appropriate local counsel in applicable local jurisdictions, but limited to one local counsel in each such jurisdiction) for the Lead Arranger and the Administrative Agent), (b) all reasonable and documented out-of-pocket expenses of the Administrative Agent and the Lenders (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the Term Loan Documentation; provided that the reimbursement of the charges of such counsel shall be limited to one counsel for the group (which shall be designated by the Administrative Agent) and (i) appropriate local counsel in applicable local jurisdictions, but limited to one local counsel for the group in each such jurisdiction (which shall be designated by the Administrative Agent), (ii) aircraft counsel and (iii) solely in the case of a conflict of interest, additional counsel in each relevant jurisdiction for group members who are similarly situated and (c) all reasonable fees and reasonable documented out-of-pocket expenses associated with collateral monitoring, collateral reviews and appraisals, environmental reviews and reasonable fees and documented expenses of other advisors and professionals engaged by the Administrative Agent or the Lead Arranger in consultation with the Company.

The Administrative Agent, the Lead Arranger and the Lenders (and their affiliates and their respective officers, directors, employees, advisors and agents) will have no liability for, and will be indemnified and held harmless against, any loss, liability, cost or expense incurred in respect to any claim, litigation or other process directly related to the financing contemplated hereby or the use or the proposed use of proceeds thereof; provided that the Company and its subsidiaries shall have no obligation to indemnify any indemnified person against any such loss, liability, cost or expense that arises from (i) the gross negligence, bad faith or willful misconduct of such indemnified person, as determined by a final judgment of a court of competent jurisdiction, (ii) a material breach of any Term Loan Documentation by any such indemnified person or one of its affiliates or (iii) any dispute between and among indemnified persons to the extent such dispute does not arise from any act or omission of the Borrower or any of its affiliates (other than claims against an indemnified person acting in its capacity as an agent or arranger or similar role under the Term Loan Facility).

Confidentiality:

Notwithstanding anything herein to the contrary, no Loan Party shall be required to provide the Administrative Agent, any Lender or any of their advisors or consultants with access to, or details concerning,

any facility, document or information to the extent that such provision would, in such Loan Party's reasonable opinion, result in a violation of applicable law or regulation including, without limitation, International Traffic Arms Regulations.

Governing Law and Forum:

New York.

Counsel to the Administrative
Agent and the Lead Arranger:

Simpson Thacher & Bartlett LLP.

Interest and Certain Fees

Interest Rate Options: The Company may elect that the loans comprising each borrowing bear interest at a rate per annum equal to (a) the Alternate Base Rate (such loans herein referred to as “ABR Loans”) plus the Applicable Margin or (b) the Adjusted LIBO Rate (such loans herein referred to as “Eurodollar Loans”) plus the Applicable Margin.

As used herein:

“Alternate Base Rate” or “ABR” means the greatest of (a) the prime rate of interest announced from time to time by JPMorgan Chase Bank or its parent (which is not necessarily the lowest rate charged to any customer), changing when and as said prime rate changes (the “Prime Rate”), (b) the federal funds effective rate from time to time plus 0.50% and (c) the Adjusted LIBO Rate for a one month interest period on such day plus 1.00%.

“Adjusted LIBO Rate” means the rate (adjusted for statutory reserve requirements for eurocurrency liabilities) for Eurodollar deposits for a period equal to one or two weeks, one, two, three or six months (as selected by the Company) appearing on Reuters Page LIBOR01 (or on any other service providing comparable rate quotations) at approximately 11:00 a.m., London time, two business days prior to the first day of the applicable interest period; provided that, with respect to the Term Loan Facility only, the Adjusted LIBO Rate shall in no event be less than 1.25%.

“Applicable Margin” means, (x) if the initial Moody’s Rating is Ba3 or higher and the initial S&P Rating is BB- or higher, in each case with at least a stable or better outlook, a margin of 3.0% in the case of ABR Loans and 4.0% in the case of Eurodollar Loans, (y) if the initial Moody’s Rating is B1 and the initial S&P Rating is B+, in each case with at least a stable or better outlook, a margin of 3.75% in the case of ABR Loans and 4.75% in the case of Eurodollar Loans and (z) if neither clause (x) nor (y) above applies, 4.0% in the case of ABR Loans and 5.0% in the case of Eurodollar Loans.

Interest Payment Dates: In the case of ABR Loans, interest shall be payable in arrears on the last day of each quarter, upon any prepayment due to acceleration and at final maturity.

In the case of Eurodollar Loans, interest shall be payable in arrears on the last day of each interest period and, in the case of an interest period longer than three months, quarterly, upon any prepayment and at final maturity.

Agent and Arranger Fees: Such additional fees payable to the Administrative Agent and the Lead Arranger as are specified in the fee letter dated January 9, 2013, among the Administrative Agent, the Lead Arranger and the Company.

Default Rate: At any time when an event of default shall have occurred and is continuing, all overdue amounts shall bear interest at 2% above the rate otherwise

applicable thereto. Overdue interest, fees and other amounts shall bear interest at 2% above the rate applicable to the relevant ABR Loans.

Rate and Fee Basis: All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans) for actual days elapsed.

Exhibit B

\$225,000,000 SENIOR SECURED REVOLVING CREDIT FACILITY

Term Sheet
January 9, 2013

This Term Sheet is delivered with a commitment letter of even date herewith (the "Commitment Letter") from JPMorgan Chase Bank, N.A. and J.P. Morgan Securities LLC to the Company in connection with the Revolving Facility described below. Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to such terms in the Commitment Letter, Exhibit A and Exhibit C, as applicable.

I. Parties

Parent: A newly formed entity anticipated to be named Beechcraft Enterprises Holding, LLC ("Parent") which entity shall own Borrower.

Borrower: Beechcraft Holdings, LLC, an indirect, wholly-owned subsidiary of Parent (the "Borrower" or the "Company").

Lead Arranger and Bookrunner: J.P. Morgan Securities LLC ("JPMorgan" and in such capacity, the "Lead Arranger").

Administrative Agent and Collateral Agent: JPMorgan Chase Bank, N.A. ("JPMorgan Chase Bank" and in such capacities, the "Administrative Agent") and any other collateral agent selected by the Administrative Agent in consultation with the Borrower.

Lenders: A syndicate of banks, financial institutions and other entities (including JPMorgan Chase Bank) arranged by the Lead Arranger in consultation with the Company (collectively, the "Lenders").

II. Revolving Facility

Type and Amount: A 5 year revolving asset based loan facility (the "Revolving Facility"; the commitments under the Revolving Facility (the "Revolving Commitments") in the principal amount of \$225,000,000 (the loans thereunder, the "Revolving Loans", and together with the Term Loans and the Swingline Loans (as defined below), the "Loans").

Availability: The Revolving Facility shall be available on a revolving basis during the period commencing on the Closing Date and ending on the date that is 5 years after the Closing Date (the "Revolving Maturity Date"). The Revolving Facility Documentation shall contain provisions pursuant to which individual Lenders may agree to extend the maturity date of their outstanding Revolving Commitments upon the request of the Borrower and without the consent of any other Lender (it is understood that (i) no existing

Lender will have any obligation to commit to any such extension, (ii) each Lender under the class being extended shall have the opportunity to participate in such extension on the same terms and conditions as each other Lender under such class and (iii) any extended Revolving Commitments will be subject to pro rata borrowing and letter of credit participation with the non-extended Revolving Commitments until such time as the non-extended Revolving Commitments are terminated or expire).

Maturity: Borrowings under the Revolving Facility shall be repaid in full in cash, and the Revolving Commitments shall terminate, at the earlier of (a) the Revolving Maturity Date and (b) the acceleration of the Loans in accordance with the term of the Revolving Facility.

Incremental Facility: The Revolving Loan Documentation will permit the Borrower to increase the amount of the Revolving Facility (an “Incremental Revolving Facility”) in an aggregate principal amount not to exceed \$50,000,000; provided that (a) such Incremental Revolving Facility shall be secured on a pari passu basis with the Revolving Facility, (b) such Incremental Revolving Facility will be documented solely as an increase to the commitments with respect to the Revolving Facility, without any change in terms, (c) no default or event of default exists or would exist after giving effect the Incremental Revolving Facility, (d) the representations and warranties in the Revolving Loan Documentation shall be true and correct in all material respects immediately prior to, and immediately after giving effect to, the incurrence of such Incremental Revolving Facility (provided that any representations and warranties which expressly relate to a given date or period shall be required only to be true and correct in all material respects as of the respective date or for the respective period, as the case may be) and (e) each such Incremental Revolving Facility Increase shall be in a minimum amount equal to \$10,000,000 and there shall be no more than five (5) such increases. No existing Lender will be obligated to provide any portion of any Incremental Revolving Facility. Any person providing a portion of such Incremental Revolving Facility that is not an existing Lender shall become a Lender in connection herewith.

Swingline Loans A portion of the Revolving Facility not in excess of an amount to be agreed shall be available for swingline loans (the “Swingline Loans”) from the Administrative Agent on same-day notice. Any Swingline Loans will reduce availability under the Revolving Facility on a dollar-for-dollar basis. Each Lender under the Revolving Facility shall be irrevocably and unconditionally required to purchase, under certain circumstances, a participation in each Swingline Loan on a pro rata basis.

Letters of Credit: Up to \$100,000,000 of the Revolving Facility shall be available for the issuance of letters of credit (the “Letters of Credit”) by JPMorgan Chase Bank and any other Lender (or party who becomes a Lender) acceptable to the Borrower and reasonably acceptable to the

Administrative Agent (in such capacity, the “Issuing Lender”) to (i) replace or roll the letters of credit outstanding under the DIP Credit Agreement or (ii) otherwise support working capital needs or for general corporate purposes of the Loan Parties, and subject to a cap to be mutually agreed, the subsidiaries of the Borrower that are not Loan Parties. No Letter of Credit shall have an expiration date after five business days prior to the Revolving Maturity Date; provided, however, that (i) any Letter of Credit may provide for a stated maturity date following the maturity date of the Revolving Facility (provided that any such Letter of Credit is cash collateralized and subject to reimbursement mechanics satisfactory to the Issuing Lender) and (ii) any Letter of Credit with a maturity of longer than one year shall be subject to fees and expenses to be agreed. In addition Letters of Credit may be issued in foreign currencies with a maturity of one year or less and subject to a cap to be agreed on terms and conditions (including, without limitation, with respect to cash collateralization, fees, expenses, currency and reimbursement mechanics) satisfactory to the Issuing Lender.

Drawings under any Letter of Credit shall be reimbursed by the Borrower (whether with its own funds or with the proceeds of Revolving Loans) within one business day. To the extent that the Borrower does not so reimburse the Issuing Lender, the Lenders under the Revolving Facility shall be irrevocably and unconditionally obligated to fund (i) participations in the reimbursement obligations on a pro rata basis and (ii) Revolving Loans to the extent that any Letter of Credit is not cash collateralized in a manner satisfactory to the Issuing Lender in its sole discretion.

Borrowing Base:

(I) Borrowings under the Revolving Facility shall be limited by the Borrowing Base, which shall be defined as:

(a) the amount equal to the lesser of (i) 70% (or, for certain classes of eligible inventory to be agreed (including flight ready aircraft), 75% (the “***Increased Inventory Advance Rate***”)) multiplied by the value of each category of eligible inventory (which shall include (A) raw materials, (B) work in process inventory that is near complete, categorized as station three or other description as identified by the most current appraisal and subject to other criteria to be agreed, (C) finished goods, (D) parts (which may include spare parts or other parts that may be classified as raw materials or parts included within work in process inventory) and (E) may include other classifications to be determined by the Administrative Agent after completion of collateral diligence) of the Loan Parties and (ii) 85% of the Net Recovery Percentage of each category of eligible inventory multiplied by the value of such category of eligible inventory of the Loan Parties; provided that aircraft inventory shall only be eligible upon obtaining a perfected security interest satisfactory to the Administrative Agent in all respects, including (x) with respect to aircraft located in the United States (i) being an N-Registered Aircraft in the case of finished aircraft and the aircraft referenced in clause

(i)(B) above and (ii) an aircraft security agreement having been filed with the Federal Aviation Administration and the International Registry in respect of such N-Registered Aircraft and (y) with respect to aircraft located outside the United States, being subject to terms and conditions to be agreed, including with respect to eligibility, reserves and costs in connection with obtaining possession of such aircraft and liquidating such aircraft;

(b) the amount equal to cash used to cash collateralize Letters of Credit pursuant to the Revolving Loan Documentation; plus

(c) the sum of (i) 85% of the Loan Parties' eligible accounts receivable (including receivables with respect to contracts in process related to aircraft support and services, subject to eligibility criteria, reserves, advances rates and other limitations to be agreed) plus (ii) up to \$100,000,000 in unrestricted cash to the extent such cash is held by a Loan Party in an account subject to a perfected lien in favor of the Administrative Agent (provided that such cash has been deposited in such account on the date as of which the Borrowing Base is calculated, and remains in such account through the date as of which the Borrowing Base is tested), minus

(d) such Reserves (as defined below) as the Administrative Agent may establish in its Permitted Discretion (as defined below).

“Reserves” shall mean the sum of all reserves (including availability reserves), in such amounts and with respect to such matters, as the Administrative Agent may establish from time to time in its Permitted Discretion; provided, however, that (i) a reserve shall not be established to the extent it is duplicative of any other reserves or items that are otherwise excluded through eligibility criteria, and (ii) the amount of any reserve shall have a reasonable relationship as determined by the Administrative Agent in its Permitted Discretion to the event, condition or other matter that is the basis therefor.

“Permitted Discretion” shall mean a determination made in good faith and in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment by the Administrative Agent in accordance with customary business practices for comparable asset-based transactions. In exercising its Permitted Discretion, the Administrative Agent shall not establish or increase any Reserve except upon 5 days' prior notice (which may be by e-mail) to the Borrower following good faith discussions with the Borrower; provided further that prior notice and discussions with the Borrower shall not be required for Reserves for: (a) hedging obligations and obligations under treasury services agreements, in each case to the extent included in secured obligations; (b) rent at locations leased by any Loan Party; (c) consignee's, warehousemen's and bailee's charges; and (d) if in the good faith judgment of the Administrative Agent, failure to implement such Reserve immediately could reasonably be expected to result in a Material Adverse Effect or

materially and adversely affect the Collateral or the rights of the Lenders hereunder.

The amount of the “Net Recovery Percentage” means the fraction, expressed as a percentage (a) the numerator of which is the amount equal to the recovery on the aggregate amount of the applicable category of eligible inventory at such time on a “net orderly liquidation value” basis as set forth in the most recent acceptable inventory appraisal received by Administrative Agent in accordance with the requirements of the Revolving Loan Documentation, net of operating expenses, liquidation expenses and commissions reasonably anticipated in the disposition of such assets and any other costs and expenses in connection therewith and (b) the denominator of which is the original cost of the aggregate amount of the eligible inventory subject to such appraisal.

(II) “Available Credit” shall be defined as follows: at any time, the result of (a) the lesser of (i) the then effective Revolving Commitments and (ii) the Borrowing Base at such time (such lesser amount being referred to herein as the “Maximum Availability”) minus (b) the aggregate outstanding amount under the Revolving Facility at such time;

(III) Cash Dominion shall be effective at all times that the Available Credit is less than the greater of (a) 10% of Revolving Commitments and (b) \$15,000,000 until the date upon which the Available Credit is greater than or equal to the greater of (a) 10% of Revolving Commitments and (b) \$15,000,000 for a period of 20 consecutive days;

(IV) The Borrowing Base will initially be computed monthly by the Borrower and a certificate (the “Borrowing Base Certificate”) presenting the Borrower’s computation of the Borrowing Base will be delivered to the Administrative Agent within 20 days following the end of each month, provided that Borrowing Base Certificates shall be computed and delivered (i) biweekly if Available Credit is less than the greater of (a) 12.5% of Revolving Commitments and (b) \$15,000,000 until the date upon which the Available Credit is greater than or equal to the greater of (a) 12.5% of Revolving Commitments and (b) \$15,000,000 for a period of 20 consecutive days or (ii) weekly, except with respect to inventory which shall remain biweekly, if Available Credit is less than the greater of (a) 10.0% of Revolving Commitments and (b) \$15,000,000 until the date upon which the Available Credit is greater than or equal to the greater of (a) 10.0% of Revolving Commitments and (b) \$15,000,000 for a period of 20 consecutive days;

(v) The Administrative Agent (or its designee) may conduct up to one regular field examination per year and one additional field examination related to contracts in process and work in process (or, (x) if the Available Credit at any time during such year is less than the

greater of (a) 15% of Revolving Commitments and (b) \$17,500,000, twice per year for each type of field exam and (y) if an event of default has occurred and is continuing, unlimited field examinations); and

(vi) The Administrative Agent (or its designee) may conduct one regular inventory appraisal per year and one additional inventory appraisal related to contracts in process and work in process (or, (x) if the Available Credit at any time during such year is less than the greater of (a) 15% of Revolving Commitments and (b) \$17,500,000, twice per year for each type of inventory appraisal and (y) if an event of default has occurred and is continuing, unlimited appraisals).

Eligibility: The eligibility criteria for inclusion in, and reserves against, the Borrowing Base shall be established by the Administrative Agent in its Permitted Discretion, giving due regard to the reports prepared by the appraisers prior to the Closing Date, as updated from time to time.

III. Purpose; Certain Payment Provisions

Purpose: The proceeds of the Revolving Loans shall be used (a) for ongoing operating expenses, capital expenditures, working capital and other general corporate purposes of the Borrower, the other Loan Parties and their respective subsidiaries, (b) to refinance, in part, indebtedness outstanding under the DIP Credit Facility and (c) to pay the fees, costs and expenses incurred by the Company and its subsidiaries in connection with the Transactions.

Fees and Interest Rates: As set forth on Annex I.

Mandatory Prepayments: If at any time, the aggregate amount of outstanding Revolving Loans, unreimbursed Letter of Credit drawings and undrawn Letters of Credit under the Revolving Facility exceeds the Maximum Availability, then the Borrower will within one business day repay outstanding Revolving Loans and cash collateralize outstanding Letters of Credit in an aggregate amount equal to such excess, with no reduction of the Revolving Commitments (in each case, without any prepayment premium or penalty). The Administrative Agent shall be required, upon notice, to release any cash collateral used to cash collateralize Letters of Credit to the extent the aggregate amount of outstanding Revolving Loans, unreimbursed Letter of Credit drawings and undrawn Letters of Credit under the Revolving Facility no longer exceeds the Available Credit.

Optional Prepayments and Commitment Reductions: Revolving Loans may be prepaid and the Commitments may be reduced by the Borrower in minimum amounts to be mutually agreed upon (without premium or penalty), subject to limitations as to minimum amounts of prepayments and customary indemnification for breakage costs in the case of prepayment of Eurodollar Loans other than on the last day of an interest period.

IV. Collateral and Other Credit Support

Guaranties: The Loan Parties under the Term Loan Documentation shall unconditionally guarantee all of the indebtedness, obligations and liabilities of the Borrower arising under or in connection with the Revolving Loan Documentation.

Collateral and Priority: The Revolving Facility (and (i) all guarantees of the Revolving Facility by the Guarantors and (ii) any swap agreements (to the extent not secured, at the Borrower's sole option, under the Term Loan Facility) and cash management arrangements provided by any Revolving Lender (or any affiliate of a Revolving Lender)) shall be secured by (i) a perfected first priority lien on substantially all the cash, inventory and accounts receivable of the Loan Parties (subject to liens permitted under the Revolving Loan Documentation to be senior to the liens securing the obligations under the Revolving Facility (it being understood and agreed that no Borrowing Base credit shall be given for any assets encumbered by such liens)) (the "ABL Priority Collateral") and (ii) a perfected second priority lien on the Collateral (other than ABL Priority Collateral) subject, in each case, to the exclusions contained in the Term Loan Documentation.

Aircraft Registration Covenants: Substantially consistent with the Term Loan Documentation.

Intercreditor Agreement: The relative rights and priorities in the Collateral for the secured parties in the Revolving Facility and the Term Loan Facility will be set forth the Intercreditor Agreement, which shall be in form and substance reasonably satisfactory to each party thereto.

V. Certain Conditions

Initial Conditions: The availability of the Revolving Facility on the Closing Date will be subject only to (a) the delivery of a customary borrowing notice, (b) the conditions precedent set forth in Section 6 of the Commitment Letter and in Exhibit C, (c) the accuracy in all material respects (and in all respects if qualified by materiality) of the representations and warranties in the Revolving Loan Documentation (provided that any representations and warranties which expressly relate to a given date or period shall be required only to be true and correct in all material respects as of the respective date or for the respective period, as the case may be) and (d) there being no default or event of default under the Revolving Loan Documentation in existence at the time of, or after giving effect to, the extension of credit on the Closing Date.

On-Going Conditions: The making of each extension of credit shall be conditioned upon (a) the delivery of a customary borrowing notice, (b) the accuracy in all material respects of all representations and warranties in the Revolving Loan Documentation (provided that any representations and warranties which expressly relate to a given date or period shall be required only to be true and correct in all material respects as of the respective date or for the respective period, as the case may be) and, (c) there being no default or event of default under the

Revolving Facility in existence at the time of, or after giving effect to the making of, such extension of credit and (d) the Covenant Start Period (as defined below) not being in effect, unless the Borrower would be in pro forma compliance with the ABL Covenant (as defined below).

VI. Certain Documentation Matters

The Revolving Loan Documentation shall contain the following representations, warranties, covenants and events of default customary for financings of this type (which shall be, in each case, subject to materiality qualifiers, exceptions, thresholds and limitations to be mutually agreed upon):

Representations and Warranties:

Substantially consistent with the Term Loan Documentation modified as is reasonable and customary for asset based financings.

Affirmative Covenants:

Substantially consistent with the Term Loan Documentation modified only as is reasonable and customary for asset based financings (including (i) monthly collateral reporting and monthly borrowing base certificates (to be delivered no later than 20 days after the end of the month), (ii) periodic field examinations and appraisals, in each case as set forth above and (iii) within 90 days of the Closing Date (as may be extended by the Administrative Agent), entry into blocked account and/or lockbox agreements reasonably acceptable to the Administrative Agent for all depository accounts and cash concentration accounts of the Loan Parties included as collateral (subject to customary exceptions, including, exceptions for (x) payroll, trust and tax accounts and accounts in which bona fide customer deposits are deposited and (y) “zero balance” accounts from which balances are swept daily to a blocked account)).

Financial Covenant:

Limited to the following: with respect to any fiscal quarter in which the Available Credit is for a period of more than 3 business days (such 3 business day period, the “Covenant Start Period”) less than the greater of (x) 10% of Revolving Commitments and (y) \$15,000,000 (the “Covenant Commencement Date”), the Borrower shall maintain a fixed charge coverage ratio for the trailing four quarter period of at least 1.0:1.0 (the “ABL Covenant”), determined (i) as of the last day of the most recently completed fiscal quarter preceding the Covenant Commencement Date and (ii) as of the last day of each fiscal quarter occurring thereafter for the trailing twelve month period ending on each such date, until the Available Credit is equal to or greater than the greater of (x) 10% of Revolving Commitments and (y) \$15,000,000, in either case, for a period of 20 consecutive business days.

Negative Covenants:

Substantially consistent with the Term Loan Documentation modified as is reasonable and customary for asset based financings (including a “payment conditions” concept). For the avoidance of doubt, the negative covenants will also be subject to exceptions, qualifications and “baskets” to be set forth in the Revolving Facility

Documentation, including an available basket amount increasing based on certain criteria (including unapplied Excess Cash Flow and equity contributions not increasing EBITDA) to be mutually agreed, that may be used for investments, restricted payments and the prepayment or redemption of debt, subject to terms and conditions to be agreed.

Events of Default: Substantially consistent with the Term Loan Documentation modified only as is reasonable and customary for asset based financings.

Voting: Substantially consistent with the Term Loan Documentation modified only as necessary and as mutually agreed for asset based financings (including that (i) any amendments to the definition of Borrowing Base and related definitions and provisions, will require the consent of Lenders holding more than 66.7% of the aggregate amount of the Revolving Commitments and (ii) any amendments to increase the advance rates shall require the consent of each Lender).

Assignments and Participations: Substantially consistent with the Term Loan Documentation (including the Borrower's consent to assignments unless a default or event of default has occurred and is continuing) modified only as necessary and as mutually agreed for asset based financings.

Yield Protection: Substantially consistent with the Term Loan Documentation modified only as necessary and as mutually agreed for asset based financings.

Expenses and Indemnification: Substantially consistent with the Term Loan Documentation modified as necessary and as mutually agreed for asset based financings.

Confidentiality: Notwithstanding anything herein to the contrary, no Loan Party shall be required to provide the Administrative Agent, any Lender or any of their advisors or consultants with access to, or details concerning, any facility, document or information to the extent that such provision would, in such Loan Party's reasonable opinion, result in a violation of applicable law or regulation including, without limitation, International Traffic Arms Regulations.

Governing Law and Forum: New York.

Counsel to the Administrative Agent and the Lead Arranger: Simpson Thacher & Bartlett LLP.

Interest and Certain Fees

Interest Rate Options: The Company may elect that the loans (other than Swingline Loans) comprising each borrowing bear interest at a rate per annum equal to (a) the Alternate Base Rate plus the Revolving Applicable Margin or (b) the Adjusted LIBO Rate plus the Revolving Applicable Margin.

Swingline Loans will bear interest at a rate per annum equal to the Revolving Applicable Margin applicable to Revolving Loans at the ABR Rate.

As used herein:

“Revolving Applicable Margin” means, the margin specified below in the Pricing Grid based on Available Credit as set forth below.

Interest Payment Dates: In the case of ABR Loans, interest shall be payable in arrears on the last day of each quarter, upon any prepayment due to acceleration and at final maturity.

In the case of Revolving Loans based on the Adjusted LIBO Rate, interest shall be payable in arrears on the last day of each interest period and, in the case of an interest period longer than three months, quarterly, upon any prepayment and at final maturity.

Agent and Arranger Fees: Such additional fees payable to the Administrative Agent and the Lead Arranger as are specified in the fee letter dated January 9, 2013, among the Administrative Agent, the Lead Arranger and the Company.

Default Rate: At any time when an event of default shall have occurred and is continuing, all overdue amounts shall bear interest at 2% above the rate otherwise applicable thereto. Overdue interest, fees and other amounts shall bear interest at 2% above the rate applicable to the relevant ABR Loans.

Rate and Fee Basis: All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans) for actual days elapsed.

Commitment Fee: The Borrower shall pay a commitment fee calculated at a rate per annum equal to 0.375% (the “Commitment Fee Rate”) on the average daily unused portion of the Revolving Facility, payable quarterly in arrears. Swingline Loans shall, for purposes of the commitment fee calculations only, not be deemed to be a utilization of the Revolving Facility.

Letter of Credit Fees: The Borrower shall pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Revolving Applicable Margin then in effect with respect to Eurodollar Loans on the face amount of each such Letter of Credit. Such fee shall be shared ratably among the Lenders and shall be payable quarterly in arrears.

A fronting fee equal to 0.0125% per annum on the face amount of each Letter of Credit shall be payable quarterly in arrears to the Issuing Lender for its own account. In addition, customary administrative, issuance, amendment, payment and negotiation charges shall be payable to the Issuing Lender for its own account.

Pricing Grid:

Available Credit	Revolver Applicable Margin (LIBO Rate)	Revolver Applicable Margin (ABR)	
< 33%	2.25%	1.25%	
≥ 33% and < 67%	2.00%	1.00%	[]
≥ 67%	1.75%	0.75%	

EXHIBIT C

Conditions

The availability of the Facilities shall be conditioned upon satisfaction (or waiver) of the following conditions precedent on or before March 31, 2013. Capitalized terms used but not defined herein have the meanings set forth in the Commitment Letter to which this Exhibit C is attached and in Exhibits A and B thereto.

1. The Loan Parties shall have executed and delivered definitive financing documentation (a) with respect to the Term Loan Facility, including a credit agreement, security documents (including with respect to aircraft and their parts (the "Aircraft Mortgages")), guarantees and other customary legal documentation (collectively, the "Term Loan Documentation") and (b) with respect to the Revolving Facility, including a credit agreement, security documents (including Aircraft Mortgages), guarantees and other customary legal documentation (collectively, the "Revolving Loan Documentation", and together with the Term Loan Documentation, the "Facilities Documentation"), in each case, consistent with the terms of the Commitment Letter and the term sheets annexed thereto and otherwise reasonably satisfactory to the Company and the Lenders.

2. The Lenders, the Administrative Agent and the Lead Arranger shall have received all fees required to be paid under the Commitment Letter and the Fee Letter, and all reasonable, out-of-pocket expenses for which invoices have been presented, on or before the Closing Date.

3. All governmental and third party approvals necessary in connection with the financing contemplated hereby shall have been obtained and shall be in full force and effect.

4. The Administrative Agent shall have received (i) the audited consolidated financial statements of the Company for the three most recent fiscal years ended prior to the Closing Date as to which such financial statements are available, (ii) unaudited interim consolidated financial statements of the Company for each monthly and quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph as to which such unaudited interim financial statements are available, (iii) forecasts of the consolidated monthly income statement, balance sheet and cash flows, after giving effect to the Transactions, of the Company and its subsidiaries for each fiscal month through March 31, 2013, (iv) projections of the Borrowing Base on a monthly basis for the 10 months commencing with the month ended March 31, 2013 in form and substance reasonably acceptable to the Administrative Agent, (v) consolidated forecasts of the consolidated income statement, balance sheet and cash flows, after giving effect to the Transactions, of the Company and its subsidiaries for each fiscal year through fiscal year 2019 in form and substance reasonably acceptable to the Administrative Agent and (vi) a reasonably detailed receipts and disbursements forecast in form and substance reasonably acceptable to the Administrative Agent for the 13 weeks commencing with the week ended March 9, 2013.

5. The Administrative Agent shall have received such closing documents as are customary for transactions of this type or as it may reasonably request, including but not limited to resolutions, good standing certificates in each Loan Party's jurisdiction of formation, incumbency certificates, flood insurance certificates and related endorsements (to the extent required by applicable law), customary opinions of counsel, organizational documents, title insurance policies (to the extent in the Company's possession), financing statements and evidence of the filing for recordation with the FAA of the Aircraft Mortgage, together with any other filings, registrations (including with the International Registry of International Interests), documents, instruments, affidavits or certificates as the Administrative Agent may deem necessary or desirable to perfect and protect the liens created thereby (provided, that real property mortgages and certain other collateral to be agreed (the "Post Closing Collateral")) may be provided following the closing), all in form and substance reasonably acceptable to the Administrative Agent and the Lead Arranger. The failure to deliver the Post Closing Collateral shall not be a condition of closing so long as Borrower shall have used commercially reasonable

efforts to obtain them prior to closing and to the extent not delivered prior to the Closing Date, shall be delivered within a period of time to be agreed (as may be extended by the Administrative Agent).

6. The Administrative Agent shall have received a borrowing base certificate as of the most recent calendar month-end occurring at least 20 days prior to the Closing Date) with customary supporting documentation and supplemental reporting to be agreed between the Administrative Agent and the Company.

7. The Administrative Agent shall have received any requested environmental review reports prepared within the three years previous to the date hereof to the extent previously prepared and available to the Company.

8. Simultaneously with the funding of the Facilities, repayment in full of the DIP Facility, termination of the commitments thereunder and release of all liens granted thereunder (with such repayment in full, termination and release being evidenced by a payoff letter reasonably acceptable to the Administrative Agent).

9. Compliance with all applicable requirements of Regulations U, T and X of the Board of Governors of the Federal Reserve System.

10. Minimum unrestricted cash and cash equivalents of the Loan Parties (after giving effect to the Transactions) of \$30,000,000.

11. The Administrative Agent shall have received at least three days prior to the Closing Date all documentation and other information required by bank regulatory authorities under applicable “know-your-customer” and anti-money laundering rules and regulations, including the Patriot Act; provided, that, all such requests shall have been made at least five business days prior to the Closing Date.

12. Each Loan Party shall have executed and delivered the Intercreditor Agreement.

13. The Bankruptcy Court shall have entered one or more orders in form and substance reasonably satisfactory to the Administrative Agent and Commitment Parties (A) confirming the Plan, and the Plan shall not have been amended or modified in any manner that is materially adverse (as determined in good faith by the Administrative Agent and the Commitment Parties) to the rights and interests of the Administrative Agent, the Commitment Parties and any Lender and their respective affiliates, in their capacities as such, relative to the version filed with the Bankruptcy Court on December 10, 2012, without written consent of the Administrative Agent and the Commitment Parties, (B) authorizing and approving the extensions of credit in respect of the Facilities, each in the amounts and on the terms set forth in the Commitment Letter, and all transactions contemplated by the Facilities and (C) approving the payment by the Company of all of the fees provided for in the Fee Letter, the Commitment Letter and the Facilities. Such orders shall be in full force and effect and shall not have been vacated or reversed and shall not be stayed or subject to a motion to stay and shall not have been amended or modified in any manner that is materially adverse (as determined in good faith by the Administrative Agent and the Commitment Parties) to the rights and interests of the Administrative Agent, the Commitment Parties and any Lender and their respective affiliates without written consent of the Administrative Agent and the Commitment Parties. The effective date under the Plan shall have occurred, or contemporaneous with the funding of the Facilities shall occur, and all conditions precedent thereto as set forth therein shall have been satisfied or waived.

14. The Administrative Agent shall have received a certificate of the chief financial officer of the Borrower, stating that Parent and its subsidiaries, taken as a whole, are solvent, in each case, after giving effect to any Loans to be made on the Closing Date and Letters of Credit outstanding or to be issued on the Closing Date.

15. After giving effect to the Loans funded and the Letters of Credit issued on the Closing Date, the Available Credit plus unrestricted cash and cash equivalents of the Loan Parties shall be at least \$125,000,000.

16. The Administrative Agent shall have received evidence that all insurance required to be maintained pursuant to the Definitive Documentation has been obtained and is in effect (or soon thereafter shall become effective pursuant to arrangements reasonably satisfactory to the Administrative Agent) and that the Administrative Agent has been named as loss payee or additional insured, as appropriate, under each insurance policy with respect to such liability and property insurance as to which the Administrative Agent shall have reasonably requested to be so named.

Exhibit D

Borrower Authorization Letter for **Private-Side** Information Materials



Hawker Beechcraft Acquisition Company, LLC
10511 East Central
Wichita, Kansas 67206
B091-S03

[Date]

J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

Ladies and Gentlemen:

We refer to the proposed \$225,000,000 senior secured revolving credit facility (the "**Revolving Facility**") and the proposed \$375,000,000 senior secured term loan facility (the "**Term Loan Facility**"), and together with the Revolving Facility, the "**Facilities**") for Hawker Beechcraft Acquisition Company, LLC (the "**Company**") that you are arranging at our request, and the information materials forwarded herewith (collectively, the "**Evaluation Material**"). We have reviewed or participated in preparing the Evaluation Material and the information contained therein.

The Company has reviewed the Evaluation Material and represents and warrants that the Evaluation Material does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in the light of the circumstances under which such statements were made. Any management projections or forward-looking statements included in the Evaluation Material are based on assumptions and estimates developed by management of the Company in good faith and management believes such assumption and estimates to be reasonable as of the date of the Evaluation Material. Whether or not such projections or forward looking statements are in fact achieved will depend upon future events, some of which are not within the control of the Company. Accordingly, actual results may vary from the projections and such variations may be material. The projections included in the Evaluation Material should not be regarded as a representation by the Company or its management that the projected results will be achieved.

We request that you distribute the Evaluation Material to such financial institutions as you may deem appropriate to include in the Facilities.

Yours sincerely,

K.J. Tjon
Chief Financial Officer and Treasurer

Authorization Letter for **Public-Side** Information Materials



Hawker Beechcraft Acquisition Company, LLC
10511 East Central
Wichita, Kansas 67206
B091-S03

[Date]

J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

Ladies and Gentlemen:

We refer to the proposed \$225,000,000 senior secured revolving credit facility (the "**Revolving Facility**") and the proposed \$375,000,000 senior secured term loan facility (the "**Term Loan Facility**", and together with the Revolving Facility, the "**Facilities**") for Hawker Beechcraft Acquisition Company, LLC (the "**Company**," together with its affiliates, the "**Parties**") that you are arranging. The Company has reviewed the following documents: term sheet, Confidential Information Memorandum, information supplements, lender slide presentation and our audited and unaudited financial statements (all the foregoing materials, the "**Evaluation Materials**"). "Evaluation Material" also includes any additional information or documentation prepared after the date hereof in connection with the syndication of the Facilities, which information the Company agrees to confirm (by email or other written communication) do not contain material, non-public information with respect to any of the Parties or their respective securities within the meaning of the United States federal and state securities laws (such laws, the "**Securities Laws**" and such information, "**MNPI**").

We hereby authorize your distribution of Evaluation Materials and draft and execution versions of the credit agreements for the Facilities (including without limitation, schedules and exhibits thereto) and any agreements entered into in connection therewith (collectively, the "**Loan Documents**"), during the syndication, and after the closing, of the Facilities to existing and potential lenders that do not wish to receive MNPI ("**Public-Siders**") by posting such materials and documents to IntraLinks sites established to syndicate and thereafter to administer the Facilities on an on-going basis (the "**Agency Site**"), respectively. The Company acknowledges its understanding that Public-Siders may be trading in any of the Parties' respective securities while in possession of the Evaluation Materials and Loan Documents.

The Company represents and warrants that none of the information in the Evaluation Materials or the Loan Documents to be provided to Public-Siders constitutes or contains MNPI with respect to the Borrower or any of its affiliates. To the extent that any of the Evaluation Materials or executed Loan Documents constitutes MNPI at any time after the date hereof, the Company agrees that it will promptly make such information publicly available by press release or public filing with the Securities and Exchange Commission.

The Company further represents and warrants that the Evaluation Materials do not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements were made.

Yours sincerely,

K.J. Tjon
Chief Financial Officer and Treasurer

EXHIBIT C

Redacted Fee Letter

EXECUTION VERSION

J.P. MORGAN SECURITIES LLC
383 Madison Avenue
New York, New York 10179

JPMORGAN CHASE BANK, N.A.
270 Park Avenue
New York, New York 10017

January 9, 2013

Hawker Beechcraft Acquisition Company, LLC
10511 East Central
Wichita, Kansas 67206
B091-S03

Attention: K.J. Tjon
Chief Financial Officer and Treasurer

Fee Letter

Ladies and Gentlemen:

Reference is made to the Commitment Letter dated the date hereof (including the Term Sheets attached thereto, the "Commitment Letter") between us and you regarding the Transactions described therein. Capitalized terms used but not defined herein are used with the meanings assigned to them in the Commitment Letter. This letter agreement is the Fee Letter referred to in the Commitment Letter.

1. Fees

As consideration for the agreements and commitments under the Commitment Letter, you agree to pay or cause to be paid the following fees:

- a) To JPMorgan Chase Bank, an underwriting fee (the "Term Underwriting Fee") in an amount equal to [], with (i) [] of such Term Underwriting Fee being earned on the date hereof and being due and payable upon the earlier of (x) the Closing Date and (y) the termination of the Term Loan Facility commitments under the Commitment Letter and (ii) [] of such Term Underwriting Fee being earned, due and payable on the Closing Date.
- b) To JPMorgan Chase Bank, an underwriting fee (the "Revolving Underwriting Fee") in an amount equal to [], with (i) [] of such Revolving Underwriting Fee being earned on the date hereof and being due and payable upon the earlier of (x) the Closing Date and (y) the termination of the Revolving Facility commitments under the Commitment Letter and (ii) [] of such Revolving Underwriting Fee being earned, due and payable on the Closing Date.
- c) To the Lenders, upfront fees (the "Upfront Fees") of (i) in the case of Lenders under the Term Loan Facility, [] of their commitments under the Term Loan Facility on the Closing Date and (ii) in the case of Lenders under the Revolving Facility, [] of their commitments under the Revolving Facility on the Closing Date. The Upfront Fees will be for providing the Facilities and

shall be earned and payable on the Closing Date. At the option of the Lead Arranger, the Upfront Fees may be structured as original issue discount, it being understood and agreed that if so structured, all calculations of interest and fees will be calculated on the basis of their full stated principal amount.

- d) To the Administrative Agent, for its own account, an annual administration fee for the Term Loan Facility in an amount equal to [], such fee shall be payable on the Closing Date and each anniversary thereof.
- e) To the Administrative Agent, for its own account, an annual administration fee for the Revolving Facility in an amount equal to [], such fee shall be payable on the Closing Date and each anniversary thereof.
- f) To the Administrative Agent, for its own account, an annual collateral monitoring fee for the Revolving Facility in an amount equal to [], such fee shall be payable on the Closing Date and each anniversary thereof.

You agree that, once paid, the fees or any part thereof payable hereunder shall not be refundable under any circumstances. All fees payable hereunder shall be paid in immediately available funds and shall be in addition to reimbursement of our out-of-pocket expenses as provided for in the Commitment Letter. You agree that we may, in our sole discretion, share all or a portion of any of the fees payable pursuant to this Fee Letter with any of the other Lenders.

2. []

3. Miscellaneous

It is understood and agreed that this Fee Letter shall not constitute or give rise to any obligation to provide any financing; such an obligation will arise only to the extent provided in the Commitment Letter if accepted in accordance with its terms. This Fee Letter may not be amended or waived except by an instrument in writing signed by each Commitment Party and you. This Fee Letter shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York. This Fee Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this letter agreement by facsimile transmission or electronic transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart hereof.

The provisions of this Fee Letter shall survive the expiration or termination of the Commitment Letter (including any extensions thereof). You agree that this Fee Letter and its contents are subject to the confidentiality provisions of the Commitment Letter.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Please confirm that the foregoing is our mutual understanding by signing and returning to us an executed counterpart of this Fee Letter.

Very truly yours,

JPMORGAN CHASE BANK, N.A.

By: _____
Name:
Title:

J.P. MORGAN SECURITIES LLC

By: _____
Name:
Title:

Accepted and agreed to as of the date first written above:

HAWKER BEEHCRAFT ACQUISITION
COMPANY, LLC

BY: HAWKER BEEHCRAFT, INC., its Sole
Member

By: _____
Name: K.J. Tjon
Title: Chief Financial Officer and Treasurer

EXHIBIT D

Declaration of Agnes K. Tang

James H.M. Sprayregen, P.C.
Paul M. Basta
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

- and -

Patrick J. Nash, Jr. (*admitted pro hac vice*)
Ross M. Kwasteniet (*admitted pro hac vice*)
KIRKLAND & ELLIS LLP
300 N. LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Counsel to the Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
HAWKER BEECHCRAFT, INC., <i>et al.</i> , ¹)	Case No. 12-11873 (SMB)
Debtors.)	(Jointly Administered)

**DECLARATION OF AGNES K. TANG IN SUPPORT OF THE
DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE
DEBTORS TO (A) ENTER INTO AN EXIT FINANCING COMMITMENT
LETTER AND FEE LETTER, (B) INCUR AND PAY ASSOCIATED
FEES AND EXPENSES, AND (C) PROVIDE RELATED INDEMNITIES**

1 The Debtors in the chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Hawker Beechcraft, Inc. (2598); Arkansas Aerospace, Inc. (7496); Beech Aircraft Corporation (0487); Beechcraft Aviation Company (3548); Hawker Beechcraft Acquisition Company, LLC (8770); Hawker Beechcraft Corporation (5770); Hawker Beechcraft Defense Company, LLC (5891); Hawker Beechcraft Finance Corporation (8763); Hawker Beechcraft Global Customer Support Corporation (7338); Hawker Beechcraft Holding, Inc. (6044); Hawker Beechcraft International Delivery Corporation (6640); Hawker Beechcraft International Holding LLC (6757); Hawker Beechcraft International Service Company (9173); Hawker Beechcraft Notes Company (0498); Hawker Beechcraft Quality Support Company (7800); Hawker Beechcraft Regional Offices, Inc. (3889); HBC, LLC (N/A); and Rapid Aircraft Parts Inventory and Distribution Company, LLC (N/A). The location of the Debtors' corporate headquarters and the Debtors' service address is: 10511 East Central, Wichita, Kansas 67206.

I, Agnes K. Tang, declare under penalty of perjury as follows, pursuant to the provisions of 28 U.S.C. § 1746:

1. I am a managing director at Perella Weinberg Partners (“PWP”), an independent financial services firm serving as investment banker to Hawker Beechcraft, Inc. and the other above captioned debtors and debtors-in-possession (collectively, the “Debtors”). I make this declaration in support of the *Debtors’ Motion for Entry of an Order Authorizing the Debtors to (A) Enter into an Exit Financing Commitment Letter and Fee Letter, (B) Incur and Pay Associated Fees and Expenses, and (C) Provide Related Indemnities* (the “Motion”).

2. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge, my review of relevant documents, my opinion, my experience as a financial professional, my familiarity with the Debtors’ businesses or my conversations with the Debtors’ employees or their other professional advisors. If called on to testify, I could and would testify to the facts and opinions set forth herein.

D. The Debtors’ Exit Financing Process

3. In November 2012, the Debtors, with the assistance of PWP launched an extensive search for exit financing. The Debtors and PWP, in consultation with the committee representing the holders of a majority of the obligations under Debtors’ prepetition senior secured credit facility (the “Ad Hoc Committee of Senior Secured Lenders”), requested exit financing proposals from a targeted group of fifteen potential lenders. Of these fifteen parties, ten executed confidentiality agreements and were granted access to extensive diligence materials through a data-room established by PWP and the Debtors. The data-room provided insight into all relevant aspects of the Debtors’ businesses and financial condition, including (a) the Debtors’ business plan and financial projections, (b) the Debtors’ contracts and leases with key vendors

and business partners, (c) the Debtors' tax attributes and obligations, (d) employee issues, (e) licensing and regulatory issues, and (f) information on ongoing and potential litigation and claims against the Debtors and their insurance coverage with respect to such claims.

4. In addition to the due diligence performed via the data-room, the Debtors and their advisors met with five potential lenders to discuss the terms of potential exit financing facilities. After receiving favorable initial indications of interest from JPMorgan Chase Bank, N.A. and J.P. Morgan Securities LLC (together, the "Commitment Parties") and certain other lenders (collectively, the "Potential Exit Lenders"), the Debtors and their advisors carefully analyzed the preliminary indications of interest and engaged in further negotiations with each of the Potential Exit Lenders regarding their proposals. Thereafter, the Debtors received revised formal draft commitment proposals from four of the Potential Exit Lenders. Following additional rounds of extensive, arm's-length, and good faith negotiations with these lenders, the Debtors received further revisions on three of the commitment proposals from the Potential Exit Lenders. Ultimately, after reviewing each of the proposals from the Potential Exit Lenders and after consulting with the advisors to the Creditors' Committee, the Ad Hoc Committee of Senior Secured Lenders, and the Ad Hoc Committee of Senior Noteholders, the Debtors selected the Commitment Parties' proposal as the most favorable and most viable exit financing package.

5. I believe that the Commitment Parties' proposed exit financing is the most favorable and most viable exit financing package. Further, I believe the Commitment Parties' proposed exit financing satisfies the Debtors' post-emergence needs and will facilitate consummation of the Debtors' plan of reorganization within the Debtors' anticipated timeline for emergence in the first quarter of this year. In arriving at this conclusion, I worked with my team at PWP to first analyze the liquidity needs and debt capacity of the Reorganized Debtors.

Based upon our analysis, it is my opinion that (a) a \$375 million senior secured term loan facility and (b) a \$225 million senior secured asset-based revolving credit facility (together, the “Exit Financing”) will allow the Debtors to emerge from chapter 11 and provide sufficient liquidity to support and sustain operations following their emergence from bankruptcy. Specifically, the proceeds from the term loan facility will be used to pay in full all outstanding amounts under the super-priority \$400 million debtor-in-possession facility, pay certain settlement and cure payments, and provide working capital to the reorganized Debtors for their business operations and other general corporate purposes. The proceeds from the revolving facility likely will remain undrawn on the effective date of the Debtors’ plan of reorganization (except that certain letters of credit will be issued under the revolving facility in support, or as a replacement, of existing letters of credit), and will be available thereafter to support the Debtors’ operating needs.

6. In addition, I believe that the fees, expenses, and indemnification obligations provided for in the exit financing commitment letter and related fee letter (together, the “Exit Financing Letters”) are fair and reasonable in light of the type of transaction and the size of the Debtors’ proposed exit financing and reflect market terms and conditions. Moreover, I believe that the payment of the fees and expenses and the incurrence of the indemnification obligations under the Exit Financing Letters are necessary to ensure that the Commitment Parties work expeditiously toward final documentation of the Exit Financing.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: January 11, 2013

Respectfully submitted,

/s/ Agnes K. Tang

Agnes K. Tang

Managing Director of Perella Weinberg Partners, Financial
Advisor to the Debtors